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PROJECT FINANCE · COMPARATIVE ANALYSIS · 2026 EDITION

Financing real estate vs infrastructure & energy projects

One discipline, different assets. A comparative analysis of how project finance, bankability and capital structuring adapt to the intrinsic characteristics of large-scale developments.

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EXECUTIVE SUMMARY

One discipline, different assets

Large real estate developments and infrastructure or energy projects are commonly treated as separate investment worlds. Seen through the lens of project finance, they are far closer than they appear — governed by the same principles, but shaped by fundamentally different economics.

In brief

- **The distinction is economic, not financial.** All three asset classes are assessed against the same project-finance test: sustainable value, predictable cash flows, balanced risk allocation, robust contracts and an efficient capital structure. What differs is **how each asset creates value**.
- **Real estate transforms land; infrastructure and energy provide services.** Real estate creates value by converting land into marketable assets, generating returns **progressively during development**. Infrastructure and energy create value by delivering essential services **over decades of operation**.
- **Revenue predictability drives the capital structure.** Market-dependent revenues demand conservative, phased financing; contracted or regulated revenues support **higher leverage, longer tenors and institutional capital**. Predictability — not sector — sets financing capacity.
- **The boundary between sectors is disappearing.** Airport cities, transit-oriented districts and master-planned developments fuse real estate, infrastructure and energy. Financing must now **combine techniques once tied to separate asset classes**.
- **Bankability is prepared, not obtained.** The decisive advantage is no longer access to capital but the quality of project structuring. **Financing follows preparation** — the shift from financing projects to structuring investments defines modern project finance.

Contents

01 — INTRODUCTION

A common lens on different worlds

Real estate developments and infrastructure or energy projects are promoted by different sponsors, procured under different contracts and financed by different investors. From a project-finance perspective, that separation is far less real than it appears.

Both pursue the same objective: **turning a technically feasible concept into an investment capable of attracting long-term capital at acceptable risk-adjusted returns**. Whether the project is a mixed-use district, a metro line, a solar plant or a desalination facility, the underlying challenge is identical — building something robust, predictable and financeable enough to draw investment.

The differences arise not from the principles of project finance but from the **economics of the assets**. Real estate derives value from transforming land into marketable assets; infrastructure and energy create value by providing essential services over the long term. Those two economic models shape almost every financing decision — revenue generation, contracts, risk allocation, security and capital structure.

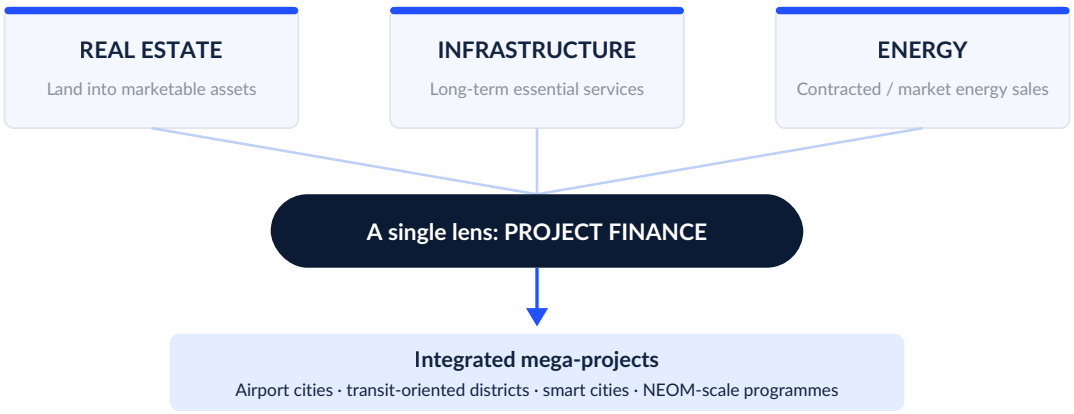


Exhibit 1.0 · Three asset classes, converging into integrated programmes, assessed through one discipline

A distinction that is fading

Over the past decade the line between the sectors has blurred. Airport cities combine transport infrastructure with commercial real estate. Transit-oriented developments fuse metro systems with housing, retail and offices. Logistics parks now embed power generation, district cooling and digital infrastructure. As projects integrate, **financing strategies must integrate too** — real estate techniques increasingly meet infrastructure procurement models, and infrastructure adopts the value-capture mechanisms once reserved for property.

PURPOSE OF THIS PAPER

This paper does not ask whether one financing model is superior. It examines **how financing strategy should adapt to the intrinsic characteristics of each project type** — identifying the principles that stay constant across sectors and those that must change.

Scope

The analysis centres on **large-scale projects** whose scale and complexity make project finance methodologies relevant: integrated mixed-use schemes, urban regeneration, tourism destinations, logistics parks and master-planned communities on the real estate side; transport, water, digital and social assets in infrastructure; and conventional, renewable, storage and district-energy assets in energy. It excludes corporate finance, M&A, listed-vehicle strategies and public budgeting — the focus is financing individual projects supported by **project-specific cash flows and contracts**.

Methodology

The comparison follows the sequence investors and lenders actually use when judging whether a project can attract capital. Successful financing rarely begins by identifying funding sources; it begins by understanding **how the project creates value, how revenues arise, how risks are allocated and whether the structure gives investors sufficient certainty**. Both project categories are examined through six common dimensions:

EXHIBIT 1.1

The six-dimension analytical framework

DIMENSION	WHAT IT EXAMINES
Economic value creation	How the project generates long-term value and what drives investment.
Revenue models	The origin, predictability and resilience of project cash flows.
Risk allocation	How technical, commercial, operational and financial risks are distributed.
Commercial & contractual structures	How agreements convert projects into financeable transactions.
Security & bankability	The assets, rights and protections available to investors.
Capital structuring	How project characteristics shape the optimal mix of equity and debt.

