EXPOSURE DRAFT – FEASIBILITY STUDIES

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Effective: 
Review: 
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Technical Information Papers

The principal objective of a Technical Information Paper (TIP) is to reduce diversity of practice by identifying commonly accepted processes and procedures and discussing their use. A TIP is designed to be of assistance to property professionals and informed users alike.

A TIP will do one or more of the following:

• provide information on the characteristics of different types of asset that are relevant to the advice,
• provide information on appropriate practices and their application
• provide information that is helpful to property professionals in exercising the judgements they are required to make in specific situations.

A TIP does not:

• provide training or instruction,
• direct that a particular approach or method should or should not be used in any specific situation.

The contents of a TIP are not intended to be mandatory. Responsibility for choosing the most appropriate approach is the responsibility of the property professional based on the facts of each task.

Whilst TIPs are not mandatory, it is likely they will serve as a comparative measure of the level of performance of a Member. They are an integral part of “Professional Practice”.

The reader should understand that legislation may change and whilst this TIP is accurate and relevant at the time it was completed, relevant referred reading and legislation should be investigated at the time of relying on this TIP.
Feasibility Studies

1.0 Introduction

1.1. Objective

The objective of this TIP is to provide members with an understanding of the framework and practical application necessary to carry out feasibility studies in order to determine the viability of a particular development of real estate.

1.2 Scope of this TIP

This TIP applies to members involved in the provision of property advice and assessment of capability and viability of developing real estate. It should be used in conjunction with other TIP’s and or practice standards which are either overarching or directly applicable to the issues involved.

1.3 Certifications

The API has specific certification for a specific Certified Development Practitioner (CDP) for which this TIP would be most applicable, however, there are various other certifications which may depending upon the role of the property professional be relevant including;

- Certified Property Practitioner (CPP)
- Certified Development Practitioner (CDP)
- Certified Practicing Valuer (CPV)

2.0 Definitions

The following are terms that have particular relevance to and are utilised in this TIP. Other words and terms also defined in the current API Glossary of Property Terms may be used in this TIP but are not listed below in the interest of brevity.

Feasibility study The process of undertaking an assessment to identify the opportunities and risks of a property development project and or property investment and to estimate the costs, revenues and profit potential of the project.

Highest and best use The use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible.

Residual Land Value Is deducted from an analysis of a proposed development in which the gross realisation of the developed land is contemplated and from which is deducted all costs associated with achieving the anticipated gross realisation. A representation of applicable costs is set out in an exampled feasibility analysis later in this TIP. The residual land value is that price which a developer can afford to pay to purchase the land knowing all the variable input costs associated with the proposed development in order to achieve the anticipated gross realisation.

Institute All references to institute mean API/ PINZ.

Investment yield The calculated return measured against a particular basis/value of investment.
Product yield: The most efficient and marketable product capable of development upon the identified site. For clarity, in this TIP product yield (and its value) is interchangeable with the term gross realisation.

3.0 Feasibility Studies in Practice

Following are broad headings which should be addressed in completing your reporting to the client. For a more expanded description of the below – refer to Annexure 3 attached to this TIP.

- Basis of appointment
- Land description
- Location
- Site details
- Services
- Planning and other statutory requirements
- Evaluation of development potential
- Proposed Development
- Schedule of anticipated costs and revenues
- Total Development program
- Professional responsibilities

3.1 Preliminary Considerations

Understanding the scope of the client’s brief is fundamental to addressing the client’s specific needs and objectives. The initial consultation will involve listening to what the client has to say and asking appropriate questions and, subject to experience, making comments and recommendations.

This will be particularly important where the client may be unsure as to what type of development they are considering as well as the opportunities that may be available. It may be necessary to extend beyond the actual issue in order to establish the context in which the feasibility is to be carried out.

In establishing the brief, it is important to understand the client’s objectives including such as; location, asset class, financial capacity, yield expectations, risk profile and flexibility.

The property professional should broaden the client’s current considerations and, dependent upon the clients desires, inform the client of additional opportunities as may exist or raise matters which may be of risk to achieving a successful outcome.

