

Consider more than initial costs when building New ASAQS Guide to Life Cycle Costing 2018 document to assist built environment professionals

There is a growing need among both public and private sector building owners and property developers to gain greater insight into what their buildings will actually cost them over their lifespan. The Association of South African Quantity Surveyors (ASAQS) is set to launch a new document that will guide professionals in the built environment on the importance of calculating the Life Cycle Cost of a building and how to calculate these costs.

"The production of this document is part of the ASAQS mandate to provide value back to our members by equipping them with resources that will enhance their service offering back to their clients," explains Larry Feinberg, ASAQS Executive Director.

Life Cycle Costing (LCC) is the total costs of an asset over its entire operating life, including initial acquisition costs, and subsequent running costs. ASAQS EduTech Director, Karl Trusler, says that traditionally, the most important factor taken into account when considering the development of a project are the initial capital costs.

The running costs of a building over the long term, however, far outweigh the initial capital costs, which means that everyone from quantity surveyors and other professionals to building owners and developers should reconsider their approach to the materials and equipment they choose and the design decisions and construction methods they opt for.

A long-term approach to property assets
"Even though buildings are capable to remaining operational for 100 years and longer, service components and certain finishes and fittings within a building generally have a much shorter life span. Therefore, for the purpose of LCC calculations, a time period of 30 to 40 years for the design life of a building is recommended as there are few advantages in going beyond 40 years."

"The initial capital investment is only the tip of the iceberg when considering the Total Life Cycle Cost of a project. It's the part we all see, but what we do not always see is the much larger portion of the costs that will be spent on maintaining the building over its lifespan," says Trusler. "Instead of presenting clients with a cost report indicating the initial cost of erecting a building only, what is needed is a way to show clients what type of costs they are likely to incur to maintain a building over an extended period of time. The new LCC document will equip people with the 'why' and 'how' to go about doing this."

The document, which will be launched during the gala evening of the 10th South African Council for the Quantity Surveying Professions International Research Conference on 1 October 2018, is the product of years of research and work. The three main contributors of the document are Dr HOFFIE CRUYWAGEN of the University of Pretoria's Department of Construction Economics, Dr DEEN LETCHMIAH, Chairperson of the Board of Directors of LDM Consulting and President of the SACQSP, and DANIE HOFFMAN, a Board Member of the ASAQS.

"The first half of the document provides background and insights on what LCC is. It offers an academically-researched build-up to the second part of the document, which looks at LCC exercises and practical examples on how to go about providing clients with LCC analysis," says Trusler.

Lifecycle costing to become the norm
Internationally, LCC is being seen as a means to promote green and sustainable infrastructure procurement for the public sector, and for good reason.

"When you consider the long-term use of public buildings and infrastructure, it makes sense for a complete Life Cycle Cost analysis to be undertaken on proposed developments. This information provides the means to make decisions that will ensure sustainable public sector procurement. In the private sector, developers with a long-term view for their property investments should be interested in these figures for similar reasons. The new LCC document will guide professionals on best practices and the practical application of LCC," concludes Trusler.

