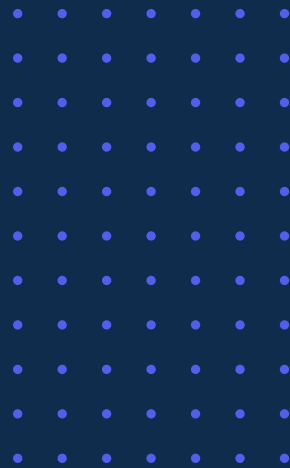
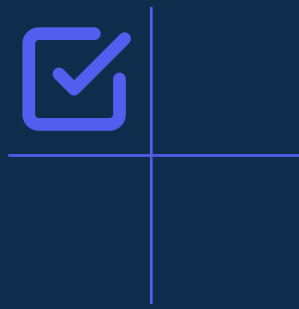


# Property Development Checklist



Archistar

**This outline provides a list of all the processes and evaluation questions necessary for developers and investors to go through prior to the development of any property.**

**This list goes through site potential, development permits and all preparations to set up for successful buying.**

To better understand the processes, likely cost and timeline, property developers should ensure they consider these factors:

- **Site Constraints & Opportunities**
- **Government Constraints & Opportunities**
- **Location & Property Appeal**
- **Project Financing**
- **Subdivision Costs**
- **Site Plan**
- **Construction Sequencing**

# Site constraints & opportunities

## Where do you start once you have found the property?

- **Development Strategy**

Before consideration of an investment, make sure you are fully aware of what you hope to develop, and what you hope to gain/achieve from it

- **Government entities with jurisdiction over property**

Government may limit potential development and are non-negotiable

- **When the property was last surveyed**

Surveyance costs will add to the investment

- **Gross & net size of property**

Size determines available space and helps to determine size of buildings/infrastructures

- **Price of property and transaction requirements**

You will need to know if prices are within your budget and available funding

- **Condition and necessary physical improvements**

Condition can impact the funding and cost necessary

- **Zoning details for property**

Impacts property types permitted and any site constraints to consider

- **Physical encroachments from neighbouring properties**

Do you know how the property works with neighbouring properties?  
Will this help or hinder the property potential?

- **Existing covenants**

Are there covenants that may have control over certain development aspects?  
Is there the potential for legal action to be taken?

- **Owner's additional land conditions**

Have you communicated with the current owner regarding their specific conditions

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before committing to a sale?

▫ **Need for right-of-way dedication**

Are there any expected land donations that may consider your purpose, vision or profitability?

▫ **Power lines or transmission lines across property**

If power is unavailable, costs will increase to install power accessibility

▫ **Utilities availability from government entities**

Government entities may be able to assist with the provision of some services

▫ **Availability of utilities (do they already serve the property?)**

Utilities may need to be installed, which adds to the costs

▫ **Location rate for intended market segment**

**How does the location impact the property potential?**

- Look at the macro & micro parts to the development
- Include city profile, suburb profile, pocket of the suburb, the street then the property itself. It makes a difference!

▫ **Highest and best use of property**

What is the ideal development opportunity based on all of the requirements and limitations?

▫ **Option agreement – Varies between Offer & Acceptance, Option Contract and JV Agreement**

How will you ensure the land owner approves your proposal and request to purchase?

# Research checklist

Once you recognise the opportunity, it's time to do your research

- **Walk property and take photos** Y / N
  
- **Consider:**
  - Low areas Y / N
  - Slopes Y / N
  - Floodplains Y / N
  - Wetlands Y / N
  - Water elements Y / N
  - High points and ridgelines Y / N
  - Unique land forms and natural features Y / N
  - Views and vistas Y / N
  - All sounds and smells Y / N
  - Cultural and historic sites Y / N
  
- **Exposure to:**
  - Poor soils (acid sulphate) and bedrock profile Y / N
  - Soil erosion Y / N
  - Subsidence Y / N
  - Geologic hazards Y / N
  - Strange noises, movement or smell Y / N
  - Ingress and egress limitations Y / N
  - Poor surface drainage Y / N
  - High water table Y / N
  - Proximity to industrial facilities Y / N
  - Unsightly views Y / N
  - Upstream dams Y / N
  - Railroad tracks Y / N
  - Heavy air traffic or vehicle traffic Y / N
  - Safety concerns Y / N

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- **Need for special consultants**
- Natural resources Y / N
- Topography Y / N
- Forest cover Y / N
- Natural or man-made bodies of water Y / N
- Wetlands delineation Y / N
- Floodplains Y / N
- Wildlife Y / N
- Soils and rock Y / N
- Steep slopes Y / N
- Plant communities and species Y / N
- **Hazardous materials on property** Y / N
- **Access points and routes** Y / N
- **Special environmental regulations** Y / N
- **Threatened or endangered species on the site** Y / N
- **Historical or archaeological significance** Y / N

