

CASE STUDY | DUE DILIGENCE

Client: Property Developer in Bahrain

BACKGROUND TO THE STUDY

TRI Consulting was commissioned to provide an Opinion Paper on a market and financial feasibility study conducted by an international consultancy practice in connection with a proposed multi-use development in Bahrain.

SCOPE OF WORK

The objectives of the study included the following:

- to review and critique the previous reports;
- to undertake a site visit of the proposed development;
- to provide updates on economic and demographic data from the Bahrain and wider GCC markets;
- to supply additional updated research on the Bahrain and wider GCC markets, paying particular attention to all real estate performance levels, demand generators, optimum mixes and sizes of real estate property and other commercial facilities such as marinas and ancillary facilities;
- to determine the current level of relevant competition by conducting a fair-share analysis on all hotel and resort properties proposed for the development;
- to determine the relevant future supply of all real estate property in Bahrain by obtaining updated data from the Ministry of Tourism;
- to determine the anticipated demand for all components of the development, including a market segmentation breakdown and the factors influencing the demand for all sources;
- to comment on the most appropriate facilities specification for the site, including the size, configuration, quality and market positioning of the real estate facilities;
- to comment on the operating revenues and expenditure that the proposed development might achieve in the first ten years of operation;
- to comment on the cash flow forecast, the resultant return on investment and the sensitivity analysis.

The findings of our study were presented in English, in a bound report, and supplied in three copies.