



PRRES 2018
International
Feasibility
Case
Competition



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ARGUS EstateMaster

The ARGUS EstateMaster logo, featuring a red triangle pointing upwards and to the right, followed by the text "ARGUS EstateMaster" in a blue, sans-serif font.

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International Feasibility Competition

1 WHAT IS THE PACIFIC RIM REAL ESTATE SOCIETY?

The Pacific Rim Real Estate Society (PRRES) was established in 1993 to provide a formal focus for property researchers, educators and practitioners in the Pacific-Rim Region. PRRES now has over 130 members from Australia, New Zealand, Papua New Guinea, Fiji, Hong Kong, Thailand, Singapore, China, Indonesia, Malaysia and Korea as well as members from around the globe.

PRRES, along with the American Real Estate Society (ARES), the European Real Estate Society (ERES), the Asian Real Estate Society (AsRES), the African Real Estate Society (AfRES), the Latin American Real Estate Society (LaRes) and the The Middle East North Africa Real Estate Society (MENARES) form the network structure for the International Real Estate Society (IRES) in further developing international property research and education.

1.1 PRRES OBJECTIVES

- Provide a formal focus for property researchers, educators and practitioners in the Pacific-Rim region
- Encourage and facilitate property research and property education in the Pacific-Rim region
- Co conduct an annual property conference
- Encourage international links via IRES

2 ABOUT ARGUS ESTATEMASTER

ARGUS EstateMaster is now a part of [Altus Group](#), a leading provider of independent advisory services, software and data solutions.

Since 1991 ARGUS EstateMaster has been developing a suite of powerful, flexible and easy-to-use property development, valuation and investment software, designed from the ground up by property professionals for property professionals.

ARGUS EstateMaster is used by over 20,000 users across the Asia Pacific, Africa, Europe, India, Middle East, United Kingdom and United States. Our financial models play a pivotal role in decision-making between developers, financiers and valuers; and strive to achieve world's best practice for development feasibility, development management, investment analysis and valuation practices. ARGUS EstateMaster provides a full range of implementation, support and training services to suit all project requirements on a global basis.

3 ABOUT THE COMPETITION

The International Feasibility Competition is open to any university currently a member with PRRES or within the ARGUS EstateMaster University Partnership Program (UPP). The competition gives students a chance to demonstrate their skills in property and feasibility analysis through creating a mock development project. Teams will be provided with project brief, key assumptions, site location, and basic planning and market information. It will then be up to the teams to create the mock development project and present their feasibility, assumptions and recommendations in a report.

These exercises offer student teams opportunities to improve analytical, team-work, communication and presentation skills. The students also use ARGUS EstateMaster DF software to conduct a detailed financial feasibility analysis.

All competition participants are provided with on-going support throughout the competition to ensure familiarity with the use of the feasibility software and its environment. This may include training in the ARGUS EstateMaster DF software. ARGUS EstateMaster will provide a three month ARGUS EstateMaster trial to participating university teams who will be provided with an option to extend to a full working model and licence once they have registered for the competition.

In addition, ARGUS EstateMaster also offer a University Partnership Program (UPP) to assist students in developing their skills with property feasibility as well as an industry recognised international certification and academic licence for ARGUS EstateMaster software for use during the university semesters.

