

# Cost Consulting and Development Cost Management

- **Focuses primarily on cost analysis, development feasibility studies, monitoring development costs and reporting to owners and lenders on capital expenditures compared to budgets.**
- **Employs one of the most comprehensive databases in North America, providing a significant, competitive advantage.**

## **COST ANALYSIS AND COST FEASIBILITY STUDIES**

Pro-forma assessments of contemplated development projects encompassing development or “soft costs,” cash flow analysis and preliminary financing requirements. Studies can be based on preliminary sketch drawings, line drawings or a program brief of estimated user requirements – all before committing the owner to a detailed design.

## **LOAN MONITORING**

Reports produced for lending institutions that outline expenditures incurred in connection with a particular project and that assess the ability to adhere to budgeted amounts.

## **DEVELOPMENT COST MANAGEMENT**

Cost planning and budget control with four main objectives: ensuring that the actual cost of the building does not exceed the client’s budget; providing the client value for money; achieving a proper balance of cost between the building elements; and exploring “whole-life” costing dynamics.

## **POST-CONTRACT COST CONTROL**

Ongoing services provided following the preparation of an initial budget, including maintaining cost records and project-related documentation, as well as reviewing and verifying contract accuracy in order to provide cost-to-date and cost-to-complete certification. These services are designed to protect owner and/or financial institutions interests, including providing independent reports for development projects being financed by bond issue or by other forms of finance that are subject to security regulations in Canada and the U.S.

## **RECONSTRUCTION COST ESTIMATION**

Reports that establish the replacement cost of an existing building. Studies represent the cost approach to building valuation, often used in insurance or mortgage-related matters. Evaluations account for the associated hard and soft costs, in order to determine all of the related construction costs required to rebuild a building

## **LIFE-CYCLE COST STUDIES**

Studies that serve as a master plan for capital costs and annual or periodic repair and maintenance costs. The studies support private

finance infrastructure and institutional projects, as well as custom-build long-term lease projects where the developer/operator assumes all liabilities under a full building long-term lease.

## **VALUE MANAGEMENT**

A technique used to establish the best functional balance between the cost, reliability and performance of various construction elements. The result is a report that identifies unnecessary cost, maintaining design integrity while balancing owner and user group cost requirements.

## **DISTRESSED REAL ESTATE ANALYSIS AND MANAGEMENT**

Involves acting as a receiver/manager (typically under construction default conditions), assessing and managing the completion of development projects that have encountered financing difficulties.

## **LEGAL SUPPORT**

Providing professional expertise for arbitration and mediation that involves a detailed analysis identifying the issues and quantifying the claims to establish a solid basis for some form of settlement. Services include delay claims, expert witness and general litigation support.

## **PHYSICAL DUE DILIGENCE REVIEWS**

Thorough analysis of a building’s condition that includes building conversion cost, retrofit cost, and deferred capital maintenance analysis. The analysis addresses the cost-value relationship to support property or portfolio purchasing decisions or to assist in the preparation of long-term capital expenditure analyses.

## **RISK MANAGEMENT**

Comprehensive risk assessment, risk monitoring and risk management services that identify the components that are crucial for the successful completion of a capital development project. Major components of risk assessment include: budget and market-driven cost escalation risks; the impact of construction industry activity within a geographic region on labor rates and quality-related items; various risks associated with design development, approval and acceptance of design; budgets and schedules by the project team, lenders and the city planning department; and political risks involved in multi-owner/multi-user development projects.