PROJECT VIABILITY REVIEW · ILLUSTRATIVE SAMPLE REPORT

Residential scheme, G+12, Jumeirah Village Circle

Prepared for: Illustrative developer client · Status: screening review · Delivered in 5 working days

PROFIT ON TOTAL COST · VERDICT

21.9%

PROCEED

1. Executive summary

The scheme still works on today's numbers, but the margin depends on the sales rate. At the evidenced rate of AED 1,600 per sqft the scheme returns 21.9% profit on cost, above a 15% hurdle. The margin falls below the hurdle if the achievable rate drops under about AED 1,510 per sqft at base cost, or under AED 1,560 if construction comes in 5% higher.

Key figure	Value
Gross development value	AED 112.6m
Total development cost	AED 92.4m
Development profit	AED 20.2m
Profit on cost	21.9%
Levered IRR	19.8%
Breakeven sales rate	AED 1,313 per sqft
Rate needed for 15% hurdle	AED 1,510 per sqft

Verdict and gap analysis

- Proceed, on condition that launch pricing is set at or above AED 1,600 per sqft for the first release.
- Verify the sales rate. Four of the ten comparables are older than nine months; refresh before launch.
- Lock the main contract. A 10% cost overrun alone takes the margin to 14.1%, just below hurdle.

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SECTION 2

Market evidence

Ten transacted sales of comparable one and two-bedroom units in the submarket, from registered transaction data. Asking prices are shown in the notes for context only and are not used as evidence.

Comparable	Date	Size sqft	Price AED	AED/sqft
Building A · 1BR · L6	Apr 2026	742	1,210,000	1,631
Building A · 2BR · L9	Mar 2026	1,105	1,795,000	1,624
Building B · 1BR · L3	Mar 2026	760	1,185,000	1,559
Building C · 2BR · L11	Feb 2026	1,140	1,860,000	1,632
Building B · 1BR · L8	Jan 2026	735	1,170,000	1,592
Building D · 2BR · L5	Dec 2025	1,090	1,720,000	1,578
Building C · 1BR · L2	Oct 2025	770	1,190,000	1,545
Building A · 2BR · L12	Sep 2025	1,120	1,840,000	1,643
Building D · 1BR · L7	Aug 2025	748	1,175,000	1,571
Building B · 2BR · L4	Jul 2025	1,100	1,705,000	1,550
Median · adopted rate				**1,600**

Adjustments applied for floor, view and handover status. Adopted rate rounded to AED 1,600 per sqft.

Demand and supply

- Absorption in the submarket averaged 4.2 off-plan units per month per project over the last 12 months.
- 1,940 units are scheduled to complete within 2 km in the next 24 months; 61% are one-bedroom.
- The scheme's two-bedroom weighting (45%) is a relative strength against that pipeline.

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SECTION 3

Residual appraisal

Line	Basis	AED
Gross development value	70,375 sqft × AED 1,600	112.6m
Land	Agreed price incl. fees	(24.0m)
Construction	AED 545 per sqft GFA	(55.8m)
Professional fees	8% of construction	(4.5m)
Contingency	5% of construction	(2.8m)
Marketing and sales	3% of GDV	(3.4m)
Finance	Escrow-led, 60% facility	(1.9m)
Total development cost		(92.4m)
Development profit	Profit on cost 21.9%	**20.2m**

Cashflow summary

Monthly model summarised by half-year. Escrow releases follow construction progress; buyers pay 10% on booking, 50% during construction and 40% on handover.

Period	Sales receipts	Escrow released	Costs	Facility balance
H1 2026	8.4m	0.0m	(29.6m)	14.2m
H2 2026	14.1m	9.8m	(18.7m)	23.9m
H1 2027	15.6m	12.5m	(17.9m)	31.4m
H2 2027	16.9m	17.0m	(15.1m)	27.2m
H1 2028	57.6m	73.3m	(11.1m)	0.0m

Peak debt AED 31.4m in H1 2027. Facility repaid in full from handover receipts.

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SECTION 4

Sensitivity: sales rate against construction cost

Profit on cost. Every cell is a full re-run of the model. Solid terracotta is the base case; tinted cells fall below the 15% hurdle; dark cells lose money.

Sales rate (AED/sqft)	-5% cost	Base cost	+5% cost	+10% cost
AED 1,700	34.1%	29.5%	25.2%	21.2%
AED 1,600	26.2%	21.9%	17.8%	14.1%
AED 1,500	18.3%	14.2%	10.5%	6.9%
AED 1,400	10.4%	6.6%	3.1%	-0.2%
AED 1,313	3.5%	0.0%	-3.3%	-6.4%

Sensitivity: handover delay

Handover delay	Profit on cost	Levered IRR	Peak debt
On programme	21.9%	19.8%	AED 31.4m
+3 months	20.6%	17.1%	AED 33.0m
+6 months	19.2%	14.9%	AED 34.8m
+12 months	16.3%	11.2%	AED 38.1m

A twelve-month delay keeps the scheme profitable but pushes levered IRR to 11.2%.

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SECTION 5

Key assumptions

- Saleable area 70,375 sqft; efficiency 79% on GFA of 102,400 sqft.
- Construction AED 545 per sqft GFA, from three recent tenders for comparable G+12 residential.
- Sales over 30 months from launch; 25% sold at launch.
- Finance at 3-month EIBOR plus 3.25%, 60% loan to cost, interest rolled up.

Scope and limitations

This is a screening-depth viability review, built for a go or no-go decision. It is not a RICS Red Book valuation, a survey, a cost consultant's estimate, or legal and planning due diligence, and it does not state a market value. Property valuation in Dubai is a RERA-registered activity. Do not commit capital on a screening output alone.

What you receive

- This 8 to 10 page report.
- The live Excel model, with every input exposed and labelled.
- One revision round within 10 working days.

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