3.1 BENEFITS FOR STUDENTS

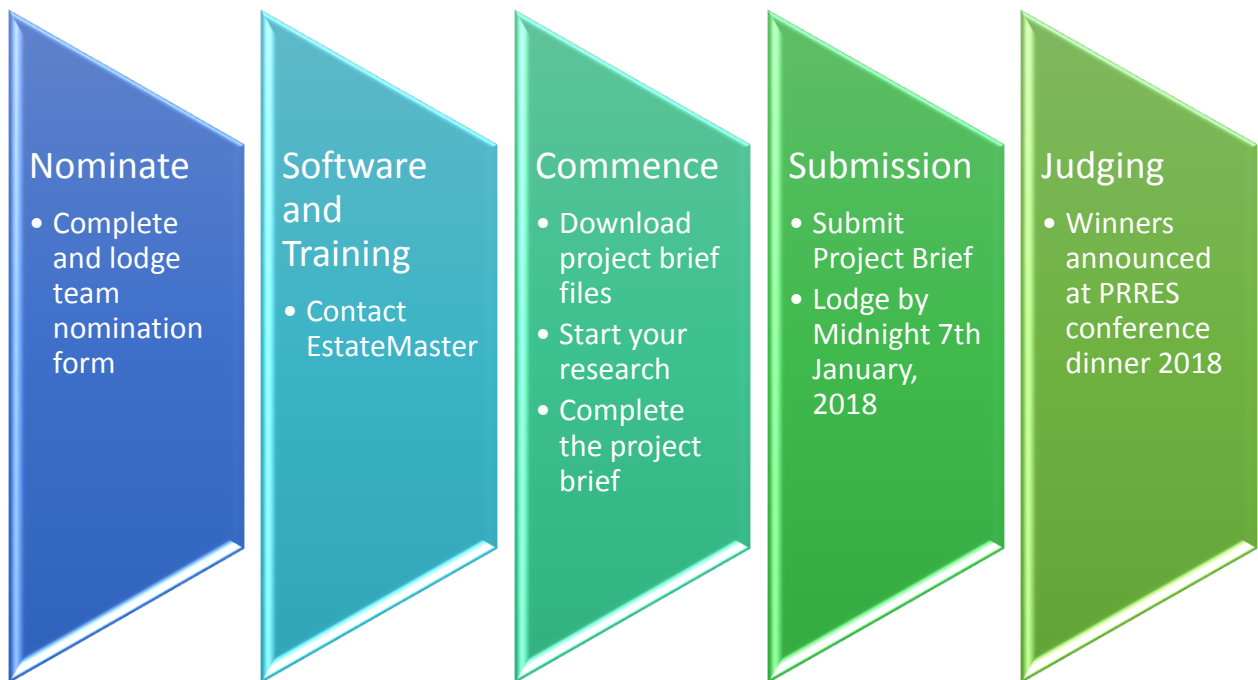
- Students win \$2000 in prize money
- Personal access to ARGUS EstateMaster DF for 90 days
- Industry recognised Software Certification
- Preparation of an industry standard feasibility analysis report
- Development of presentation skills
- Ability to graduate industry-ready
- Exposure to real time industry case studies
- Build on concepts taught within the lecture room

3.2 BENEFITS FOR UNIVERSITY

- Exclusive access to the ARGUS EstateMaster University Partnership Program (UPP)
- Prestige associated with submitting winning teams
- Support on software use and functionality
- Free staff training in the operation of ARGUS EstateMaster DF
- Free software and support through ARGUS EstateMaster when required.
- Provide students with an industry skill set making them more employable.
- Provide industry benchmark software for all students
- Industry standard course assessment tool
- Provision of teaching resources where needed

3.3 KEY MILESTONES

Full details of what is required for this competition is contained in the Annexures. As a summary, you should note the following key milestones.



4 RULES OF THE COMPETITION

4.1 GENERAL RULES

For this competition each team should comprise two students of either:

1. **Two undergraduate students** enrolled full time or part time
 2. One undergraduate and one post graduate student enrolled full or part time.
- At least one of these students should be enrolled in a property related degree program.
 - Each university can send more than one team.
 - The team will be coordinated by a lecturer from the participating university.

Teams will be provided with project brief, key assumptions, site location, and basic planning and market information. It will then be up to the teams to create the mock development project and present their feasibility, assumptions and recommendations in a report.

4.2 AWARD

There is one award for the competition winning team

- This award is given to the team whom the judging panel have deemed to have the highest mark
- The winner of this award to be announced at the PRRES conference dinner
- A university representative should be present to collect the award on behalf of the winning team.

4.3 JUDGING CRITERIA

The judging criteria are included in the annexures.