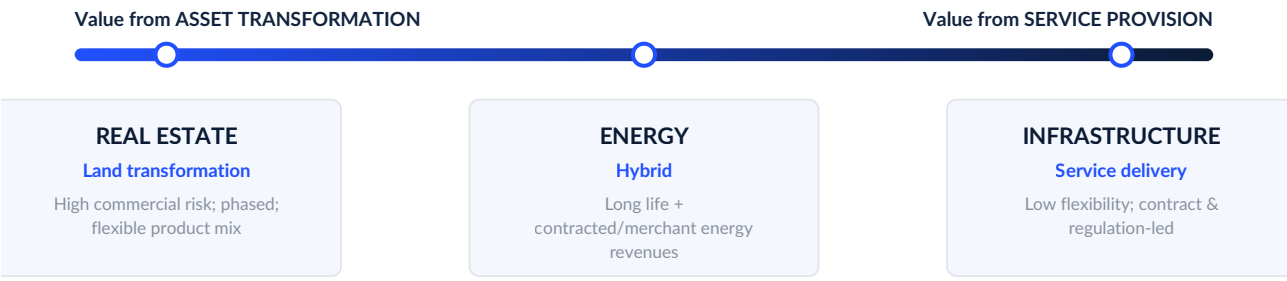
Critically, this method **separates project characteristics from financing instruments**. Commercial loans, Islamic finance, Sukuk, project bonds, infrastructure and real estate funds, and public-private partnerships are treated not as ends in themselves but as tools selected to match a project's specific risk profile, revenue model and contractual structure.

02 — THE ASSETS

The fundamental nature of what is financed

Before analysing financing structures, one question comes first: what is actually being financed? The physical asset is only part of the answer — what matters is its ability to generate sustainable value and convert it into predictable cash flow.

This is why **two projects with similar construction costs can require entirely different financing**, while projects from different sectors can attract remarkably similar solutions because their economics are alike. Understanding the nature of the asset is the first step in designing the financing strategy.



The economic model — not the physical asset — dictates the financing strategy.

Exhibit 2.0 · From land transformation to service provision — where each asset class sits

Large real estate developments — land transformation

Large developments are, at heart, **land-transformation projects**: capital is invested to turn raw or underused land into marketable assets worth far more than the original site. They rarely consist of a single building, comprising instead multiple interconnected assets delivered in phases under a master plan — mixed-use districts, master-planned communities, business districts, tourism destinations, logistics parks, waterfront regenerations and airport cities.

Three characteristics recur. First, **value depends on market demand** — units must be sold, offices leased, hotels occupied. Second, projects are **developed in phases**, letting sponsors limit exposure and recycle capital from earlier stages. Third, **much value is created before construction completes**, as approvals, rezoning and improved access lift land values ahead of operational revenue. The result is high commercial risk during development, offset by considerable flexibility over product mix and phasing.

Infrastructure — essential services

Infrastructure differs fundamentally: its purpose is not to transform land but to **provide essential services**. A motorway, railway, airport or water plant derives value from delivering reliable service

over decades — often thirty to fifty years or more — not from asset appreciation. Once construction starts, flexibility is limited: an alignment or plant capacity cannot be reworked to suit the market, so **detailed planning, demand forecasting and contractual certainty carry far more weight**.

Infrastructure is also inseparable from the public sector, with governments acting as owners, regulators, concession grantors or long-term counterparties. That is why **contracts frequently matter more than the physical asset**: concession agreements, availability-payment mechanisms and regulatory frameworks determine investment attractiveness.

Energy — the hybrid

Energy sits between infrastructure and commercial investment. Like infrastructure it demands heavy capital, long lives and technical depth; unlike much of it, energy often earns revenue through **commercially contracted sales** rather than direct public service. Value depends on producing reliable energy at acceptable cost, with revenues ranging from regulated income to long-term Power Purchase Agreements (PPAs) or merchant markets. Because performance drives returns directly, investors scrutinise **technology, warranties, resource assessments and performance guarantees**.

> *The physical asset does not determine the financing strategy — the economics of value creation do.*

An increasingly blurred boundary

The world's largest developments now combine all three. Modern mixed-use schemes require transport, utilities, district cooling and renewable generation before any real estate can be sold. Airports have become commercial destinations; ports integrate industrial and logistics zones; stations are designed as mixed-use hubs. Integrated mega-projects — NEOM, airport cities, smart cities and large tourism destinations — fold urban development, infrastructure, energy and digital systems into a single programme that **cannot be financed through sector-specific approaches**.

KEY OBSERVATIONS

Real estate creates value by **transforming land**; infrastructure and energy create value by **providing services**. The physical asset does not set the financing strategy — value creation, revenue generation and risk allocation do. And the traditional distinction matters less every year as integrated developments combine asset classes within one investment programme.

03 — PRINCIPLES

The fundamental principles of project financing

However different their commercial goals, all three asset classes are judged against a remarkably consistent set of principles. Regardless of sector, investors want the same thing: predictable long-term cash flows in a structure that allocates risk sensibly and protects capital.

That truth is obscured by the instruments attached to each sector — development finance and REITs for real estate; PPPs and concession finance for infrastructure. Those differences concern the **form of capital, not the principles governing the decision**. Project finance is best understood less as a source of money than as a **method for turning complex projects into investable assets**.

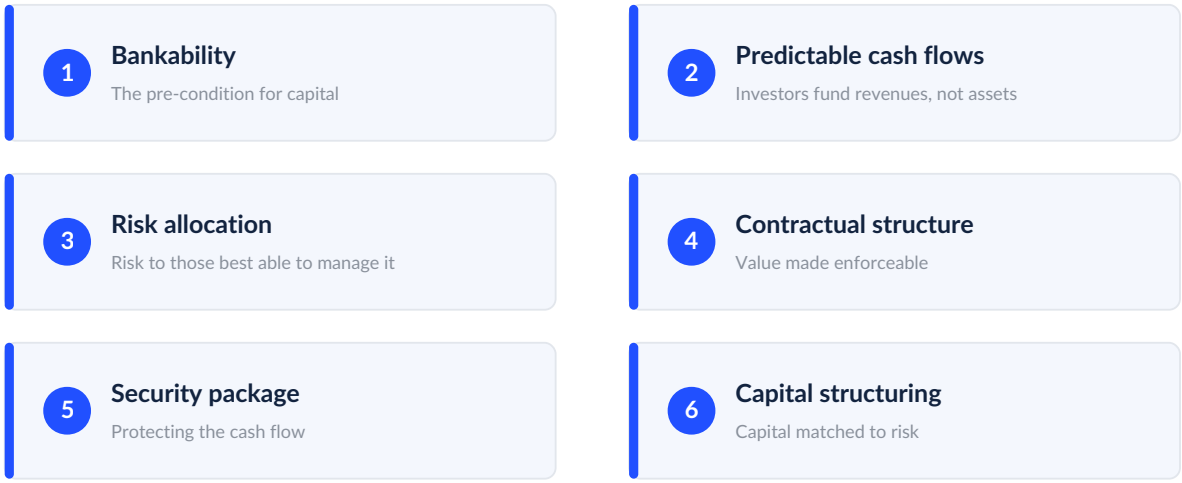


Exhibit 3.0 · The six principles, in the sequence investors actually apply them

1 · BANKABILITY — THE REAL STARTING POINT

Project finance does not begin with financing; it begins with **bankability** — the degree to which a project meets the conditions for professional investors to commit long-term capital. A bankable project fuses **technical feasibility, commercial viability, legal robustness and financial resilience** into one coherent proposition. These are mutually dependent: a technically brilliant project with uncertain contractual rights may never attract a cent.