It is also appropriate to raise the prospect of requiring additional professional advice as may be necessary in order to inform the proposed feasibility study.

Feasibility studies can be conducted for all classes of Real Estate to enhance understanding of the potential, viability and risk of a particular development and/or investment proposal.

Following the initial consultation and discussions as much information as possible should be recorded in note form. When it appears that the brief is substantially fleshed out - summarise the position with the client to ensure you and the client clearly understand the client’s needs and objectives. It is
critical (and recommended by the API) to confirm instructions in writing either the property professional providing such summary to the client or requesting the client instructions be provided in detail.

Upon agreement as to the brief it is appropriate for the client to sign off on the instructions including the estimated fee for services.

3.2 General Considerations and Limitations

It is not unusual for the property professional to undertake a number of feasibility studies for a particular project – each at various stages of the project – particularly where projects are complex or of large scale. Such analysis will assist in the identification of the optimal development option.

This may be described as a “rolling wave” approach whereby the planning is a progressive elaboration dependent upon the detail available.

As development outcomes, cost estimates, identified constraints and associated risks are assessed and become more accurate/certain – the accuracy of the outcomes derived from the feasibility study will be enhanced.

It is important to understand the necessity to utilise assumptions in carrying out the feasibility study, particularly in the initial stages when information in relation to a number of variable inputs is most often estimated. A schedule of feasibility assumptions and the rationale for such are recommended inclusions in the reporting. The client should be made aware of assumptions which are being relied upon throughout the process.

However, as outcomes become certain the number of assumptions utilised by the property professional in the feasibility study are reduced.

Eventually, the feasibility study will be informed by as much certainty as is possible – however, there will be a need for the property professional to include a number of assumptions into the study.

The accuracy of those assumptions will be improved through experience and available information however; assumptions will always be at risk of error.

On that basis it is important to inform the client that the matter of assessing development viability by way of a feasibility study, whilst adding significant benefits to the client’s assessments and decision making - is not infallible.

Indeed, it is important to point out to the client that small changes in any one variable adopted in the feasibility study can have large impacts on the calculated outcomes.

The risk associated with making assumptions for critical inputs – particularly for a complex or large development - confirms the importance of carrying out a number of feasibility studies each at various stages as accurate information becomes available and variable outcomes become more certain.
3.3 The Importance of Communication

Professional consultancy is improved by regular communication between the property professional and the client, particularly in circumstances where the task is complex and additional services are required in order to better inform the outcome.

It is important to keep the client informed of progress and any additional requirements as may arise and need to be addressed.

In the event additional professional services and input are identified as necessary - it is appropriate that those services be engaged at an appropriate time to ensure there is reduced risk of time delays.

It is not unusual, indeed it is often useful, for further meetings to be conducted either between the property professional and the client or the property professional and additional professional service providers.

In complex or larger projects, planned meetings should be conducted involving the relevant professionals consulting at that particular stage of the project in order to ensure the objectives are being pursued and to also re-assess the risk associated with achieving those objectives.

3.4 Other Professional Reports

Where it is considered that other professional services are necessary for inclusion in the feasibility study - it needs to be explained to the client as to the reasons for such involvement. In such circumstances the clients written approval should be obtained beforehand and an undertaking or responsibility for payments of such additional consulting experts.

Additional professional services could include advice in respect to factors such as; planning, design/architectural, survey, environmental, contamination, engineering, geotechnical, hydrology/drainage, quantity survey, valuation, legal, accountancy, traffic and acoustic advice - to name a few.

3.5 Preparation and Collection of Information

Upon agreement as to the scope of the brief and the range of professional services necessary to fulfil the brief, the property professional will take necessary steps in the preparation and collation of relevant information to accurately detail in the feasibility study. This includes:

3.5.1. The development site

It is not unusual for site selection to be part of the initial scope of the brief. However, it is often the case the site has been selected and/or is purchased or is being held under option and requires a feasibility study as part of due diligence.

If site selection/acquisition is part of the client’s brief the property professional should identify a selection of a range of sites of varying suitability in addressing the client’s objectives and by application of the relevant indicative information described below.

