



Technical Due Diligence

		
Property Type:	Industrial Warehouse	
Location:	Western Suburbs, Sydney, NSW	
Client:	Purchaser	
Construction Date:	Early 1999	

Introduction

Washington Brown Pty Ltd was instructed by a potential purchaser to undertake Technical Due Diligence of an existing warehouse located within the Western Suburbs, prior to exchange of contract, to satisfy themselves of all associated risks and future costs of the asset.

The Client required professional due diligence advice on the building to identify any risks with the property which included the building structure & fabric, services, legal compliance and environmental issues. Washington Brown was engaged to undertake the Technical Due Diligence Process. The inspection was carried out within 5 days of the instruction and the report was issued within the client's timeframe of 3 weeks.

Process

1. Identified the Clients requirements and extent of the Due Diligence Report.
2. Instructed a number of sub-consultants to meet the specialist requirements of the client.
3. Undertook a joint site inspection to establish the risks and condition of the property.
4. Produced a detailed report which included the condition, risk and likely future expenditure of the building and fabric and services and the make good risk.
5. The report included an insurance reinstatement assessment, tenant liabilities and likely tax depreciation.

Results

- The inspections identified a number of concerns with the building which resulted in some unforeseen risks and costs not known prior to due diligence.
- The CAPEX report identified approximately \$1.5m worth of costs required over the reporting period.
- The report identified areas of contamination that were unknown.
- The Due Diligence report highlighted risks and costs to the purchaser which could then be used to negotiate the purchase cost, with otherwise would not have been known until after the event.

Key benefits to Purchaser

- Identify and reduce client risk prior to acquisition
- Identified potential issues and problems with the building
- Highlighted future expenditure which was not clearly highlighted by the vendor (which can be used for price negotiation)
- Peace of mind