2 · PREDICTABLE CASH FLOWS

Investors finance **future cash flows, not physical assets**. The question they ask of every project is the same: how predictable are the revenues, and how resilient under stress? Market-dependent revenues carry volatility and demand conservative structures; contracted, regulated or government-backed revenues offer certainty that supports **longer horizons and higher leverage**.

3 · RISK ALLOCATION

No project is risk-free. The aim is not to eliminate uncertainty but to **allocate it to the party best able to manage it** — construction risk to EPC contractors, operational risk to specialist operators, regulatory risk often to the public sector. Where risk sits with those who cannot control it, returns demanded rise and financing capacity falls.

4 · COMMERCIAL AND CONTRACTUAL STRUCTURING

Between a feasible concept and a financeable one lies the contract. Project finance is often called **the financing of contracts rather than assets**: agreements defining ownership, construction, operation, revenue and risk turn economic value into **enforceable rights**. The contractual architecture becomes one of the project's principal financing assets.

5 · SECURITY AND INVESTOR PROTECTION

Capital ultimately depends on the ability to protect it. Modern security extends well beyond land or buildings to **contractual rights, receivables, project accounts, insurance proceeds, equity interests and step-in rights**. Its purpose is not liquidation value but **preserving the project's ability to keep generating revenue**.

6 · CAPITAL STRUCTURING

Only once economics, revenue, contracts and security are established should the financing be built. The sequence is deliberate: **capital should respond to project characteristics, not dictate them**. Each layer of capital — from sponsor equity to institutional debt and capital markets — is matched to the phase and risk most consistent with its objectives.

> *Project finance is not a source of money. It is the discipline of making a project investable.*

04 — ECONOMICS

The economics behind each type of project

Every financing strategy ultimately reflects an economic model. Before revenue, capital or instruments, the question is how the project creates value — and here the three sectors diverge most sharply.

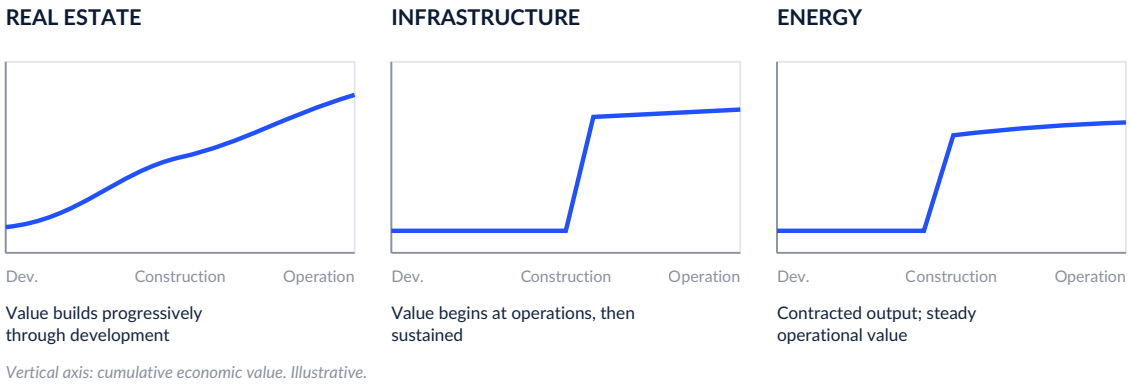


Exhibit 4.0 · When value is created across the project lifecycle, by asset class

Real estate — value across the whole cycle

The objective is to raise the value of land through development — a process far wider than construction. Value accrues through **planning approvals, changes of use, enabling infrastructure, urban integration and design**. Unlike infrastructure, real estate creates value throughout the cycle: land rises on rezoning, units pre-sell before completion, stabilised assets then yield recurring income or are sold to institutions. The process therefore offers **several opportunities for capital appreciation before operational maturity** — and remains tightly linked to demographics, macro conditions and property cycles.

Infrastructure — value through operation

Infrastructure follows a different model. Most projects generate **little economic return during construction**; value creation begins when the asset becomes operational and continues across a service life often beyond thirty years. Investment depends less on short-term market dynamics than on **robust demand analysis, technical reliability and durable operating revenues**, underpinned by concession agreements, regulated tariffs and long-term operating arrangements.

Energy — operation, sold commercially

Energy shares infrastructure's long-horizon, operations-driven economics but earns value through the **production, transmission, storage or sale of energy**, frequently in commercial markets. Revenues may be secured by PPAs, capacity mechanisms or regulated pricing, or exposed to

merchant markets — but the principle mirrors infrastructure: value is realised through **sustained delivery, not asset disposal**.

EXHIBIT 4.1

How value is created — a comparison

	REAL ESTATE	INFRASTRUCTURE	ENERGY
Source of value	Land transformed into assets	Continuous essential services	Long-term energy output
Value timing	Progressive, across the cycle	After completion, sustained	After completion, sustained
Chief driver	Market demand & appreciation	Operational reliability	Performance + commercial terms
Flexibility	High (phasing, product mix)	Low once committed	Low–moderate

These distinctions explain why financing structures differ despite sharing the same principles. Value created progressively needs financing that **accommodates evolving risk and phased capital**; value from long-term operation needs structures built on **contractual certainty and stable cash flow**. Value creation defines the rationale; revenue models, examined next, convert it into cash.

05 — REVENUE

Revenue models and cash-flow characteristics

Long-term capital is repaid from one thing: the cash the project generates. The origin, timing and predictability of that cash differ sharply across sectors — and largely determine how much leverage a project can bear and who can invest.

