Experiences and challenges in Africa with Financial Development Modelling Techniques: A QS Firm’s Perspective

By Gerhard de Leeuw
OUR FIRMS BACKGROUND

- STARTED LATE 2000
- TWO OFFICES IN SOUTH AFRICA IN JOHANNESBURG AND PRETORIA
- EARLY IN EXISTENCE INVOLVED WITH PROJECTS IN AFRICA
- MAINLY COMMERCIAL PROJECTS – OFFICES, RETAIL, HOTELS
IMPORTANCE OF AFRICA ASSOCIATION OF QUANTITY SURVEYORS

PROVIDES PLATFORM FOR ALL QUANTITY SURVEYORS

MODEL DOCUMENTATION

IMPROVES COMMUNICATION

PROMOTES INDUSTRY

EXCHANGE OF IDEAS AND BEST PRACTICE
FINANCIAL VIABILITIES IN AFRICA

- COMMON PRACTICE IN SOUTH AND SOUTHERN AFRICA – NOT IN REMAINDER OF AFRICA

- FOUND IN AFRICA, DEVELOPERS EITHER DO: OWN FINANCIAL VIABILITIES GET SOMEONE LIKE AN AUDITOR NOT IDEAL

- QUANTITY SURVEYOR BEST SUITED TO CREATED A BANKABLE DOCUMENT

- PREPARING A FINANCIAL VIABILITIES REQUIRES DETAILED INPUTS FROM THE QUANTITY SURVEYOR, DESIGN CONSULTANTS, SPECIALIST CONSULTANTS, LEASING AND ESTATE AGENTS, DEVELOPER
FINANCIAL VIABILITIES IN AFRICA (continued)

Advantages of Quantity Surveyor providing financial viability services:

- Become involved with projects at an early stage
- Broadens the range of services
- Becomes the clients’ “right hand man”

Our view that the quantity surveyor should be the clients’ “right hand man” when it comes to financial and contractual matters

Quantity surveyor best suited to create a “bankable” document

Preparing a financial viabilities requires detailed inputs from the quantity surveyor, design consultants, specialist consultants, leasing and estate agents, developer
FINANCIAL VIABILITIES IN AFRICA (continued)

SOURCES OF INFORMATION:

• AAQS WEBSITE – TALK ON PRESENTATION OF FINANCIAL VIABILITIES

• DOCUMENT BY THE ASAQS – GUIDE TO CO-ORDINATED ECONOMIC VIABILITY STUDIES FOR COMMERCIAL PROPERTY INVESTMENT 2016

• SEVERAL PROGRAMS AVAILABLE. RECOMMENDED – VIABLE

• CORNER STONE OF A FINANCIAL VIABILITY IS ACCURATE ESTIMATES OF CONSTRUCTION COST
  • REFER TO GUIDE TO ELEMENTAL COST ESTIMATING AND ANALYSIS FOR BUILDING WORKS 2016
  • USE SOFTWARE SUCH AS DIMX, COSTX, WINQS, QSPLUS
OTHER THOUGHTS

- Use technology to be more productive
- Develop systems
- All QS’s must provide high quality service
- Partnering
- Constant improvement
THANK YOU!

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