In either circumstance (site identification and selection or assessment of a particular site’s suitability) - the property professional should inspect the property and establish a strong visual reference as to any matters which impact upon issues such as; product yield and marketability, development cost, associated risks and timeframe.

3.5.2. Planning, Design and Architectural advice

It is beneficial at the initial stage of a feasibility study to ascertain development capability in accordance with the applicable planning objectives, controls and development guidelines. Critical to the assessment is an understanding of the highest and best use for the site and
the optimum development outcome in accordance with permissibility, statutory controls and development guidelines.

Design will be influenced by a number of critical factors including; existing zoning, floor space ratios, maximum height allowances, building bulk and scale stipulations, building efficiency, solar access, landscaping, encumbrances and design covenants.

In the initial stage of site assessment, the anticipated development outcome will be preliminary and based upon estimates of the most likely outcome informed by applicable development controls and guidelines.

The anticipated project outcome will become more certain as the project progresses through the design, application and assessment phases in pursuing final development consent from the relevant consent authority.

3.5.3. Constraints

Constraints will emerge and range from those most obvious including; planning controls, site topography, shape, size and surrounding development - to the less obvious constraints such as; available services and infrastructure, flora and fauna impacts, drainage, soil type, subsidence and land slip issues, contamination, flood liability and bush fire hazard.

The above are a small example of constraints that may impact upon development outcomes. However, there are a broad range of potential constraints upon the development of land and/or adaptive redevelopment of existing improvements.

It is important that all constraints are identified and adequately assessed as to impact and risk when compiling information in order to carry out an accurate feasibility study.

3.5.4. Cost

Throughout the development feasibility assessment process, it is important to ascertain an estimate of cost to carry out the construction and completion of the proposed project. Preliminary cost estimates would generally coincide with and inform the preliminary feasibility analyses.

Upon approval of the development proposal it is appropriate to ascertain an accurate estimate of the associated costs applicable to carry out the construction and complete the project for presentation to the market.

This can be done by either seeking tenders from suitable experienced builders/contractors to carry out the approved work scope or alternatively engaging a quantity surveyor to quantify cost based upon the approved plans and a construction brief.

Accurate assessment of cost and timing of construction works is critical to the assessment of project feasibility.

For projects with long horizons, consideration will need to be given to cost growth rates (such as the Building Price Index) and the client’s actions to mitigate such cost increases (such as via construction contracts).

3.5.5. Gross Realisation and the Market

It is important to have a strong understanding of the prevailing market as applies to the particular asset class that is proposed to be developed. A Certified Practising Valuer as well as agents active in the particular market can provide analysis of the prevailing market as well as the current market value of the existing site and the current market value and/or current market rental value of the proposed development product.
It is necessary to understand the likely selling and/or leasing period as may be applicable to the completed product.

Accurate assessment of value and timing of gross realisation is critical to the assessment of project feasibility.

For projects with long horizons, consideration may need to be given to potential changes in values over the timeframe applicable.

3.5.6. Proposed development

Upon completion of the preliminary design and accompanying risk assessments by appropriately skilled consulting professional the property professional may be in a position to carry out a preliminary feasibility study.

A feasibility study at this time – whilst preliminary - assists in making a decision as to the suitability of a site for particular development. A preliminary feasibility will inform the client whether to purchase the site (or not) and/or engage more comprehensive advice and carry out additional investigations.

Once the project has achieved development consent from the consent authority the property professional is in a position to request consulting professionals confirm matters including costs and gross realisation estimates. The level of accuracy and certainty at this stage will assist to better inform the necessary assumptions in the feasibility study.

It is important the property professional has an understanding of all relevant matters which impact upon the economic viability of the proposed development as at the time the study is carried out.

In compiling information for the feasibility study the property professional should reference all relevant material used and also identify all underlying assumptions.

There is a resource pack attached to this TIP which sets out a more comprehensive check list of factors to consider when compiling relevant information to assist in the preparation of the feasibility study.

It is also recommended the reader peruse the TIP on Development Management which sets out a comprehensive list of specific items which are to be considered in the development of Real Estate.