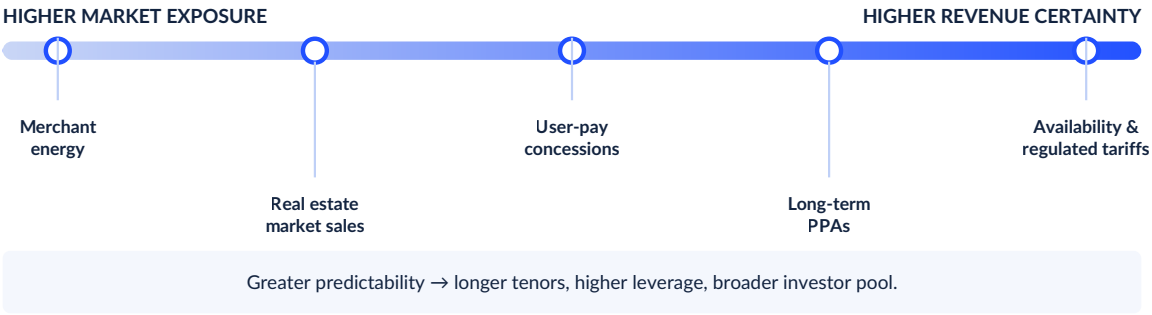


Exhibit 5.0 · The revenue-predictability spectrum, from merchant exposure to contracted certainty

Real estate — commercialising created assets

Revenue is tied to selling or leasing what development creates. Unusually, real estate often **earns cash during construction** — through off-plan sales, forward funding, phased disposals or advance leasing — producing a dynamic profile spanning residential sales, office and retail leasing, hospitality, logistics, asset management and eventual disposals. Large mixed-use schemes combine several streams, reducing dependence on any one segment. Yet performance stays **fundamentally exposed to market demand**: prices, absorption, occupancy and exit yields all move with the cycle.

Infrastructure — revenue from service

Infrastructure earns through the long-term provision of services, shifting the emphasis from transactions to **operational performance**. The mechanisms differ mainly in how much demand risk transfers to the project company:

USER-PAY CONCESSIONS

Revenue tracks tolls, fares or utilisation — investors carry demand risk directly.

AVAILABILITY PAYMENTS

Payment for making the asset available to standard, largely **separating demand from revenue**.

REGULATED TARIFFS

An intermediate model balancing investor returns against public affordability.

The choice of mechanism is therefore a **primary determinant of financeability**: contractual or regulated income offers far more certainty than demand forecasts.

Energy — output, priced by contract or market

Energy revenue depends on selling output over the asset's life, often linked to commodity markets. Long-term **PPAs have become the dominant model** for utility-scale renewables because they deliver the predictable revenue long-term financing needs; merchant projects, by contrast, take direct price exposure and greater volatility. As the energy transition advances, investors increasingly demand **long-term agreements with creditworthy off-takers**.

> **THE FINANCING IMPLICATION**
>
> From a project-finance standpoint, the **source** of revenue matters less than its **predictability**. Greater predictability widens the range of financing available; greater uncertainty demands more equity, lower leverage and higher risk premiums. Often, strengthening contracts or diversifying revenue does more for bankability than raising projected revenue itself.

06 — RISK

Risk allocation — the foundation of project finance

Whether investors commit depends less on the absolute level of risk than on whether risks have been identified, quantified and allocated to those best able to manage them. This is what separates project finance from corporate finance.

Financial institutions rarely reject projects because risks exist — they reject them because risks are **poorly understood, badly allocated or impossible to quantify**. A construction-heavy project can still attract capital behind a robust EPC contract; a technically simple one can prove unfinanceable if commercial or legal risks remain unresolved. Every risk is tested against two questions: **can it be quantified, and can it be allocated to the party best able to manage it?**

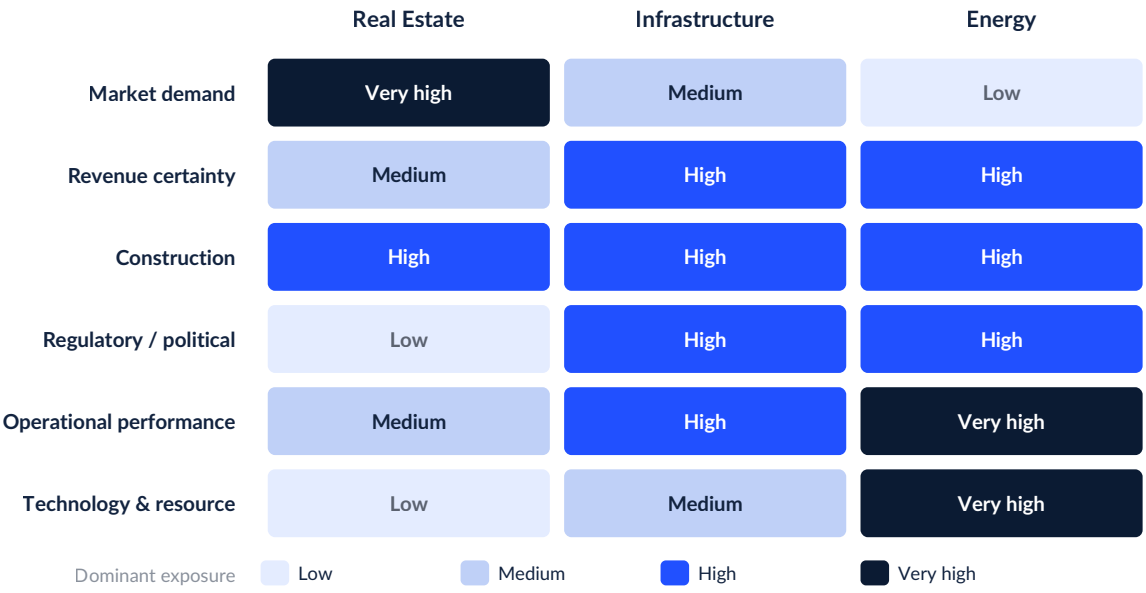


Exhibit 6.0 · Where the dominant exposure sits — a comparative risk profile

Risks common to all large projects

Certain risks recur regardless of sector: **development and permitting** (approvals and land rights before construction); **construction** (cost overruns and delays, usually transferred via fixed-price, date-certain EPC contracts); **environmental and social** risk within ESG frameworks that increasingly govern financing access; **macroeconomic and financial** risk from inflation, rates and currency; **force majeure and political** risk; and **operational** risk transferred to specialist operators under O&M agreements.