5 NOMINATION OF TEAMS

Each participating University is required to nominate a team mentor from staff. The role of the mentor is outlined below.

Teams entering the competition must submit a Nomination Form (See Appendix 1). Once this form is submitted, students will be issued with personal access to ARGUS EstateMaster DF. A three month trial will be provided with an option to extend to a full working model and licence once they have registered for the competition.

Free online certification training is also available to all members of nominated International Case Competition teams. Please contact ARGUS EstateMaster to arrange suitable training.

5.1 ROLE OF THE STUDENT TEAMS

- The team will be acting in the role of a mock developer for the project that is the subject of this competition (Refer Project Brief).
- Your role will be to prepare a detailed feasibility study that fully assesses the development opportunity.
- You are required to present your findings to a mock Board of Directors through the submission of a feasibility study report in order to aid the board in making a decision as to whether to proceed with the development of the subject project.

5.2 ROLE OF THE STAFF MENTOR

The role of the staff member is to mentor the students and assist them with how they may research the particular feasibility assumptions given and the final development proposal.

The mentor is responsible for:

- Submission of the Nomination Form to the PRRES competition coordinator (This year it will be Wejendra Reddy: wejendra.reddy@rmit.edu.au)
- Being the central point of contact between the Case Competition organisers, ARGUS EstateMaster and the participants
- General co-ordination of activities of the participants in accordance with competition rules.

Lecturers are in no way allowed to participate in the competition as part of the two person student team:

- The lecturer may not have any direct input into the research of the project data
- The role of the mentor is to give guidance to the students where required
- Mentors may have indirect input in ensuring that all the information that the teams have submitted is referenced and laid out in a presentable and professional format for the Board to review.

6 WHAT IS REQUIRED?

6.1 WHAT IS REQUIRED?

As a mock developer, you are required to complete a feasibility study on the project described in Annexure 3. The purpose of this feasibility study is to inform your mock board (judges) of this development opportunity and your recommendation to invest (or not invest) in this project.

At the completion, all teams are required to submit both their feasibility report in .PDF format and presentation material in the form of a power point presentation as an electronic file that can be opened and viewed.

6.1.1 Feasibility Report

Your feasibility report should provide a detailed analysis of the development potential of the site, supply and demand analysis, justification of all assumptions made, and your recommended course of action.

Your feasibility report should be supported by financial analysis using ARGUS EstateMaster DF. Three ARGUS EstateMaster feasibility models are required that detail your most:

- a) Optimistic
- b) Probable and
- c) Pessimistic case

You should arrive at a residual land value for each scenario. You should determine the likely probability of each scenario occurring with reasoning behind the adopted weightings (eg 75% chance of most probable, 20% chance of pessimistic, 5% chance of optimistic).

Each scenario will be based on an assumed required project return benchmark. You should justify why the assumed return has been adopted (consider risks, opportunity cost of developer, risk management strategies etc).

Your final document should be FULLY REFERENCED using academic referencing.

6.1.2 Presentation

Each team is to submit a copy of the power point presentation that would be 'hypothetically' used in a presentation to their board as part of their submission.

The presentation should be a concise summary of the feasibility report including clear and well-reasoned recommendations to the mock board (judges). It should provide a clear overview of the likely risks, returns and key drivers as outlined in the feasibility report. It is recommended to use power point, and multimedia may be used within the power point such as videos and sound clips etc if required.

6.1.3 Closing Date for Submission

The closing date for submissions is 11.59pm, **Sunday 7th January 2018**.

Submissions are to be emailed to Wejendra Reddy wejendra.reddy@rmit.edu.au

Your submission will then be reviewed by the judging panel.