3.5.7. Measures of Investment Yield

Below are listed methods to measure yield and inform your feasibility analysis as well as factors which may impact yield when adopting a Discounted Cash Flow (DCF) analysis.

- Internal Rate of Return (IRR)
- Residual Value
- Return on Equity (ROE)
- Return on Capital
- Risk Margin
- Profit Margin
- Impact of Tax upon yield
- Impact of inflation upon yield
Triple bottom line (TBL) is an accounting framework with three parts: social (or cultural), environmental (or ecological) and financial. These three divisions are also call the three P’s: people, planet and profit or the three pillars of sustainability. Interest in TBL accounting has been growing in the for-profit, not-for-profit as well as the Government sectors. Measuring social and environmental metrics of property is sometimes necessary for meaningful TBL assessments. Increasingly, stakeholders are seeking to measure more than the financial performance of a project.

### 4.0 Feasibility Study – Calculation and Analysis

There are a number of commercially available programs to assist the property professional in undertaking very complex calculations and analysis when carrying out a feasibility study for the purpose described. There are a number of commonly used programs specific to the valuation sector however, a range of commercial programs are available to assist the property professional dependent upon the particular purpose of the analysis.

The commercial programs which are available allow a range of applications to be carried out once the factual and assumed variable data is inputted - including:

- Residual land value
- Variations in the application to growth in revenues and costs over time.
- Discounted cash flow analysis.
- Sensitivity Analysis – modest variations in critical assumptions.
- Treatment of GST.
- Represents yield against a range of investment/cost/value bases.

Once the property professional has collected the necessary information available to inform the feasibility study it can be inputted into the analysis program and used to inform a range of assessment outcomes which will benefit the client’s decision making as to the viability of the proposed development.

As discussed above, the feasibility study can be undertaken a number of times at various stages. As more accurate information and certainty of outcome is progressively achieved through the project timeframe, the quality and accuracy of the feasibility analysis outcomes will also improve to assist with decision making.

There is a resource pack attached to this TIP which sets out an example of a commercially available feasibility analysis program utilising inputs derived from a check list of factors which are considered relevant to inform the feasibility study and are also described in the resource pack.

It is critical to understand the process of a feasibility study and to not simply enter variables into a proprietary analysis program and accept the resultant outputs without question.

It is also important to recognise and draw attention to the limitations of a particular feasibility study. In addition to the variable inputs attention should also be drawn to the maximum timeframe within which it is relevant and can be relied upon.
An example of a development feasibility analysis is set out below:

### Itemised Profit & Loss (Inclusive of GST) - Margin Scheme

Amounts are in $'s

<table>
<thead>
<tr>
<th>Income:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Sales</td>
<td>0</td>
</tr>
<tr>
<td>Lending Interest</td>
<td>0</td>
</tr>
<tr>
<td>Other Income Items</td>
<td>0</td>
</tr>
<tr>
<td>Less: GST Collected in Income</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Less Development Costs:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Purchase Price</td>
<td>0</td>
</tr>
<tr>
<td>Stamp Duty on Transfer</td>
<td>0</td>
</tr>
<tr>
<td>Stamp Duty on First Mortgage</td>
<td>0</td>
</tr>
<tr>
<td>Finance Establishment Fee</td>
<td>0</td>
</tr>
<tr>
<td>Conveyancing Fees (Purchase)</td>
<td>0</td>
</tr>
<tr>
<td>Consultant Items</td>
<td>0</td>
</tr>
<tr>
<td>Construction Items</td>
<td>0</td>
</tr>
<tr>
<td>Rates and Taxes Items</td>
<td>0</td>
</tr>
<tr>
<td>Selling Fees</td>
<td>0</td>
</tr>
<tr>
<td>Conveyancing Fees (Sale)</td>
<td>0</td>
</tr>
<tr>
<td>Other Costs Items</td>
<td>0</td>
</tr>
<tr>
<td>Contingency Amount</td>
<td>0</td>
</tr>
<tr>
<td>Less: GST Input Tax Credits</td>
<td>0</td>
</tr>
</tbody>
</table>

| Margin Before Interest  | 0     |
| Less Borrowing Interest | 0     |

| Profit Margin            | 0     |

| Total Development Cost   | 0     |
| Internal Rate of Return  | 0.00% |
| Margin on Development Cost | 0.00% |

| GST collected in Income  | 0     |
| GST Input Tax Credits    | 0     |
Categorised Profit & Loss (Residual land value) - Margin Scheme  Amounts are in $'s