What dominates in each sector

REAL ESTATE — MARKET RISK

Demand, pricing, absorption and residual value dominate. Mitigated through **phasing, diversified mix, pre-sales and forward leasing** that de-risk each phase before it starts.

INFRASTRUCTURE — CONTRACT & REGULATION

Lower market volatility, but heavy exposure to **regulatory, demand-model, interface and lifecycle** risk across decades of operation.

Energy blends both: **resource, technology, off-taker and grid** risks are decisive. Renewable output hinges on solar, wind or hydrological resources; equipment must perform for decades; and the **credit quality of the off-taker** frequently makes or breaks bankability, since a PPA with a creditworthy counterparty carries far less commercial risk than a merchant position.

EXHIBIT 6.1

Comparative risk-allocation matrix

RISK CATEGORY	REAL ESTATE	INFRASTRUCTURE	ENERGY
Planning & permitting	High	Medium	Medium
Construction & cost overrun	High	High	High
Market demand	Very high	Medium	Low
Revenue certainty	Medium	High	High
Regulatory / political	Medium	High	High
Operational performance	Medium	High	Very high
Technology	Low	Medium	High
Resource (renewables)	Low	Low	Very high
Residual value	High	Medium	Medium
Lifecycle maintenance	Medium	High	High

Relative dominant exposure by sector. Availability-based infrastructure lowers demand risk; PPA-backed energy lowers revenue risk. Illustrative.

> *Successful project finance is defined not by the absence of risk, but by the credibility with which risk has been allocated.*

07 — CONTRACTS

Turning project economics into financeable transactions

Project finance is often described as the financing of contracts rather than assets. Investors commit capital not because an asset exists, but because enforceable agreements govern how it will be built, operated, maintained and monetised.

Contracts are the mechanism that converts economics into predictable financial outcomes — allocating responsibilities, defining performance, establishing revenue entitlements and distributing risk. The **complexity of that framework** varies with the economics of each asset class.

Exhibit 7.0 · The contractual backbone of each sector — anchor instrument and supporting agreements

Real estate — contracts that evolve

Rather than one overarching agreement, real estate relies on a **sequence of contracts that build value over the cycle**: land ownership or development rights as the foundation, then development agreements, joint ventures, EPC or design-build contracts, and finally the commercial agreements — sales, leases, hotel management, asset management — that generate revenue. Many remain **responsive to market conditions**, making contractual flexibility a defining trait.

Infrastructure — comprehensive, and fixed early

Infrastructure requires a fuller framework **established before financial close**. The **concession agreement** is typically the central document — via BOT, BOOT, DBFO, DBFOM or other PPP models — supported by EPC and O&M contracts, interface agreements, embedded revenue mechanisms, government support and direct agreements with lenders. Together they sustain investment across concessions that often exceed thirty years.

Energy — where the PPA is king

Energy blends both worlds, but its distinguishing feature is the **Power Purchase Agreement**, which sets pricing, duration, delivery and the allocation of production risk. The quality and creditworthiness of the off-taker frequently become **major determinants of financeability**, alongside grid connection, transmission, warranties and long-term service agreements.

EXHIBIT 7.1

Comparative contractual framework

	REAL ESTATE	INFRASTRUCTURE	ENERGY
Land / development rights	●●●	●●	●●
Development agreement	●●●	●	●
Joint venture agreement	●●●	●	●
EPC contract	●●	●●●	●●●
O&M agreement	●	●●●	●●●
Concession / PPP agreement	●	●●●	●
Power Purchase Agreement (PPA)	—	●	●●●
Lease / sales agreements	●●●	●	—
Government support agreement	●	●●●	●●
Direct agreements with financiers	●	●●●	●●●

●●● primary instrument · ●● frequently used · ● project-specific · — generally not applicable.

Different sectors, one purpose: contracts reduce uncertainty by defining rights, responsibilities and risk. They do not create value in themselves — they make value **predictable enough to attract long-term capital**.

08 — SECURITY

Security packages and investor protection

High leverage and limited recourse breed a misconception: that investors rely mainly on the value of physical assets. In practice, project finance takes a much broader view of security.

The security package exists not simply to provide collateral on default but to **preserve the project's ability to keep generating cash**. It therefore reaches well beyond land and buildings to contractual rights, receivables, project accounts, insurance proceeds, equity interests and step-in rights.

Exhibit 8.0 · What secures the cash flow in each asset class

Real estate — anchored in the asset

Security centres on **land ownership or development rights**, expanding as value is created to include mortgages, assignments of sales and lease receivables, escrow arrangements, insurance proceeds and SPV shares. It still relies substantially on **underlying property value**, though contractual rights matter more as developments integrate with public infrastructure.

Infrastructure — anchored in the contract

A motorway or water plant has limited value without the right to operate it. Security therefore protects **contractual continuity** — concession agreements, receivables, accounts, shareholder interests and, crucially, **direct agreements granting notice, cure and step-in rights**. Enforcement is designed to preserve uninterrupted service, not to liquidate assets.

Energy — contracts plus assets

Energy combines both. Physical plant matters, but its value depends on continued output under commercial agreements, so packages include security over **PPAs, grid connection and transmission rights, electricity receivables, accounts and O&M agreements**, with warranties and performance guarantees reflecting the weight of technical reliability.

EXHIBIT 8.1

Comparative security packages

	REAL ESTATE	INFRASTRUCTURE	ENERGY
Land / development rights	●●●	●	●
Mortgages over physical assets	●●●	●●	●●
Shares in the project company (SPV)	●●	●●●	●●●
Assignment of receivables	●●●	●●●	●●●
Security over project accounts	●●	●●●	●●●
Concession rights	●	●●●	●
Power Purchase Agreements (PPAs)	—	●	●●●
Grid connection / operating licences	—	●●	●●●
Direct agreements & step-in rights	●	●●●	●●●
Insurance proceeds	●●	●●●	●●●
Government support arrangements	●	●●●	●●

●●● principal component · ●● frequently used · ● project-specific · — generally not applicable.

