



## WHY WOULD AN ARCHITECT TELL A CLIENT NOT TO BUILD?

Anthony Roesch | Director of Healthcare Consulting

This is Tony Roesch with HOK Healthcare Consulting. I've been labeled as an architect who tells a client not to build.

The reason why I might make that statement to a client is because we as a practice [Healthcare Consulting] are involved in the strategic planning, the upfront planning. The clients basically have given us the responsibility to recommend how capital is spent. We have to really become that trusted advisor. In some ways we want to bring that objectivity to our clients and sort of convince ourselves there is a reason or a need to build.

Things have changed and evolved in healthcare in the last 10-15 years where it's no longer the motto "build it and they will come." We're at a post healthcare reform era. The payment structures for building, for paying for the building have changed and have created increased uncertainty. It just makes the financial viability of building a project not only just expensive but financially difficult to make a significant return on that investment.

All projects are at risk at any moment, at any time. So that's why we have the scrutiny that we go in there in our strategic planning and in developing our capital plans and capital strategies to make sure there's a proper return on investment as they go forward.

We're very involved in the initial capital spend, which is a the building, design, construction. From a client's perspective they look at it much broader. In essence, if you're buying a house, you pay for the price of the house, but then you've got a mortgage to cover for a long time. That's the return, that's the financial investment they're actually making.

So, it's not the tens of millions or hundreds of millions they're investing at the moment, it's actually the paying back. That's why things like reduction in cost, savings, sustainability, efficiency, things like that all have to be placed into the strategy as we go forward. That's what we try to look at and that's why I'll ask: "Do you really need to build a building?"

Because it really is the responsibility of not only the client but the architect to make sure what we build is not only beautiful, sustainable, focused on the patients, but



lastly affordable.