INVESTOR
HOSTING CENTRE

WHAT INVESTORS LOOK FOR IN REAL ESTATE FINANCE

1 CLARITY OF THE ASSET TYPE & REVENUE MODEL

You must precisely answer 3 questions. What is the asset class e.g. residential, commercial, mixed use etc.? What is the revenue mechanism e.g. rental income, lease payments etc.? Who is the end user e.g. owner-occupier, tenant etc.?

2 MARKET CERTAINTY, NOT LOCATION OPTIMISM

Who is occupying, buying or staying and at what rate & how consistently? Investors want proof that demand exists. No baseless assumptions! Bear in mind that market projections that extend beyond 18 months without contractual backing are weak.

3 EXECUTION CAPABILITY

Real estate is built by contractors, managed by operators & governed by project owners. There must be clear articulation on who sits in those seats. Investors evaluate execution capability with regards to developer or project sponsor, main contractor, project management & asset or property manager aspects.

4 DEVELOPMENT SCALABILITY & PIPELINE POTENTIAL

A compelling opportunity shows from the onset that the land holding, brand & operating model can scale. Investors, especially institutional ones, assess whether the project can grow beyond Phase 1. They look at whether the underlying land or model supports that.

5 DEVELOPMENT ECONOMICS THAT STACK

Investors analyze core financial metrics. Examples are gross development value (GDV), total development cost (TDC), development margin & equity IRR. Sensitivity analysis is done. Investors independently calculate them & compare to yours.

6 RISK AWARENESS & MITIGATION

Real estate risk is multilayered. Investors expect you to name it, quantify it & mitigate it before being asked. The core risks here are title & tenure, planning & zoning, construction, market absorption, currency & repatriation, and regulatory & political. For every risk, mitigation is expected.

7 FINANCIAL DISCIPLINE & TRANSPARENCY

Clear accounts, credible costs & a clear capital structure are non-negotiable. Real estate due diligence is financially intensive. It is critically important to comprehensively incorporate & articulate regulatory compliance in your financial information. Fully disclose all that needs to be known.

8 VALUE CREATION STRATEGY & EXIT CLARITY

Where in the property cycle & value chain does the project extract maximum value? How does the investor get out? Every investor enters a deal with an exit in mind thus it must be clearly addressed. The exit strategy must be empirically explicit & credible.

9 IMPACT WITH PROFITABILITY

Green buildings, affordable components & community benefit are now value protection and access to capital mechanisms. Impact investing in real estate is accelerating globally. Investors are increasingly evaluating real estate opportunities against defined ESG frameworks. Impact credentials must be demonstrated.

10 SKIN IN THE GAME

Investors back developers who have already committed capital, cleared title, secured planning & absorbed early-stage risk. Quantifiable metrics assessed here include land acquisition costs already paid, planning & EIA costs already paid, engineering fees already paid & site preparation already done.