> *Security should protect the project's economic value — its ability to keep generating revenue — not merely the liquidation value of its assets.*

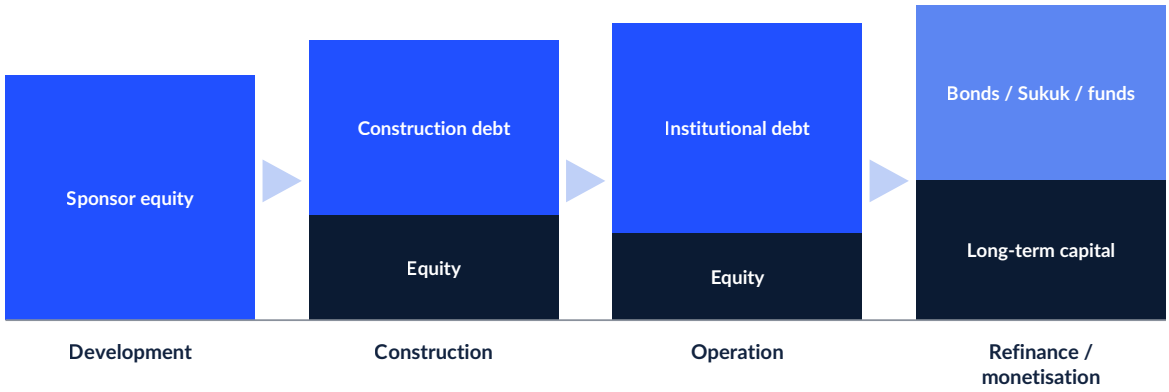
09 — CAPITAL

Capital structuring — aligning capital with the project

Capital structuring is not the hunt for financing sources. It is the discipline of aligning the characteristics of available capital with the characteristics of the project itself.

Different investors carry different appetites for risk, return, horizon and liquidity. An efficient structure **allocates each part of the project to the capital providers best able to bear the associated risk**. Four principles hold universally: capital should follow the risk profile; reflect the timing of cash flows; preserve flexibility across long project lives; and serve the project's long-term objectives rather than simply minimise upfront cost.

Capital is layered to the project's risk at each stage



Illustrative share of capital by risk appetite. Real estate recycles capital; infrastructure/energy lock structure early.

Exhibit 9.0 · How the capital stack is layered to project risk across the lifecycle

Real estate — a dynamic stack

Real estate capital **evolves with the project**. Early, high-uncertainty stages rely on sponsor equity and development capital; as risk falls, construction finance, institutional co-investment, pre-sales and forward funding enter; once assets stabilise, refinancing, monetisation or transfer to long-term vehicles follows. Capital is **actively managed and recycled**, not merely raised at close.

Infrastructure — a stable stack, set early

Infrastructure structures are typically **fixed before construction**, reflecting the emphasis on contractual certainty. Construction remains the period of elevated risk; the transition to operation is the pivotal milestone, after which stable cash flows attract **long-term institutional capital — pension funds, sovereign wealth funds and insurers** — often through refinancing. The thesis rests on sustained operation of the whole asset, not phased disposals.

Energy — structure driven by revenue certainty

Energy sits in between. PPA-, tariff- or capacity-backed projects finance much like infrastructure, supporting institutional capital and higher leverage; merchant projects require **conservative leverage, reserves and downside resilience**. Increasingly, hybrid structures blend institutional capital, strategic investors and capital-market instruments as renewables mature into an institutional asset class.

Matching instruments to characteristics

Instrument selection is the **final stage of structuring, not the first**. No instrument is intrinsically tied to a sector — commercial banks, institutional investors, funds, private equity, capital markets, Islamic finance and PPP frameworks each fit particular risk profiles and phases.

EXHIBIT 9.1

Aligning project characteristics with financing instruments

PROJECT CHARACTERISTIC	TYPICAL FINANCING APPROACHES
Early-stage development with planning / permitting risk	Sponsor equity, strategic investors, private equity, development funds
Construction phase with a defined delivery programme	Commercial bank debt, Islamic finance, construction finance, institutional co-investment
Large master-planned real estate developments	Joint ventures, forward funding, real estate funds, phased institutional investment, REITs (post-stabilisation)
Infrastructure with long-term concessions / availability payments	Project-finance debt, infrastructure funds, project bonds, institutional investors, PPP structures
Energy projects with long-term PPAs	Project-finance debt, Sukuk, infrastructure funds, institutional investors, green finance
Operational assets with stable long-term cash flows	Pension funds, sovereign wealth funds, insurers, infrastructure funds, capital-market refinancing
Integrated mixed-use (real estate + infrastructure + energy)	Blended structures: strategic equity, institutional capital, project finance, capital markets, specialist funds

The relationship is neither exclusive nor static — a single project may draw on several sources as it moves from development to operation and refinancing.

10 — BANKABILITY

Assessing project bankability

Economics, revenue, risk, contracts and capital structure converge on a single question: is the project bankable? Not “can it borrow from a bank”, but does it meet the technical, commercial, legal and financial conditions to attract long-term capital?

Bankability is not a single ratio or return. It is the **combined assessment of several factors** determining whether risks are understood and whether future cash flows justify long-term capital. Professional investors work through five interrelated dimensions.

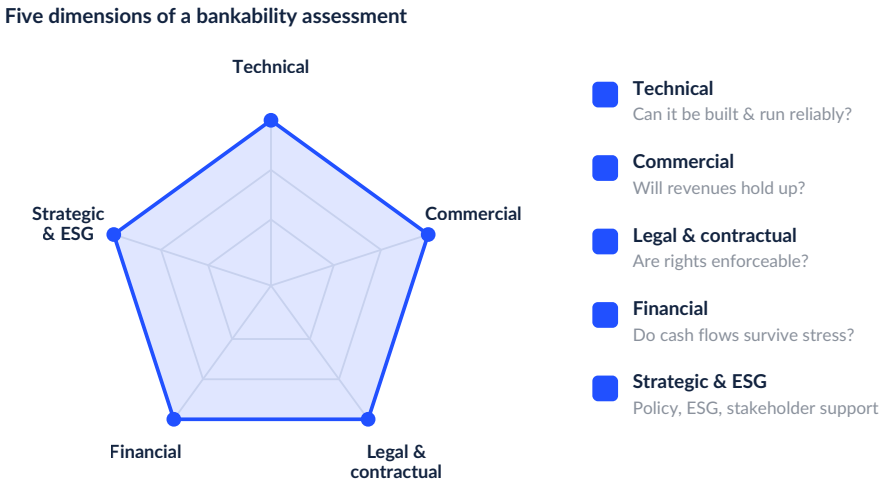


Exhibit 10.0 · The five dimensions of a bankability assessment

TECHNICAL

Can the asset be designed, built, commissioned and operated to standard? Feasibility, technology, delivery and lifecycle maintenance.