# Government constraints & opportunities

**Each council has different regulations and rules, which may determine the profitability or opportunity of the property**

- **Are there development review and approval procedures within the community?**  
Residents and communities need to be involved to maintain public safety and welfare
- **What are the local perceptions and attitudes towards new developments?**  
Speak with council representatives and residents to understand their views on property types, construction sites and the neighbourhood connection
- **Are there any Comprehensive, Structure or Master Plans?**  
These plans are designed to ensure development integrates with other developments and residencies, allowing for optimal interaction and connectivity
- **Is there a Growth Management Plan?**  
A GM plan coordinates potential growth towards the community's desired patterns of growth in order to match the region's overall development
- **Are there Neighbourhood Plans? Is there a community vision for the development?**  
Communities will discuss a shared vision for their neighbourhood in order to assist with managing change, growth and protecting valued spaces
- **Have you obtained all relevant codes and ordinances (subdivision, zoning, energy, building)?**  
You must prepare all necessary codes and ordinances before construction and financing to prevent delays
- **Have we aligned the existing zoning with a comprehensive plan?**  
Zoning requirements are non-negotiable, so all plans must pair with them
- **Are there any overlay districts to consider?**  
These add further standards and expectations that will require you to fulfill within the relevant categories

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▫ **What is the timeline for approvals (subdivision, etc.)?**

In order to avoid delays, plan your timeline and approvals in advance, and create a modest timeframe that you can achieve

▫ **Are there any land donation or open space requirements?**

Certain regions will expect areas of the property to be available for the general public or for conservation purposes

▫ **Does the government have any inclusionary zoning or special instruments to encourage affordable housing?**

Regions will expect zoning plans to meet a level of requirements to allow low-medium income earners to afford the properties, depending on the council or district

▫ **Do we require an archaeological study?**

This looks at the land's materials in order to determine valuable or culturally significant remnants that may impact development

▫ **Do we require a threatened and endangered species study?**

The location of the property will dictate how it interacts with native flora and fauna. If surrounding conservation sites or in a location with endangered species, properties must consider this in plans

▫ **Do we require a Traffic Management Plan?**

Marking out all possible risks to traffic and its interaction with vehicles and pedestrians

▫ **Are there any natural and historic protected areas on the property?**

Discuss with the council to determine any protected areas and how it will impact buildings

▫ **What is the net buildable area and number of units permitted on property?**

Zoning laws will usually have frameworks and guides for type of building and available units to match the needs of the suburb

▫ **What is the potential profitability based on the net buildable area?**

Use finance professionals to project profits and pair this with your cash flow



# Location & property appeal

**Understand the details of the property that would matter most to potential buyers and renters**

- **Public transport - Check for available public transport options, walkability to transport types, routes, length of popular trips**

Available public transport will impact interest and can impact the property's value

notes:

- **Location - How long does it take to travel to work, CBD, etc., both during peak hours and non-peak hours?**

Proximity to CBD impacts property value, lengthy travel times can deter buyers or renters

notes:

- **Schools - Check for primary and secondary schools, as well as routes and access to tertiary education**

Primary & secondary education will influence interest from families, tertiary school proximity will interest young adults and students looking for affordable share-housing

notes:

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- **Medical and Emergency services - Closest hospital, access to GPs, dentists, physio, etc.**

Accessible emergency care and healthcare will be a priority for vulnerable people as well as professionals in these industries

notes:

- **Shopping - Grocery shopping, services and essentials, as well as leisure stores**

Convenience is an essential factor for homeowners, particularly those without private vehicles

notes:

- **Additional facilities & infrastructure - What else is available?**

Each additional feature can determine demographic interest as well as offer unique selling points

notes:

- **Traffic - Main roads, heavy traffic, all peak periods**

Impacts travel as well as noises that may deter some professionals and families

notes:

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▫ **Privacy - View from other developments, street, access and surrounding infrastructures**

If the location is on a main street, ensure property development offers additional privacy features

notes:

▫ **Security - Risks for residents, statistics on demographic, crime and theft, security measures of similar properties**

Demographic and risks impact property appeal and should be considered with the build

notes:

▫ **Council plans - Research council and any developments in progress, as well as any community plans (developments, parks, new roads, etc.)**

Plans that may impact all of the above, or plans that may contradict your property's plans

notes:

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▫ **Flight paths - Does the location match with any regular flight paths?**