6.2 SUBMISSION CHECKLIST

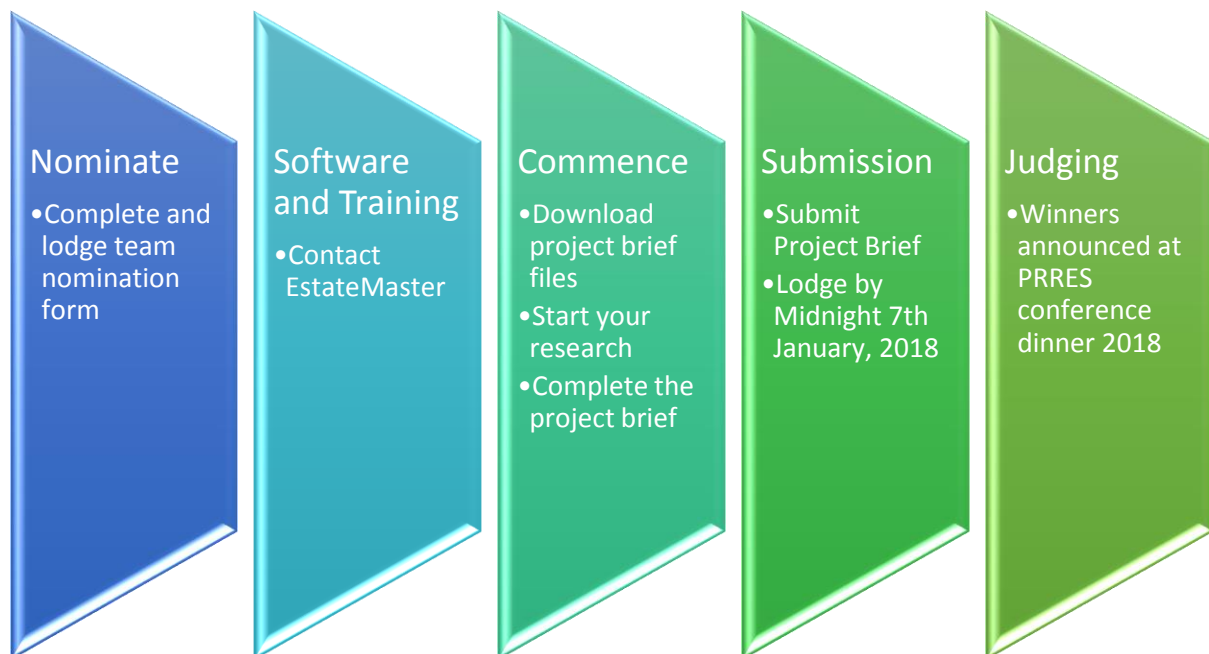
Tick each of these to ensure that you are sure that you have everything included below:

- Cover page of report to include the names of the participants, consistent with the submitted PRRES International Feasibility Competition Team Nomination form
- De-identified documents, with no University branding or identification included
- Fully referenced and justified feasibility report
- Three ARGUS EstateMaster software models comprising optimistic, probable, and pessimistic scenarios
- Soft copy of the three ARGUS EstateMaster models (DF Files)
- PDF of the ARGUS EstateMaster input assumptions, cash flow and summary sheet included in the feasibility report
- Electronic PowerPoint presentation summarising the key features, findings and recommendation of the feasibility report that can be opened and viewed.

If you are interested in nominating a team for this prestigious competition, please follow these easy steps:

1. Complete the team nomination form (see Annexure 1)
2. Download all competition documents from the ARGUS EstateMaster site
 - a. <http://www.ARGUS EstateMaster.com/training-education/university-partnership-program/prres-competition>
3. Contact ARGUS EstateMaster for a copy of the software
4. Contact ARGUS EstateMaster for complementary training if required
5. Now you're ready to start work!
6. Please note: no direct contact is to be made with the property's agents, owners or any other associated parties.

