



ABM *Perspectives*

Why deferred maintenance has become a business risk

By Ashley Bradarich, Manas Malik, and Richard Phelps





A rooftop HVAC unit is repaired instead of replaced. A lighting upgrade is pushed to next year. A roof is patched for the third time. None of these decisions feels significant on its own. Together, they represent a pattern playing out across the built environment: necessary work postponed because the budget is not there, because something else came up, or because nothing has broken yet.

America's building stock is aging. Much of the nation's commercial and institutional infrastructure has passed the point at which buildings become candidates for major renovation, and the hidden distribution systems inside them – HVAC, electrical, and plumbing – are approaching the end of their expected service lives. As these systems age, deferred maintenance has a way of becoming deferred risk. At some point, the cost of waiting exceeds the cost of acting.

When organizations think about modernization, they often picture robotics and AI. Those technologies matter, but for most facilities, modernization starts somewhere more fundamental: with the maintenance debt that has been quietly building up. Energy inefficiency, emergency repairs, and shortened asset life are costs that compound slowly, then land all at once when something fails. No building technology can deliver its full value on a neglected foundation.

What deferred maintenance actually costs

Deferred maintenance may appear to be a facilities problem, but building owners ultimately pay the price for postponed work. Industry assessments have placed the nation's accumulated maintenance backlog in the range of a trillion dollars, and the cost of that backlog grows each year it goes unaddressed.

The mechanics of that growth are straightforward. Aging HVAC, electrical, lighting, and controls systems quietly drain energy budgets month over month. Assets that could have been maintained and extended are replaced sooner than necessary. And when a system fails unexpectedly, the cost to fix it is significantly higher than the cost of a planned upgrade – before accounting for emergency labor, lost productivity, and the disruption to occupants.

Deferred maintenance can feel like a way to save money in the short term. In practice, it leads to a larger financial outlay later. The question is not whether an organization will spend money on its infrastructure. It is when, and on whose terms.

Three risks of deferred maintenance

Deferred maintenance creates several problems at once. Three appear most often in budget conversations.

Operational risk

A building that runs too hot in summer, a lighting system that fails, an elevator that goes down during peak hours – these are more than inconveniences. They are disruptions that affect productivity, occupant experience, and the credibility of everyone responsible for keeping the building running. Aging systems do not fail on a schedule, and unplanned failure touches every part of the business the building supports.

Financial risk

Reactive repairs cost more than planned ones. Maintenance costs that are deferred compound over time, while inefficient systems inflate operating expenses that a planned upgrade would have eliminated. The result is a shift in how capital is spent: money that could have funded strategic investment is consumed by emergency response instead. The cost is not avoided. It is simply paid later, and at a higher price.

Compliance and resilience risk

Climate volatility is turning what used to be edge-case weather events into baseline planning assumptions. Facilities with aging infrastructure are less equipped to handle grid stress, extreme heat, or extended power disruptions. They are also less able to meet the energy and emissions benchmarks that regulators, boards, and tenants increasingly require.

Resilience in this context means more than surviving a crisis. It means maintaining continuity when conditions become difficult and demonstrating to stakeholders that the facility is built to do so. Deferred maintenance makes both harder.

Moving from reactive maintenance to strategic planning

Most facilities do not fall into deferred maintenance by choice. They fall into it because there is no roadmap – only a series of decisions made under pressure, one budget cycle at a time. Reversing that pattern requires three steps.

Establish a baseline

Proactive planning starts with a systematic look at the state of each asset, its remaining useful life, and where the gaps are. Many facility teams operate without this complete picture: assets are untagged, procedures are undocumented, and failures create chaos rather than triggering a defined response.

A condition assessment changes that. It establishes what the organization has, what it is worth, and what it is likely to cost if no action is taken. Not everything needs attention immediately, but everything should be accounted for and assigned a level of criticality. Some systems create an emergency if they fail; others have more runway. Understanding that distinction is what allows teams to prioritize intelligently rather than reactively.

Build a roadmap, not a wish list

An assessment is only valuable if something is done with the data – and this is the step many organizations have yet to take. Ideally, the assessment produces a multi-year capital roadmap: a living plan that connects asset condition to budget, prioritizes investment by risk and impact, and gives finance and operations a shared view of what is coming and when.

Modern capital planning tools support this shift by tracking asset health, remaining useful life, and budget against actual spend. Where a manufacturer's specification might suggest a ten-year lifespan, performance data can indicate the true remaining life of a specific asset, allowing budgets to be adjusted well ahead of a failure. This is the shift from patching to planning – from reacting to individual failures to managing the facility as the strategic asset it is.

Prioritize and fund what matters most

A good roadmap does not treat every asset equally. It reflects criticality – the systems where failure carries the highest operational, financial, or safety consequences – and sequences investment accordingly. It also creates the documentation that makes the business case internally: not simply a request to spend money on infrastructure, but a clear account of what the organization has, what it is costing, and what a planned investment will return.

Funding does not always require new capital. Financing structures such as infrastructure-as-a-service allow organizations to fund necessary upgrades through the operational savings those upgrades generate, converting what feels like a capital expenditure into a self-funding investment. In many cases, the capital is already trapped within the existing operating budget. The work is unlocking it.

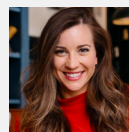
Preparing for modernization

The math on deferred maintenance is clear. Every year of inaction adds to the bill through compounding costs, degraded assets, and systems increasingly unable to support the needs of the business. The organizations that get ahead of it are not spending more. They are spending smarter, on their own terms, with a plan that connects today's decisions to tomorrow's outcomes.

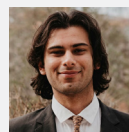
The goal is not only to stop the bleeding. It is to build a facility that performs. Electrification is accelerating, vehicle fleets need charging infrastructure, on-site generation and battery storage are moving from optional to necessary, and smart building technology is maturing quickly. All of these capabilities depend on sound underlying infrastructure. Facilities that address their deferred maintenance debt are the ones positioned to take advantage of what comes next.

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ABOUT THE AUTHORS



Ashley Bradarich is an award-winning integrated facilities management (IFM) leader with more than a decade of experience developing and implementing workplace solutions for life sciences and advanced manufacturing clients. She specializes in strategic partnerships, complex IFM pursuits, operational transformation, and delivering integrated service models that improve performance and customer experience.



Manas Malik is a Senior Product Manager at ABM, where he leads AI and data-driven solutions that improve facility operations and client outcomes. His work focuses on predictive maintenance, asset intelligence, and digital products that help organizations make smarter maintenance and investment decisions.



Richard Phelps is Regional Vice President, Infrastructure Solutions at ABM. He works with public- and private-sector organizations to develop financial strategies addressing facility and infrastructure needs, with experience spanning all aspects of owning and operating facilities along with facility improvement planning.