

Technical Due Diligence



WHAT IS TECHNICAL DUE DILIGENCE?

Technical Due Diligence (TDD) is the management of risk associated with the acquisition, divestment and ownership of property assets. The technical aspect of due diligence is just one part of the overall process and should not be underestimated.

Whilst lawyers and valuers assess the commercial viability of an acquisition, the technical aspect alerts the purchaser to potential faults and issues with the building and informs on how to manage inherent risks post investment.

COMPONENTS

TDD encompasses investigations into some or all of the following:

Physical

- building structure and fabric
- building façade
- building services (mechanical, electrical, fire, hydraulics, lifts and security)
- Building Code of Australia (BCA) compliance
- essential services compliance
- environmental
- NABERS and Green Star
- town planning
- lettable areas
- title, easements and encroachments
- Disability Discrimination Act (DDA)
- Occupational Health & Safety (OH&S)

Legal

- lease reviews
- contracts of sale
- development agreements
- agreements to lease

Other

- planned maintenance
- capital expenditure
- outgoing
- insurance valuation
- tax depreciation
- asset registers

Due diligence must be an integrated process, recognising that each of the components impact upon each other, the price of the asset and the holding and recurrent cost of the property.

DUE DILIGENCE PROCESS

Whether it's a pre-purchase inspection or vendor's disposal report required, our approach is tailored to match the client's specific objectives and time frames, creating an end product designed as an ongoing asset management tool.

A team leader is appointed to manage the process and due diligence team, who reports directly to the client. This ensures a single point of contact and responsibility providing a consistent approach and direct feedback.

OUR EXPERIENCE

Davis Langdon has a strong track record in the successful completion of technical due diligence exercises extending to over \$3 billion worth of property transactions.

TDD has been undertaken on commercial offices, shopping centres, industrial complexes, hospitals and land holdings, for both national and international clients.

We regularly undertake TDD on single properties and property portfolios across sites at diverse locations throughout Australia and New Zealand. The service is planned and conducted recognising that cost, time and comprehensiveness are the essence in any property acquisition or divestment.

We understand the inter-relationships between the TDD aspects of the building from the commercial and legal due diligence aspects, and how this impacts on the property's valuation and financial return to the client.

MORE INFORMATION?

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