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (Ex GST)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income: Development Sales</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Less: GST Collected in Income</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Less: Selling Fees</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Conveyancing Fees (Sale)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Less: GST Input Tax Credits</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Gross Profit (Ex GST)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Profit &amp; Risk Factor (Ex GST)</td>
<td>0.00%</td>
<td>(0.00% IRR)</td>
</tr>
<tr>
<td>Less Development Costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stamp Duty Fees</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Conveyancing Fees (Purchase)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Consultants Fees</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unescalated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Escalation</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Rates and Taxes</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Less: GST Input Tax Credits</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Sub-Total</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Borrowing Interest</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total Net Development Costs</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Residual Land Value</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>GST Collected in Income</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>GST Input Tax Credits</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

The above reports can be accompanied by a comprehensive set of reporting types - setting out various analysis specific to the development analysis sample.
5.0 Feasibility Study - Reporting

In completing the brief to the client it is appropriate to compile a report setting out those factors considered and known as well as those factors which have been assumed and the underlying basis of assumptions made.

The breadth and accuracy of the reporting to the client will be contingent on the timing of that reporting as well as the availability of additional professional reporting which is informing the feasibility study.

It may be appropriate to provide a number of reports to the client in a staged sequence as follows:

- **Initiation Stage** - Preliminary reporting – based upon a large number of assumptions and uncertainty. There are likely to be a number of unknown risks at this stage.

- **Planning Stage** - Intermediate reporting – informed by a range of additional advice/information from professionals specifically informing the outcome. Risks are reducing as a consequence of increased, accurate information but much is likely to remain unknown at this stage and therefore a number of assumptions are included and necessary.

- **Delivery/Execution Stage** - Penultimate reporting – this stage is generally where the developer is either seeking funding to complete a purchase of the development site or preliminary funding discussions to fund development of the site (or both) wherein all critical factors have been informed by relevant professionals and the project is being assessed by the approval authority or is pending consent. Risks are reducing as a consequence of increased, accurate information. The number of assumptions is also decreasing in the assessment.

- **Finalisation Stage** - Final reporting – all available variables have been professionally addressed. Approval is achieved.

Development funding is either approved in principal or approved. There is maximum certainty of the applicable variables and project timeframe. Risks exist, as assumptions are necessary to carry out the feasibility study, yet as much as is possible to know with accuracy is inputted into the feasibility analysis.

Dependent upon the stage and timing of reporting it is appropriate to ensure the reporting clearly references all available information and any assumptions made and the basis of those assumptions. It is also appropriate to represent the associated risks and conditions upon which the information can be relied upon and any limitations upon the information provided.

The reporting should also clearly set out the property professionals name and professional qualifications and relevant limitations on those qualifications – if applicable.

There is a resource pack attached to this TIP which sets out an example of the headings that should be addressed in reporting to the client.

It is recommended in accompaniment with this TIP - the reader also completes the Development Managers TIP.
6.0 Feasibility Study – Staging Summary

Part 1

Stage 1: Vision (highest and best use) → Define grand vision in accordance with highest and best use

Stage 2: Selection parameters → Develop selection

Part 2 – Preliminary reporting stage and Intermediate reporting stage

Stage 3: Site selection and feasibility

- Initial search for appropriate property
- Validate selected properties
- Evaluate supply and demand
- Refine costs

- Project Finance
- Determine holding structure
- Investigate potential use
- Site investigation

- Site inspection
- Project vision
- Green light the development proposal
- Consider purchase of the land
Part 3 – Intermediate reporting stage and Penultimate reporting stage

![Diagram showing the process from Stage 4 to Stage 6 with detailed steps and connections between stages]

Part 4 – Penultimate reporting stage and Final reporting stage

![Diagram showing the process from Stage 5 to Stage 6 with detailed steps and connections between stages]
7.0 Effective Date

This TIP is effective from Day Month Year. Earlier adoption is permitted.

