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## Development Risk Factors

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Development is risky. Before an organization decides to pursue a development project they must consider the economic, organizational, political, and social risks. Each risk factor has its own set of questions that should be asked to clarify whether or not a project should go forward.

### Economic Risks

- Will the project make money for the organization?
- Will the project provide a return on the investment of subsidy funds?
- Will the project meet the needs of the market in terms of pricing?
- When the project is complete, will there be enough money left to start another project?

### Organizational Risks

- Does the organization have, or can it obtain, the capacity out carry out the project?
- Will the organizations capacity be strained or overwhelmed by the project?
- Does the organization have, or can it obtain, the financial resources to complete the project?
- How much of the organizations credibility is at stake?

### Political Risks

- Will the organization reap political benefits by completing the project?
- Will the local community or communities oppose the project?
- Will the local politicians oppose or support the project?
- Will the organization gain or lose political clout by undertaking the project?

### Social Risks

- Does the project require large relocations?
- Does the project provide adequately for the needs of the community?
- Will the project attract tenants who require social services?
- Will the project be considered an asset or liability to the community?