

Due diligence is a risk management process for Vendors and Purchasers. From a purchaser's perspective due diligence clarifies the quality of information provided and sets in place the appropriate procedures to ensure investors receive the advice they need to make an informed and balanced decision.

Investors look to multi-disciplined advisers to assist in determining price, to limit the risks of the unknown and, in particular, to add value by identifying opportunities.

Through a comprehensive investigation of a real estate asset, advisers can maximise value in many ways including structuring of the transaction, innovative financing and optimising taxation benefits.

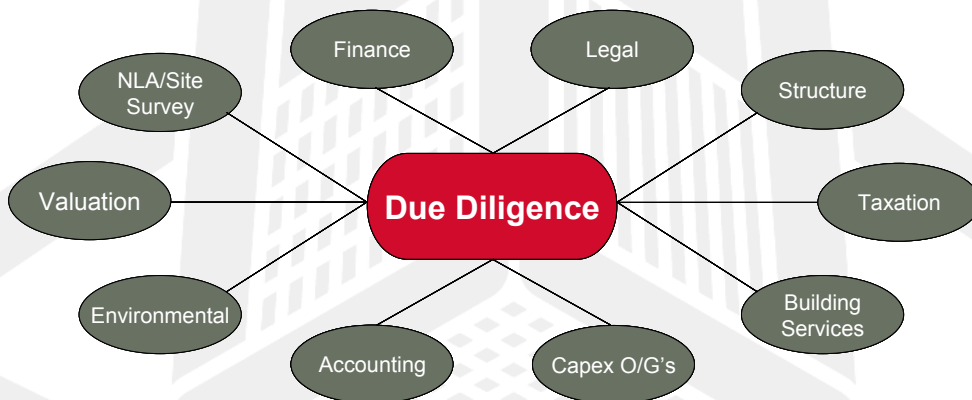
Due diligence adds value to the decision process by identifying the risks and opportunities.

Due diligence clarifies the quality of information provided and sets in place the appropriate procedures to ensure investors receive the advice they need to make an informed and balanced decision.

Without investment in due diligence, there is an inherent danger of being exposed to undetected risks.

What services are included?

Major areas of professional advice in the due diligence process include legal, taxation, accounting, real estate, and technical services.



Legal services cover:

- Review of title and ownership
- Review of tenancies and lease issues.
- Planning and development approval issues.
- Occupational, health and safety issues.
- Insurance and litigation.

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Taxation services cover:

- Review of historical and current taxation status.
- Review of taxation projections.
- Identification of opportunities for maximising taxation benefits.
- Identification of possible tax liabilities.

Accounting and type services cover:

- Analysis of financial statements and account balances.
- Review of unrecorded liabilities, commitment and contingencies and related party transactions.
- Review of outgoings for completeness, accuracy and proper classification.
- Verifying adequate planning and budgeting processes.

Among real estate services are:

- Market analysis of supply and demand with sales and leasing evidence.
- Market valuation based on “clean numbers”.
- Financial modelling using lease by lease discounted cash flow analysis and market derived discount rates.
- Benchmarking by use of comparative analysis of performance.
- Risk and opportunity analysis.
- After tax cash flow analysis.

Technical review covers:

- Estimates of rectification costs, and assessments of technical services.
- Architecture, structure, façade and engineering services, and Building Code of Australia requirements.
- Valuation of assets for depreciation purposes.

A project-managed, due diligence service provides “an integrated opinion” and involves a co-ordinated review of the various disciplines.

Other benefits include enhanced communications with clients by providing one point of contact, comprehensive reporting that focuses on critical issues and potential cost savings by eliminating inefficiencies of multiple document handling.

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m3 Dimensions

Property Due Diligence

Once the purchase is completed the report becomes the “source” document for ongoing asset management.

In our experience significant value can be added by carrying out due diligence not only on acquisitions but also on existing properties when preparing them for sale.

CONTACT DETAILS

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