7.1 TIME LINE



PRIMARY SOFTWARE CONTACT

ARGUS ARGUS EstateMaster
Property Software

Tim Peisley
Training Manager

Address:
ARGUS EstateMaster
GPO Box 2748 Sydney, NSW 2001

Phone:
02 9283 7311

Email:
[training@ARGUS
EstateMaster.com](mailto:training@ARGUSEstateMaster.com)

Website: [www.ARGUS
EstateMaster.com](http://www.ARGUSEstateMaster.com)

 ARGUS EstateMaster

PRIMARY COMPETITION CONTACT:
Pacific Rim Real Estate Society INC.
(PRRES)

Address:
Wejendra Reddy
Lecturer - Property Investment
School of Property, Construction
and Project Management (PCPM)
RMIT University
Melbourne, Vic 3001
Australia

Phone:
+61 3 9925 1740

Email:
Wejendra.reddy@rmit.edu.au

Website:
<http://www.prrs.net/>



Annexures

ANNEXURE 1 – NOMINATION FORM

PRRES International Feasibility Competition Nomination Form

University Team Details

This form must be supplied to Wejendra Reddy wejendra.reddy@rmit.edu.au to register the team and for students to obtain personal access to the ARGUS ARGUS EstateMaster software.

University Name:	
Team Mentor Name:	
Team Mentor Email:	
Team Members Names:	1. 2.
Team Members Student numbers:	1. 2.
Team Members email:	1. 2.

I hereby confirm these students satisfy the general rules of the International Case Competition and are currently enrolled at the University nominated above.

.....

Signed by Team Mentor

.....

Date

ANNEXURE 2 - JUDGING MARKING CRITERIA

Team _____

Content: 40 marks

Analysis

- Aligns with the nature of defined requirements and challenges that it faces

Proposal

- Identifying key issues and their impact on their proposed plan

Argument

- Realism of assumption and input used in feasibility analysis (For example) but not limited to
 - Site acquisition and optimal land use
 - Market analysis and supply/demand appraisal
 - Gross revenue analysis
 - Timing of the development, approvals and staging
 - Estimating development and construction costs
 - Financing structure
- Assumptions made are realistic and evidence based.
- Relevant performance benchmarks are selected.

Comments:

/40

Report & PowerPoint Presentation: 20 marks

Clarity

- The report is clear and understandable

Structure

- The presentation has a logic that supports understanding
- Key findings are clearly presented

Comments:

/20

Feasibility Analysis: 40 marks

Analysis

- Appropriate use of ARGUS ARGUS EstateMaster DF application

Comments:

Total

/40

ANNEXURE 3 – PROJECT BRIEF

92 NORTHBOURNE AVENUE, BRADDON (CANBERRA) ACT 2600

Overview

This site provides an astute purchaser with the opportunity to develop or land bank this premium property and become part of the evolving Canberra suburb of Braddon and the Northbourne Avenue Corridor.

The site, measures 6,270sqm, and provides significant development upside, with a Crown Lease permitting a wide range of uses including, but not limited to: hotel, child care, office, health facility and multi-unit residential.



Braddon has recently undergone renaissance and is fast becoming an area filled with coffee shops, bars, restaurants, boutique fashion outlets, hotels, residential apartments, art galleries, yoga studios, food vans, professional services and bicycle culture. Braddon has historically been the home of service trades and vehicle sales, however the variation of the Territory Plan in March 2008 has prompted the revitalisation of Braddon (in particular Lonsdale Street) from a light industrial suburb to a thriving area to live, work and socialise.

Canberrans now compare Braddon to Surry Hills in Sydney and Fitzroy in Melbourne. 92 Northbourne Avenue is serviced by public transport with several bus routes at its the doorstep. It will also soon benefit from the proposed Capital Metro (light rail) route from the city to Gungahlin; with the first stop from the city proposed to be located directly adjacent to 92 Northbourne Avenue on the corner of Northbourne Avenue and Elouera Street.

Braddon is situated just north of Canberra’s CBD and the Australian National University (ANU), both of which are a short walk away.

Site Details

92 Northbourne Avenue is a prominent regular shaped site measuring approximately 6,270sqm with three street frontages; Northbourne Avenue to the west, Elouera Street to the south and Mort Street to the east. Improvements comprise a six storey office building which was completed in circa 1970 and refurbished in 1997. Each level is serviced by two passenger lifts located on the southern side of the building alongside toilets on each level.

