

# Feasibility Studies

What are they, and why are they important



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## What is a feasibility study?

A housing feasibility study is a report about a piece of land which brings together critical information about the land. It provides a clear picture of what the land can be used for, and what will be required to do so.

Feasibility studies should show good project planning, a technical and financial assessment of whether a project is viable and practical and achievable. Studies need to state whether the project is likely to achieve its intended benefits and outcomes and provide results that will last a long time.

Typically, a feasibility study will involve financial modelling, market research and demand analysis, RMA planning and bulk and location concepts, allowing the developer/owner/whānau to identify the most appropriate use for a site, balancing costs alongside broader outcomes. Feasibility studies allow you to quickly establish if there are viable property development opportunities for a site, ensuring the potential success of a project before taking the next steps in the development process.

Housing feasibility studies are not all the same. Usually the client and the service provider will discuss what information specifically is required and that will shape the report. A feasibility study for a commercial developer might be more detailed than other feasibility studies, and a feasibility study for a commercial development will be different to a report on a small piece of land being developed for a single home.

But in all those situations, feasibility studies provide a basis for understanding what can be done, if what you want to do is possible, what the barriers will be, and often, feasibility studies will cover estimates of what it will cost. These reports will also ultimately be useful in your conversations with banks, council, and other sources of funding, financing, or support.



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What we have heard is that in Te Tai Tokerau is many whānau with an interest in land are interested in knowing what they might be able to do with the land, and if they can continue to dream about a homestead or papakāinga, or a marae sometime in the future.

In these cases a feasibility study can quickly identify the planning and consenting rules that apply to the specific site, as well as identifying what infrastructure will be required and how the site can be connected to public infrastructure. Planning rules will be in place and will include limits on things like how many dwellings can be built on the site.

Whether there is existing infrastructure on, or to the site, or nearby, or some distance away, is important to know, and professionals in that area can assess that and provide that information.

Feasibility studies will also look into land title, and provide information about the nature of the title and how that might influence any development.



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Feasibility studies can include an estimation of cost, and information about financing (via banks), or funding (via government programmes for example).

Some of the key activities as part of the feasibility study process may include:

- Facilitating a co-design process that includes workshops with whānau.
- Producing an inventory and assessment of existing conditions, including physical and environmental site conditions, utility and transportation infrastructure, and applicable regulatory and design parameters.
- Developing conceptual site design options that meet the goals of the whānau/iwi/ahu whenua trust and address relevant environmental, physical, regulatory, and aesthetic design considerations.
- Estimate site development costs and infrastructure requirements.
- Assess the financial feasibility of the conceptual design.
- Advise client on how to proceed after feasibility concept approved.
- Progress preferred concept through to preliminary design stage.
- Prepare documentation for resource consent application.

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Some of the consultants that may be involved in the feasibility study process include:

- **Land surveyor** – site survey.
- **Geotechnical engineer** – geotechnical investigation to determine suitability of ground for foundations.
- **Building surveyor** - Condition assessment of existing buildings and infrastructure, and identification of options for upgrade / repair / replacement.
- **Architect** – Masterplan, concept and preliminary design of proposed buildings.
- **Landscape architect** – landscape concept, input into concept masterplan options, development of preliminary masterplan.
- **Ecologist** – Assessment of ecological impacts of construction, including on sensitive ecological areas such as wetlands.
- **Civil engineer** – Three waters assessment, options and recommendations.
- **Quantity surveyor** - Indicative construction costs (based on concept design options).
- **Financial consultant** - Assessment of the ongoing economic and financial viability of the redevelopment (based on preferred concept design option).
- **Market research consultant** – Market research and demand analysis to determine economic viability of a housing project (e.g. housing on a site located close to employment centre = demand), or to identify the typology, location and cost of housing that are viable for a particular group (such as iwi members or beneficiaries of an ahu whenua trust).
- **Traffic engineer** – Assessment of traffic impacts of proposed development (based on concept design options).
- **Planner** – Initial planning advice, full planning assessment and preparation of resource consent documentation.



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If you've been wondering whether it might be possible to get that housing project off the ground and make that dream a reality, or put some planning in place for the future, maybe a feasibility study is what you need.

Where land is owned collectively, a feasibility study can offer a starting point for discussion. It's not a commitment to building houses on land, or a decision to do so. It's just a tool that can help you understand what's possible, what might be tricky, and how good it could be to get there, so that you know where you stand.

The Te Kahu o Taonui Housing Technical Table can offer some help with feasibility studies.



Housing Technical Table

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