The above TIP, ANZVTIP 5, replaces the superseded Guidance Note “ANZPGN 5 Feasibility Studies” which operated from ### ###.
Annexure 1: - Feasibility Study – Investigation Checklist

Factors to consider in addressing the variables applicable to feasibility studies include the following:

Estimating development costs;
- Land costs
- Site related costs
- Statutory fees and charges: Local, State and Federal Government fees and charges.
- Professional fees and expenses including application and assessment costs
- Building costs
- Letting expenses
- Legal costs and fees
- Planning and building regulation costs
- Cost of raising finance
- Site holding costs
- Selling costs
- Taxation implications – GST and application of margin scheme.
- Interest charges
- Contingency

Estimating income the following are applicable;
- Assumed selling period
- Assumed market value
- Assumed letting up period
- Assumed market rent
- Tenancy incentive e.g. rent free periods

Estimating gross realisation;
- Direct comparison with available comparable market evidence
- Capitalisation of estimate income
- Realisation timeframe
Estimating profit margin and rate of return;
- Developers risk and profit margin
- Complexity and scale of development
- Prevailing market analysis
- Initial rental yield on cost
- Return on capital
- Capital profit
- Internal rate of return
- Comparison with alternative market returns

Matters to consider in sensitivity analysis;
- Carry out a sensitivity analysis based on marginal variation between those variables which inform the assessed viability outcome.
- It is appropriate to summarise the results of the feasibility study in terms of the original brief and instructions
Annexure 2: - Feasibility Study – Reporting Checklist

Following are headings which should be addressed in completing reporting to the client.

**Basis of appointment**
- The party for whom the feasibility study is being prepared
- Details of the instructions including any special conditions and/or assumptions
- The date and basis of the feasibility study
- The purpose of the feasibility study
- Metrics to be considered and reported

**Land description**
- Title details including relevant details
- Registered proprietor
- Encumbrances
- Lease details
- Details of any options, conditional contracts etc.

**Location**
- A general understanding of the location and available services and constraints.
- Surrounding development and land use
- Special features such as views and extraordinary services

**Site details**
- Dimensions
- Total area
- Topography
- Geotechnical aspects and hydrology
- Environmental constraints
- Other constraints and risks

**Services**
- Available services and capacity
- Surrounding Infrastructure
- Risk of additional services and/or capacity required
- Risk of additional infrastructure required

**Planning and other statutory requirements**
- Details of current zoning and development opportunities and objectives.
- Details of existing planning approvals on site
- Detailed analysis of all planning requirements
Evaluation of development potential

- Prevailing market
- Market potential supply and demand
- The physical capability of the site to suit the proposed development
- Planning controls
- Site capability independent of adjoining lands

Proposed Development

- Detailed description of the proposed development which is the subject of the feasibility analysis
- Details of development consent, building approval, subdivision plans etc.
- Comments on proposed design and finishes

Schedule of anticipated costs and revenues

- Detailed description of costs as are applicable as at the various stages of the project timeframe.
  - Description of revenues and their expected scheduling over the project timeframe.
  - Schedule of professionally compiled cost and revenue data and sources relied upon (eg; Quantity Surveyor; Valuer, Engineer).
  - Schedule of cost and revenue data assumptions and estimates agreed with client.

Total Development program – includes the following

- Identification and Acquisition of site (identify optimal taxation implications at this stage where applicable)
- Concept design and preliminary discussion with the consent authority
- Formal application of development proposal and assessment by consent authority – approval granted
- Confirmation of the development feasibility – includes assessment of viability, developer margin and associated risk.
- Confirmation of funding approval
- Site assembly, design documentation and construction certificate.
- The building contract period (achieve a fixed price contract where possible)
- Payment of Local, State and Federal Government fees and charges – if applicable.
- Gross realisation – allow for letting up and/or sale of completed development
- Registration of developed product
- Settlement of sales

Professional responsibilities

- Name and professional qualifications
- Reference all adopted information
- Describe underlying assumptions
- Limitations on advice provided