The single level secure basement car park comprises a number of vehicle spaces, inspection bays and store rooms. In addition, the remainder of the site has on-grade car parking for approximately 100 cars, a bicycle storage cage and a picnic area for the exclusive use of the occupiers within the building. The access and egress to the site is via a one-way system with access from Northbourne Avenue (southbound) and egress onto Elouera Street.

Approximate net lettable areas, are as follows:

Ground Floor - Office 690sqm
Level One - Office 697sqm
Level Two - Office 695sqm
Level Three - Office 695sqm
Level Four - Office 688sqm
Total Building Area 3,465sqm

In addition, the building comprises a storage/plant room on level five.



92 Northbourne Avenue is not currently subject to any leases. All levels (except the Ground Floor and Level Three) are vacant and comprise office fitout.

Funding assumptions

The board intends to review each of the project submissions based on the following simple funding requirements:

- Equity injection will be 40% of the Net Cash flow to be funded for the project
- The remaining 60% is to be debt funded, at an interest rate of 7% p.a. capitalised over the project term
- The board does not intend to review any joint venture possibilities at this time or mezzanine finance opportunities

Crown Lease Details

Identification	Blocks 7, 8 and 9 Section 18 Division of Braddon ACT as delineated on Deposited Plan Number 6
Site Area	Approximately 6,270sqm
Term	99 years commencing 20 August 2009
Purpose	<ul style="list-style-type: none">i. business agency;ii. carpark;iii. child care centre;iv. community activity centre;v. cultural facility;vi. educational establishment;vii. financial establishment;viii. health facility;ix. hotel;x. motel;xi. personal services;xii. public agency;xiii. office;xiv. religious associated use;xv. residential use RESTRICTEDxvi. to multi-unit housing;xvii. restaurant; andxviii. tourist facility

Town Planning

The Territory Plan is the key statutory planning document in the ACT managing land use and development in a manner consistent with strategic directions set by the ACT Government.

Zoning	The site is zoned CZ2 Business Zone
Zone Objectives	<ul style="list-style-type: none">a) Provide for office and business sites that are accessible to public transport and convenience retailing and servicesb) Provide a diverse range of accommodation sizes and locations for offices close to the retail corec) Encourage provision of convenient outlets for goods, services and facilities to meet the needs of the workforced) Create vibrant lively pedestrian routes and public spacese) Ensure a high quality urban environment through use of sustainable design and materials and maintain a high level of amenity for employees and the public

WHAT IS REQUIRED?

You are to carry out a feasibility study on the property at 92 Northbourne Avenue. You are to assume the building on the site will be retained and converted into **residential apartment units** which are then to be **sold**.

You will prepare a report based on your feasibility analysis in which you are required to provide and explain all assumptions made including but are not limited to the following:

- Land Acquisition
- Design, Planning and Consultancy Fees (Professional Fees)
- Design philosophy
- Construction Costs
- Contingencies
- Statutory Fees
- Land Holding Costs
- Selling and Leasing Costs
- Escalation or Inflation Rates
- Pre-sales or Pre-commitments
- Sales and Rental Income
- Finance structure

Your feasibility report should include consideration of the following issues:

- Which purchasers of the apartments will be attracted to the development and why (ie target markets).
- How strong will be the demand for the development and at what likely prices and/or rents.
- What if any, would be appropriate 'green' features to include in the development to limit impact on the surrounding environment
- How does the proposed development achieve the best 'fit' with the site and the location.
- The board wishes to include 20% of the developed stock to be retained as affordable housing.

Further Information

All of the information on these sites will be available to nominated team members and team mentors via the following link http://www.ARGUS_EstateMaster.com/training-education/university-partnership-program/prres-competition .

This information was provided by CBRE Canberra. Teams are NOT to contact these agents, owners or tenants of the nominated property.

Any contact with local agents or other professionals should be kept to a minimum. Teams are required to carry out their own market and other research in order to complete this assignment.