COMMERCIAL

Are revenues credible under realistic conditions? Demand, competitive position, pricing, off-taker quality and diversification.

LEGAL & CONTRACTUAL

Are rights enforceable? Ownership, permits, concessions, regulation, dispute resolution and consistent risk allocation.

FINANCIAL

Do cash flows support the structure through stress? Funding, resilience, sensitivities, refinancing and returns — tested under adverse scenarios.

A fifth, **strategic** dimension — policy alignment, ESG, climate resilience and stakeholder support — increasingly shapes regulatory backing and financing availability even where it does not directly drive revenue.

How the emphasis shifts by sector

Real estate bankability rests chiefly on **commercial credibility and adaptability** — demand analysis, phasing, product mix and exit strategy. Infrastructure rests on **contractual certainty, balanced risk allocation and stable revenue mechanisms**, with the concession agreement often the single most important factor. Energy requires both: **robust contracts and demonstrable long-term operational performance**, with resource studies and off-taker credit quality decisive.

EXHIBIT 10.1

Comparative bankability framework

	REAL ESTATE	INFRASTRUCTURE	ENERGY
Technical feasibility	●●	●●●	●●●
Market analysis	●●●	●	●
Revenue certainty	●●	●●●	●●●
Contractual framework	●●	●●●	●●●
Regulatory framework	●	●●●	●●●
Risk allocation	●●	●●●	●●●
Development phasing	●●●	●	●
Operational performance	●	●●●	●●●
Lifecycle management	●	●●●	●●●
Financial resilience	●●●	●●●	●●●
ESG & sustainability	●●	●●●	●●●

●●● primary determinant · ●● significant consideration · ● supporting consideration.

No sector is inherently more bankable than another. Each **achieves bankability through a different combination** of commercial, technical, legal and financial strengths.

11 — STRATEGY

Strategic implications

Project financing cannot be reduced to standardised solutions or off-the-shelf instruments. The principles are constant; their application depends on how each project creates value, earns revenue and allocates risk — with distinct implications for every participant.

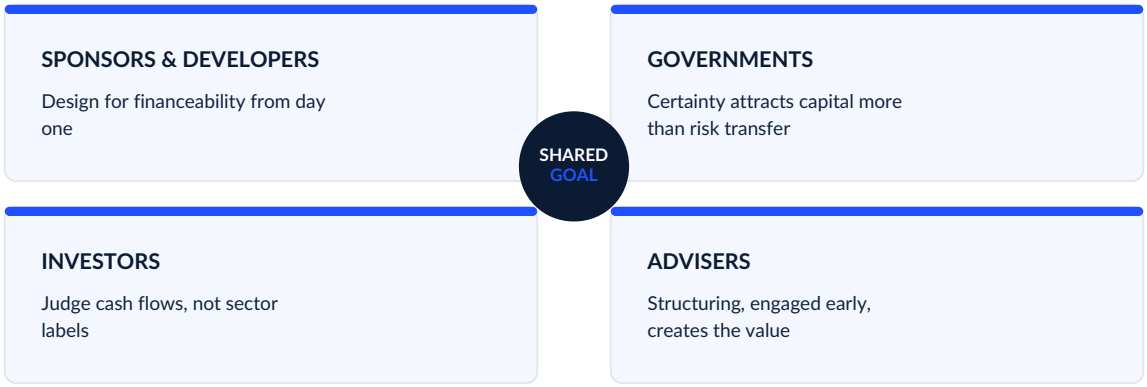


Exhibit 11.0 · What the analysis means for each group of decision-makers

Sponsors and developers

As projects fuse asset classes, financing must be considered from the **earliest planning stages, not after design is fixed**. Financing requirements shape configuration, phasing, procurement and contracts; early attention to bankability yields more efficient structures and lower development risk.

Governments and public authorities

Private capital is attracted by **certainty, not by risk transfer alone**. Clear regulation, transparent procurement, balanced concessions and predictable approvals do more for financing than maximising risk shifted to the private sector — and well-prepared projects consistently finance better.

Investors and capital providers

Traditional sector labels matter less each year. Investors should weigh **cash-flow quality, contractual certainty and risk allocation above classification**: projects with comparable revenue certainty may justify similar approaches despite sitting in different sectors.

Advisers

Advisory has moved beyond arranging finance to **integrating commercial, technical, legal and financial disciplines** — structuring, bankability, procurement, risk allocation and investor engagement — so financing considerations shape design before decisions become fixed.

> **THE UNDERLYING SHIFT**
>
> The distinguishing feature of successful projects is not access to financing but the **quality of their preparation**. Competitive advantage lies less in finding new funding sources than in developing projects investors recognise as credible, resilient and investable — a shift **from financing projects to structuring investments**.

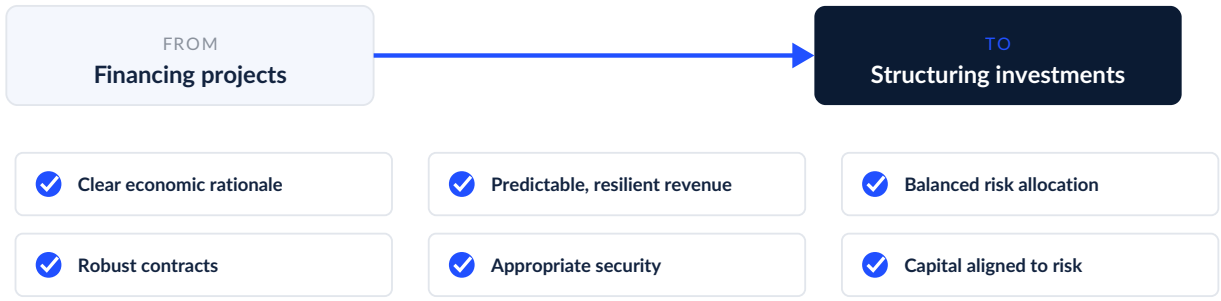
12 — CONCLUSIONS

From financing projects to structuring investments

Real estate, infrastructure and energy have long been treated as distinct asset classes requiring different financing. The analysis in this paper points to a different conclusion.

