FeasiBuild

I Ran a Stress Test on a 200-Unit Residential Deal...

What looked like a home run on paper turned into something very different when the numbers were pushed. This is what happened – and why it matters for every developer running feasibility on a new project.



Made with GAMMA

FeasiBuild

THE BASE CASE

18% IRR. Looks Like a Home Run.

A 200-unit residential project in Malaysia. On paper, the assumptions were aggressive but believable – strong sales velocity, fat margins, clean returns.

200

Units

Residential development

18%

Base IRR

Projected return on equity

5%

Price Drop

Stress scenario trigger



Made with GAMMA

FeasiBuild

THE QUESTION NOBODY ASKS

What If the Market Softens Right at Launch?



Most feasibility models stop at the base case. The real risk hides in the assumptions that feel safe – until they're not.

Two variables were stress-tested simultaneously:

📉 Selling Price –5%

Market softens just as the sales gallery opens

📈 Construction Costs +5%

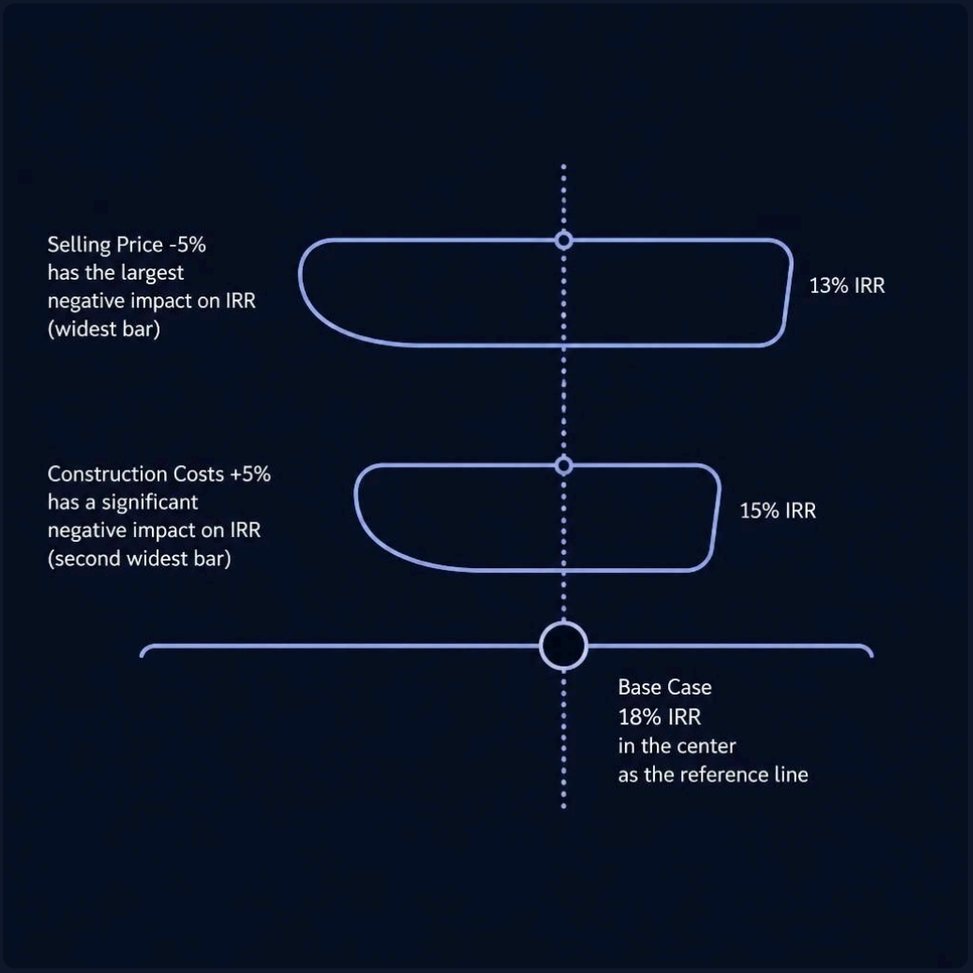
Material and labor inflation hits mid-build

Made with GAMMA

FeasiBuild

SENSITIVITY ANALYSIS

The Tornado Chart: Mapping the Exact Risk Vectors



A Tornado Chart ranks risk factors by impact – showing which assumptions move the needle most. In this case, **selling price sensitivity dominated**, with construction cost inflation compounding the damage.

This is the difference between a back-of-the-napkin model and an institutional-grade feasibility study. You don't just calculate the upside – you map the landmines.

