

House-building companies and return

Lately news about money reserves in excess within house-building companies appear regularly. Even election programs nowadays mention that these reserves should be shortened.

Many dwellings were built in the sixties and seventies of the 20th century, a period of large economic growth. Now that these dwellings have reached the age of about 50, they must be replaced or at least thoroughly renovated.

Also the changing demands at the housing market lead to replacement investments at this moment.

So the question is if house-building companies really have the disposal of such extensive reserves. Apart from that, not having the disposal of these reserves would lead to much higher funding costs... Also the expected output of new investments in the social house construction can be questioned.

S&G and partners has developed a method – including supporting software – to calculate new housing or replacement projects, based on life cycle costing. With this method a number of variants is calculated quickly per project, such as a shorter lifespan, changes in maintenance costs, increasing taxes, “to build smarter”.

S&G has the software to examine the costs thoroughly:

- Where do we find the costs in the past years?
- What are the costs over the lifespan?
- What is the economic effect of the maintenance?

These so called quantitative maintenance analyses are a unique product. The results are used to reduce maintenance costs without any quality loss, but also to obtain an insight of the maintenance costs for the benefit of the life cycle costing calculations.

With the obtained insights we can figure out various long term scenarios then, where at all financial, economic and “technical” effects will be quantifiable.



Our approach

S&G and partners performs only assignments which are profitable for the customer. The results must lead to cost savings and S&G therefore is still searching for better economic solutions.

That does not automatically mean that the initial expenditures must be reduced.

Because the initial expenditures are an important item for many house-building companies, we also think about lease solutions, then the initial costs are lower, next to the yearly costs.

The first step – free of charge – is calculating an example project of the possible customer. S&G reads dwelling files in the LCC-software and shows that cost savings are possible. Then we come to business.

The next step will be critically calculating all new housing and replacement projects and performing the quantitative analyses and the long term analyses.

An essential part of our approach is training. The assigned employees of the house-building companies will be trained in detail to follow the offered information and to apply it oneself.

The software LCC-Lite and LCC-AM/QM that is used for the analyses can naturally be purchased by the house-building companies.

S&G and partners is active in The Netherlands, Belgium, Germany, Hungary, Czech Republic in the sectors utilities, energy production, real estate, engineering offices and contractors.

S&G and partners is co-operating with “Stichting Slim bouwen” (“Foundation Building Smart”, a Dutch foundation promoting new building systems) and with some parties in the area of alternative energy generation.

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