

Tool 3: Financial Feasibility Snapshot

The Financial Feasibility Snapshot is designed to help you quickly understand whether your project has a realistic path to profitability. It guides you through hard costs (like construction and site work), soft costs (like permits and consultants), and basic revenue modeling. This tool doesn't replace a full pro forma, but it's ideal for early-stage go/no-go decisions and prioritizing high-potential sites.

Use this tool to:

- Capture early estimates for land, construction, and professional services
- Understand whether your soft costs and site-related fees could make or break the project
- Compare development cost against projected sale price or rental value
- Communicate your plan clearly to lenders, partners, or investors

Tip: Even rough estimates are better than nothing. You can refine these numbers as the project evolves, but surfacing potential financial risks early saves time and capital.

Section 1: Land & Hard Costs

Category	Description	Est. Cost / Value
Land Acquisition	Purchase price + closing costs	
Demo / Clearing	Removing structures, trees, debris	
Grading / Earthwork	Cut/fill, retaining walls, drainage prep	
Utility Infrastructure	On-site installs, trenching, extensions	
Foundation / Shell	Framing, slab, exterior, roof	
Interior Buildout	Walls, MEP, finishes, appliances	
Site Work / Landscaping	Sidewalks, driveways, fencing, landscaping	
GC Overhead / Fee	Typical range: 10-20% of hard cost	
Construction Contingency	Typically 5-10% of hard costs	
Subtotal		

Section 2: Soft Costs

Category	Description	Est. Cost / Value
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Permits & Plan Review Fees	City/county fees for building, SDP, etc.	
Utility Tap Fees	Water, sewer, electric, gas connection fees	
Required Studies	Traffic, tree, drainage, soil, etc.	
Architect & Engineering	Full design, civil, MEP, survey	
Legal / Title / Platting	Entity setup, subdivision, easements	
Lender Fees / Interest	Points, underwriting, draw fees	
Insurance (Builder's Risk)	During construction	
Marketing & Leasing	Signs, broker fees, website, etc.	
Soft Cost Contingency	5-10% of soft cost total	
Subtotal		
Total Project Development Cost (Hard + Soft):		

Section 3A: Revenue – For Sale Model

Category	Description	Est. Cost / Value
Projected Sales Price	Based on comps or appraised value	
Total Development Cost	From above	
Estimated Gross Profit	Sales Price - Cost	
Return on Cost	Gross Profit ÷ Cost	

Section 3B: Revenue – Rental Model

Category	Description	Est. Cost / Value
Monthly Rent (Gross)	Per unit or entire building	
Annual Gross Rent	Monthly × 12	
Operating Expenses	Taxes, insurance, mgmt., etc.	
Net Operating Income (NOI)	Gross Rent - OpEx	
Estimated Cap Rate	Use market cap rate	
Projected Value	NOI ÷ Cap Rate	
Return on Cost	NOI ÷ Total Development Cost	

Section 4: Financial Threshold Self-Check

Question	Response
What is the minimum IRR you require for this project?	
What is your target Cash-on-Cash return ?	
What is your maximum acceptable cost per square foot (hard costs)?	
What is your desired gross profit margin for resale?	
What is the lowest acceptable return on cost (build-to-value ratio)?	
What is your target cap rate for rental evaluation?	
How long do you plan to hold the asset (exit timeline)?	
Will you be using debt, equity, or both? Briefly describe the plan.	