

ABSTRACT

Office building is one of the commercial properties which is abundant in Jakarta, especially in the city's central business district (CBD). As a project, office building development is faced with uncertainties which are also the sources of risk. This research conducts a financial feasibility study of a strata-title office project in Jakarta, and analyses its investment risks using Monte Carlo Method which considers probability distribution of any given variable into the model. After 100 iterations, the cumulative probability of the project to be feasible (that is when $NPV \geq 0$ and $IRR \geq MARR$) was found to be around 67%. Through sensitivity analysis, it was found that selling price had impact twice higher towards NPV and IRR compared to construction cost.

Keywords : feasibility study, risk analysis, financial analysis, monte carlo simulation