



tcn methods

risk analysis via tcn pizza pie

Land & Building

This slice refers to the possibilities of acquiring the land and building, how do you get the process under control? When you (re)develop, this risk area also considers how you will (re)develop and what the risks are. This slice includes management & facilities; if you maintain the property well, you should get more income.

Permits

This slice mentions the permits that are necessary to complete the project, and the time required to obtain the permits and the possibility to obtain them. This slice typically has the most risk, as it is difficult to be in control of the entire process and the decisions made by others. The municipality or province is in charge and they are hard to predict. The only way to be in control of this slice is to spend a lot of time on it and know how the procedures work. Know the concerned officials.

Permits you need to think of are: zoning plan, regional plan, demolition permit, report of economical effects, report of environmental effects, building permit, permit of occupancy, event or festivity permit, heritage permit, etc, etc.

Marketing

This slice describes the product and the concept. TCN has several products; these products are the type of projects we make. Using the TCN Flow method you decide the concept and the project. A part of the TCN Flow is the context analysis where you investigate your project's market potential. This slice contains positioning of the project and a marketing plan.

Feasibility

This slice refers to the risks or challenges you have in your budget and planning. There are two types of budgets: Investment Budgets which you use during the development period (and which runs for the duration of the development period) and Exploitation Budgets (P&L including Balance Sheet) which you use after completion of the project (and which are made each year). The risk in your budget can influence the cost side of the project (e.g. construction cost are higher than expected) or the income side of the project (rental price per sqm is lower or a lot of vacancy). The planning part in your project is a very important one, because with good planning you can better keep your cost under control. The longer a project takes to complete the higher the costs, this is mostly due to increasing interest costs. Furthermore, our own money is tied up longer.

Financing

This slice mentions the leverage between debt and own equity. The lower the risk of the project the lower the interest rate of the debt equity. To lower the risk for TCN we prefer to work with partners with whom we can share this risk. The money that the partners don't invest in the project should be financed by a bank via a mortgage. Be aware of the fact that banks demand guarantees. The exit strategy in a project is mentioned in this slice as well. The financing strategy influences the risk in the project.