From a project-finance perspective, the principles governing investment are **remarkably consistent across all three**. Whatever the project, long-term capital is drawn by the same qualities: sustainable value, predictable cash flows, balanced risk allocation, robust contracts and an efficient capital structure. The **differences arise from the economics of the assets, not the financing methodology** — real estate transforms land, infrastructure provides services, and energy combines both.

Those economics ripple through every decision: revenue models differ because business models differ; risk allocation differs because the sources of uncertainty differ; contracts and capital structures differ because the risks investors assume differ. Project finance, then, is not the application of different techniques to different sectors — it is the **disciplined design of structures that fit each project's characteristics**.



Financing follows preparation — the hallmarks investors recognise as investable.

Exhibit 12.0 · The defining shift in contemporary project finance

This matters more as boundaries dissolve. Urban regeneration integrates transport, utilities and district energy; airports become commercial hubs; renewable projects support industrial parks and data centres; master-planned cities combine all three within one programme. As projects integrate, **financing methodologies must integrate too**.

Within this context, bankability takes on a broader meaning. A bankable project is not merely one that can obtain finance — it is one **structured to attract long-term capital** by demonstrating technical credibility, commercial viability, legal certainty and financial resilience. Financing becomes the natural consequence of sound preparation rather than its objective.

> *The distinction that matters is no longer real estate versus infrastructure or energy — but projects that are merely feasible versus those that are genuinely investable.*

That evolution — and the advisory value created early, when revenue models, contracts and capital structures are still open — is likely to define the financing of major real estate, infrastructure and energy developments for years to come.

APPENDIX A

List of acronyms

PROJECT DEVELOPMENT & FINANCE

BOT	Build-Operate-Transfer
BOOT	Build-Own-Operate-Transfer
CAPEX	Capital Expenditure
DBFO	Design-Build-Finance-Operate
DBFOM	Design-Build-Finance-Operate-Maintain
DSCR	Debt Service Coverage Ratio
ECA	Export Credit Agency
EPC	Engineering, Procurement and Construction
IRR	Internal Rate of Return
JV	Joint Venture
LTV	Loan-to-Value Ratio
LTSA	Long-Term Service Agreement
NPV	Net Present Value
O&M	Operation and Maintenance
PPA	Power Purchase Agreement
PPP	Public-Private Partnership
REIT	Real Estate Investment Trust
RFP	Request for Proposals
ROW	Right of Way
SPV	Special Purpose Vehicle
SWF	Sovereign Wealth Fund
TOD	Transit-Oriented Development

WACC	Weighted Average Cost of Capital
BIM	Building Information Modelling
KPI	Key Performance Indicator
NTP	Notice to Proceed

ISLAMIC FINANCE

AAOIFI	Accounting and Auditing Organization for Islamic Financial Institutions
IFSB	Islamic Financial Services Board
Sukuk	Sharia-compliant certificate representing an ownership interest in underlying assets

SUSTAINABLE FINANCE & ESG

ESG	Environmental, Social and Governance
GHG	Greenhouse Gas
GRESB	Global Real Estate Sustainability Benchmark
ISSB	International Sustainability Standards Board
SDGs	UN Sustainable Development Goals
TCFD	Task Force on Climate-related Financial Disclosures

APPENDIX B

Glossary of project-finance terms

Availability Payment
A payment mechanism whereby the project company is paid for making an asset available to defined performance standards, generally independent of actual demand.

Bankability
The degree to which a project shows the technical, commercial, legal and financial characteristics needed to attract long-term investment — extending well beyond obtaining debt.

Blended Finance
Combining public, private, institutional or multilateral capital to improve viability and attract private investment by optimising risk allocation.

Brownfield Project
Expansion, rehabilitation or refinancing of an existing operational asset — typically lower construction risk than greenfield.

Capital Structure
The combination of equity, debt and other instruments financing a project across its lifecycle, aligned to its evolving risk profile.

Concession
An arrangement under which a public authority grants a private entity the right to finance, build, operate and often maintain an asset for a defined period.

Debt Service Coverage Ratio (DSCR)
A ratio measuring a project's ability to meet debt obligations from operating cash flows; widely used to assess financing capacity.

Direct Agreement
An agreement between financiers and key counterparties providing notice, cure and step-in rights on default.

EPC Contract
A construction contract under which a contractor designs, procures, builds and commissions the project, typically on a fixed-price, fixed-date basis.

Financial Close
The point at which all financing agreements are executed, conditions precedent satisfied and funds become available.

Force Majeure
Extraordinary events beyond the parties' control that may affect delivery or operation, addressed through contractual provisions.

Forward Funding
An arrangement in which an investor funds construction in exchange for ownership of the completed asset.

Greenfield Project
Development of a wholly new asset on undeveloped land — generally higher risk than brownfield.

Institutional Investor

An organisation investing on behalf of beneficiaries — pension funds, insurers, sovereign wealth funds and similar long-term investors.

Limited Recourse Financing
A structure where repayment relies primarily on the project's own assets, rights and cash flows rather than the sponsors' balance sheet.

Mezzanine Finance
Subordinated financing between senior debt and equity, offering higher returns for greater risk.

Off-taker
The entity contractually committed to purchasing the project's output under predefined terms.

Power Purchase Agreement (PPA)
A long-term contract governing the sale of electricity between a producer and an off-taker, setting price, delivery, duration and payment.

Project Company (SPV)
A legally independent entity established to develop, finance, own and operate a project, isolating its risks.

Project Finance
A methodology basing investment decisions on the project's own revenues, assets and contracts rather than the sponsors' balance sheet.

Public-Private Partnership (PPP)
A long-term arrangement between public and private parties for delivery, financing or operation of public infrastructure through an agreed allocation of risk.

Sukuk
A Sharia-compliant capital-market instrument giving investors an ownership interest in underlying assets, generating returns through asset performance rather than interest.

Value Capture
Recovering part of the increase in land or property value generated by public investment to help finance it.

WACC
The average cost of all financing sources, weighted by their share of the capital structure; used as a discount rate in appraisal.

APPENDIX C · REFERENCES

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