



Finance & Property
 Research Pty Ltd
 www.property-buyers-research.com

DEVELOPMENT PROPERTY -
FEASIBILITY STUDY INPUTS

<u>Item + Notes</u>	<u>Complete this column</u>	<u>Amount in \$</u>	<u>Start</u>	<u>End</u>
Developers Name				
Contact Details				
Development Name				
Type of Development				
Location address				
State				
GST Assumptions	Is the Margin Scheme to be adopted?			
Period Held	From the time the deposit is paid until last property sold.			
Equity contributed & dates				
Primary Debt Interest Rate				
Secondary Debt Interest Rate				
<u>INCOME</u>				
<u>Development Sales</u>				
Property Sales escalation %				
Net Rental prior to demolition				
Does GST apply to the rental				
Rentals on developed property prior to Sale				
Rental Outgoings Recovered				
Interest rate on credit balance				
<u>Other Income</u>				
GST Collected on Income	Calculated by programme.			

<u>Item + Notes</u>	<u>Complete this column</u>	<u>Amount in \$</u>	<u>Start</u>	<u>End</u>
DEVELOPMENT COSTS				
<u>Land Purchase Price</u>	Do you want to know what to pay for the land based on required return. If not, enter the purchase price here \$.....			
Return Required	If you want to calculate what to pay, based on required rate of return, enter the hurdle rates below:-			
<u>Margin on Development Costs</u> % (MDC)			
<u>Internal Rate of Return</u>% (IRR)			
<u>Stamp Duty on Transfer</u>	Calculated by programme			
<u>Stamp Duty on Mortgage</u>	Calculated by programme			
<u>Finance Establishment Costs</u>				
Application Fee –				
Valuation fee -				
<u>Conveyancing - (Purchase)</u>				
<u>Consultants -</u>				
Feasibility Fee				
Town Planner + DA Report Specialists (Arborist, Environmental, Bushfire, Energy Efficiency, Landscape Architect, Flood report, Heritage etc.)				
Architect				
Surveyor – Site Plan				
Geotechnical Engineer				
Civil & Structural Engineer				
Electrical Engineer				
Initial Legal & Accounting				
Ongoing Accounting				
Finance Procuration – Debt				
Finance Procuration – Equity				
Surveyor – Set Outs				
Surveyor Strata Plan				
Legal – Strata Plan				
Quantity Surveyor				
<u>Construction</u>				
Building Costs Estimate				
Construction Cost Escalation %	Per annum			
<u>Leasing Fees & Management</u>				
<u>Rates & Taxes</u>				
Council Rates				
Water Rates				
Land Tax	Calculated by programme			



<u>Item + Notes</u>	<u>Complete this column</u>	<u>Amount in \$</u>	<u>Start</u>	<u>End</u>
<u>Selling Fees</u>				
<u>Conveyancing (Sale)</u>				
<u>Other Costs</u>				
DA Application Fees				
Section 94 Contribution				
Insurance				
Advertising for Sale				
Signage				
Strata – Reg. Generals Fees				
<u>Contingency Amount</u>				
<u>GST Input Credits</u>	Calculated by programme			
<u>Borrowing Interest</u>	Calculated by programme			
<u>THE FOLLOWING REPORTS ARE THEN GENERATED BY US</u>				
Profitability Figures	Total Development Cost, Internal Rate of Return on Project, Margin on Development Costs, Internal Rate of Return on Equity, Margin on Equity, Peak Level of Debt and the month incurred			
Profit & Loss Account - Categorized	Summarised version on one page			
Profit & Loss Account - Itemised	Detailed break up			
Valuation Report	<p>VALUERS NOTE</p> <p>A Valuers Style Report is included to copy their format, as this is the most common form of presentation at Bank finance level. This quite correctly assumes that the costs such as selling fees and conveyancing fees are deducted from proceeds, not financed or borrowed. Therefore the real net outlay on this basis is less - see Valuer Style Profit & Loss Report, bottom right hand corner. The "Valuers Style" reports the "Profit & Risk Factor" instead of the Margin on Development Costs. Traditionally the IRR is calculated assuming the funding is wholly funded by equity. Therefore the injection of equity as shown will reduce interest & increase the IRR on the total project. This shows the return to this particular developer, but equity can be switched off if a Valuers standard bench mark comparison is required.</p>			
GST Report	The total of all pre GST costs + interest are shown here (in the bottom right hand corner) + GST payable on each item.			
Cash Flow - Categorized	Shown in reverse signage (programme requirement)			
Cash Flow – Itemised Costs	Monthly break up of all detailed costs			
Land Cost Variations	These are sensitivity reports which show the impact on profitability adopting figures either side of the chosen inputs. This therefore highlights the most important variables, enabling identification of the most important issues.			
Construction Cost Variations				
Construction Period Variations				
Borrowing Interest Rate Variations				

