



RECAP

BUILD THE MOST OF TOMORROW

REAL ESTATE FEASIBILITY STUDY

MARKET - TECHNICAL - FINANCIAL

Real Estate Feasibility Study



- Training of how to conduct A feasibility study for real estate development is a comprehensive analysis of the viability of a proposed real estate project. It typically includes an assessment of the Market, Financial, Economic and Technical:
- **Market Analysis** is a market analysis will help you understand the demand for your proposed real estate project, the potential buyers or tenants, and the competition. This analysis should include demographic data, employment statistics, and an analysis of the local real estate market.
- **Technical Construction Analysis** is another key component of a feasibility study for real estate development. It involves evaluating the technical feasibility of the project and determining the practicality of implementing the proposed project. By conducting a thorough technical analysis, real estate developers can ensure that the proposed project is feasible and can be implemented successfully. This can help minimize the risk of delays or cost overruns and increase the chances of a successful project.
- **Financial Analysis** is another crucial component of a feasibility study for real estate development. It involves evaluating the financial viability of the proposed project and determining its potential profitability, will help you determine the cost of the project, the pricing, the potential revenues, and the return on investment. This analysis should include estimates of construction costs, operating expenses, projected revenues, and cash flow projections.



Module 1 Market analysis:

In **Market analysis** module you will learn how to define the market and identify the target customers or tenants for the project by examining demographic data, such as age, income, and household size, and identifying the groups that are most likely to be interested in the project.

Analyze the Competition in the local market. This involves identifying other similar real estate projects in the area and evaluating their strengths and weaknesses. examine the rental rates or sale prices for comparable properties in the area.

Determine Market Demand: Based on the demographic data and analysis of the competition, you can estimate the potential demand for the proposed project. estimating the number of potential buyers or tenants, the average rental rates or sale prices, and the expected occupancy rates.

Assess Market Trends: It is also important to assess the overall trends in the local real estate market. includes trends in supply and demand, changes in population and employment, and changes in zoning regulations or other factors that may impact the market.

Develop Marketing Strategies: Based on the market analysis, you can develop marketing strategies to attract potential buyers or tenants. developing a branding strategy, identifying key selling points, and determining the most effective marketing channels to reach your target audience.

Location analysis: The location of the proposed project is a critical factor in the market analysis. The location can impact the demand for the property, the rental rates or sale prices, and the competition in the area. Consider factors such as proximity to amenities, transportation, schools, and shopping centers when evaluating the location. how to identify the specific target market for the proposed project.

Identify the Competitive Advantage, Identify the unique selling points of your project that can give it a competitive advantage over similar properties in the area. This can include features such as state-of-the-art amenities, eco-friendly design, or convenient location.



Module 2 Technical Construction Analysis:

In **Technical Construction Analysis** module the you will learn how to Evaluate Site Constraints that may impact the feasibility of the project. Includes factors such as zoning requirements, environmental regulations, soil conditions, and topography.

Develop Site Plans Based on the site evaluation, develop site plans that show the proposed layout of the development. This can include floor plans, elevation drawings, and site plans that show the location of buildings, roads, and other infrastructure.

Estimate Construction Costs for the project, including the cost of materials, labor, and equipment. This can be done by preparing detailed construction plans and specifications and obtaining quotes from contractors.

Develop Construction Schedule Based on the estimated construction costs, develop a construction schedule that outlines the timeline for the project. This can include a detailed project plan that shows the expected timeline for each phase of the project.

Evaluate Project Management: Evaluate the project management capabilities and resources required to implement the project successfully. This can include evaluating the experience and qualifications of the project team and identifying any potential risks or challenges.

Conduct Risk Analysis to identify potential risks and develop contingency plans to mitigate them. This can include evaluating the impact of construction delays, unexpected cost overruns, or changes in market conditions.



Module 3 Financial Analysis:

- In **Financial analysis** Module you learn how evaluate the financial viability of the proposed project and determining its potential profitability.
- **Estimate Project Costs:** The first step is to estimate the total project costs, including the cost of land acquisition, construction costs, financing costs, marketing and sales costs, and contingency reserves.
- **Identify Economic indicators** such as interest rates, inflation rates, and job growth can have a significant impact on the real estate market. Analyzing these indicators to understand the potential demand for the proposed project.
- **Analyze the rental rates or sale prices** of similar properties in the area to determine the potential revenue for your project. to estimate the profitability of the project and determine the feasibility of financing the project.
- **Develop Revenue Projections,** Based on the market analysis, develop revenue projections for the project. estimating the rental rates or sale prices, occupancy rates, and other revenue streams such as parking or common area fees.
- **Calculate the operating expenses** for the project, including property taxes, insurance, maintenance, utilities, and management fees.
- **Determine Financing Needs** for the project and evaluate the feasibility of financing options. evaluating traditional bank loans, private equity, or crowdfunding.
- **Calculate Return on Investment,** Based on the estimated project costs, revenue projections, and operating expenses, calculate the return on investment for the project. evaluating the internal rate of return (IRR), the net present value (NPV), and other financial metrics.
- **Evaluate Sensitivity Analysis** of the project. This can include evaluating the potential impact of changes in interest rates, market conditions, and other factors that may impact the financial viability of the project.



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THANK YOU