Abstract

A feasibility study is a valuable and essential process to evaluate the chances of success of a development project. From the results of the study, the developer could then choose to vary certain parameters within his control in order to derive maximum returns from the project venture.

There are however many factors relating to a project that are unpredictable such as the volatile nature of the property market, governmental policies and construction cost. The feasibility study therefore attempts to identify and quantify these risk factors so that a supported projection of the likely outcome of the project can be ascertained before money is sunk into the project.

A good example of the volatile nature of the property market is the falling office market prices over the past few years. In sharp contrast is the spiralling residential market following the Gulf War. These demand factors have a great impact on the course of any project that is on the drawing board. The core of the feasibility study is therefore the conduct of a detailed market survey which will be used as the basis to intelligently forecast the conditions which will prevail at the time the project is launched into the market.
This study demonstrates the application of feasibility analysis to a major project that will be launched in the near future. The project has drawn much attention due to its size, the developer's background as well as the governmental issues affecting the site. These issues have been dealt with by the developer for many years and it will be instructive to see the eventual launch of the project in 1994.

The findings obtained from the site, market and financial analysis indicate that the project is feasible.