Made with GAMMA

FeasiBuild

THE SHOCK

IRR Collapsed from 18% to 4.2%

The profit margin vanished. The developer was essentially working for free – generating just enough to cover the bank's interest.

Base Case

18% IRR – Strong returns, attractive to equity partners

Stress Case

4.2% IRR – Margin evaporated, project barely covers debt service

The Gap

13.8 points – wiped out by two 5% assumption shifts

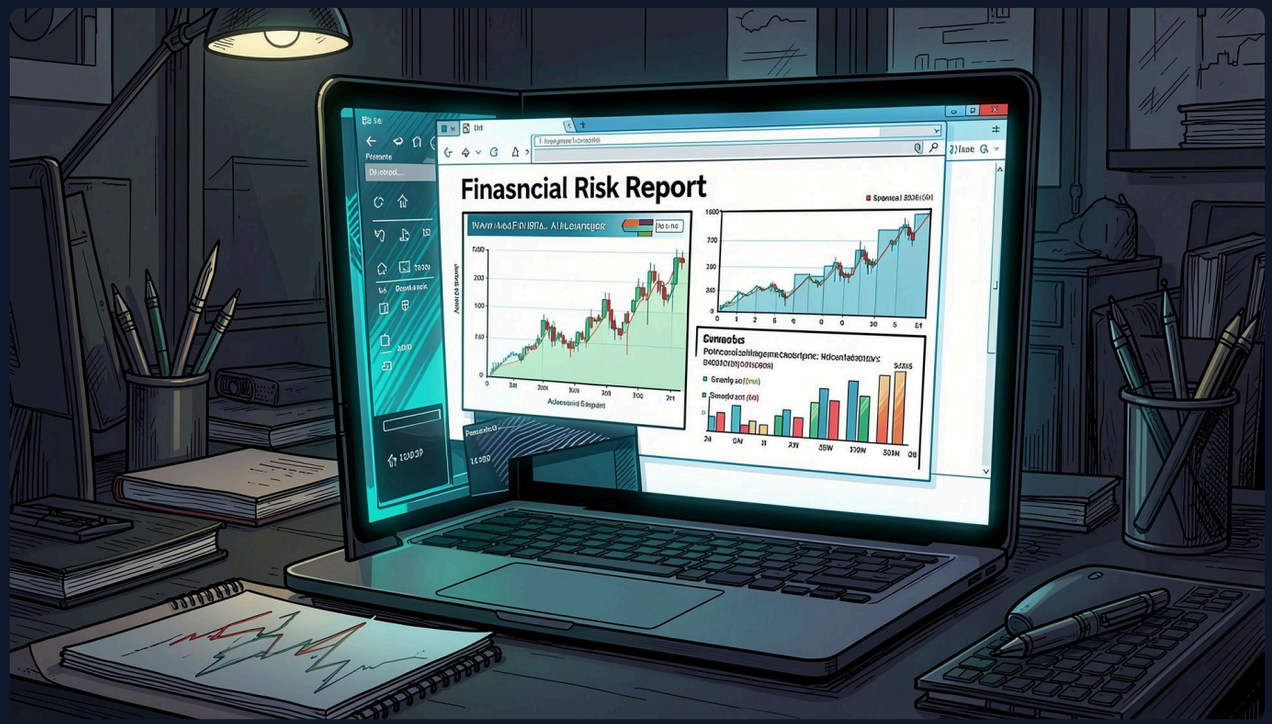


Made with GAMMA

FeasiBuild

THE AI ADVANTAGE

It Doesn't Just Break the Math — It Writes the Advisory



FeasiBuild didn't output a broken spreadsheet. The AI generated a **2-page scenario analysis & IRR sensitivity** – explaining exactly the factors why the project was vulnerable and what to do about it.

Diagnosed the vulnerability

Identified price sensitivity as the primary risk driver

Recommended a fix

Build a **10% contingency** into the equity stack

Institutional-grade output

Ready to share with lenders, partners, and stakeholders

Made with GAMMA



FeasiBuild

Map Your Landmines Before the Market Does

Every residential deal has hidden risk vectors. The question is whether you find them before or after you commit capital.

Try the Free Explorer Tier

Run your first feasibility study at no cost – see the difference for yourself

Get Lifetime Access from $99

Full institutional-grade analysis, AI risk advisories, and unlimited scenarios

👉 **Start at www.feasibuild.app** – and stop guessing what your numbers don't tell you.

Made with GAMMA