Regular flights can deter buyers due to sound, may impact choice of infrastructure (soundproofing, etc.)

notes:

▫ **Housing types - Number of people per geographic unit, low, medium or high density**

Surrounding housing types indicate demographic, property should consider whether the suburb appeals to more of the same or different options

notes:

# Project financing

**Once you understand the details of your project you will need to start organising available financing**

- **Run cash flow**

Indicates all money coming in and out of the developer's account and how this will add value for relevant shareholders

- **Assess lot sale prices, development cost and timeline, all project costs and fees**

Research on neighbouring properties, expected costs to hire builders, architects and project management, timeline costs and relevant contracts

- **Loan-to-value ratio**

Calculated percentage that shows the amount you will need to borrow for the property, comparing to the lender-assessed value

- **Lending guidelines and parameters**

Based on employment, loan structure and borrower type to ensure loan is approved by the bank

- **Any available Government funding**

Depending on the area, the Government may be incentivising certain developments with relevant funding

- **Documentation to show financial capacity and project feasibility**

Documentation will ensure loan approval and provide you with general guides for budgeting

- **Available financing and loans**

The overall amount of financing available based on current positive cash flow and possible loans

- **Potential performance guarantees and bonds**

Completion of project by a certain time as well as all objectives you can guarantee

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- **Market analysis**

Researching the current market, any projected impacts both positive and negative. This includes research of the specific area

- **Feasibility report**

In order to gain approval for loans and permits the project must show clear feasible development and profit. This is also important to complete before you commit to the investment

- **Costs of delays**

Project delays from changes to permits and any possible unavoidable roadblocks e.g. severe weather, unwell staff, etc

- **Costs for added or new construction codes**

Construction codes may be amended during the build, project all possible changes and how they may impact finances

- **Costs paid by builder**

Builders will supply materials and necessary staff, ensure you are able to compensate for this

# Buying land & build costs

Use this list to note down all costs related to buying land and building developments

## ▫ Land purchase costs

Legal & conveyancing fees:	\$ _____	Repayment costs for loans:	\$ _____
Financial advisor fees & commission:	\$ _____	Council rates:	\$ _____
Loan establishment fees:	\$ _____	Insurance costs:	\$ _____
Government charges:		Land tax:	\$ _____
▪ Land transfer duty: \$		Land transfer costs:	\$ _____
▪ Goods & Services Tax (GST): \$		Covenant requirement costs:	\$ _____
Total Government charges:	\$ _____	Zoning requirement costs:	\$ _____
Building & pest inspection fees:	\$ _____	Property management costs:	\$ _____

**Total land purchase costs: \$**

## ▫ Property construction costs

Planning & design costs:	\$ _____	Total buying & building costs:	\$ _____
Site preparation:	\$ _____	▪ Projected refund advances: \$	
Permit fees:	\$ _____	▪ Cost benefiting other land: \$	
Construction access:	\$ _____	Actual buying costs	\$ _____
Construction fencing:	\$ _____	Land clearing costs:	\$ _____
Builders fees:	\$ _____	Landscaping costs:	\$ _____
Building materials cost:	\$ _____	Insulation, ventilation & roofing costs:	\$ _____
		Driveway costs:	\$ _____

**Total property construction costs: \$**

# Subdivision costs

**Use this list to put down all costs related to a functioning and safe property**

Soil tests:	\$ _____	Fire hydrants:	\$ _____
Rock removal:	\$ _____	Landscaping & trees:	\$ _____
Structure and debris removal:	\$ _____	Walls & fences:	\$ _____
Engineering and surveying:	\$ _____	Trails & bike paths:	\$ _____
Movement of water lines:	\$ _____	Electricity:	\$ _____
Removal of hazardous soil/ materials:	\$ _____	Phone/ cable/ internet:	\$ _____
Hard soil removal:	\$ _____	Underground utilities:	\$ _____
Soil import/ export:	\$ _____	Sewer connection & treatment fees:	\$ _____
Slope control:	\$ _____	Gas:	\$ _____
Grading:	\$ _____	Septic tanks:	\$ _____
Drainage lines:	\$ _____	Sanitation:	\$ _____
Retaining walls:	\$ _____	Storm drains & fees:	\$ _____
Structures inc. bridges, etc.:	\$ _____	Off-tract costs (water, sewage):	\$ _____
Curbs/ gutters:	\$ _____	Permits & plan checks:	\$ _____
Paving & footpaths:	\$ _____	Inspection fees:	\$ _____
Driveways & parking:	\$ _____	Growth management:	\$ _____
Street lights & signs:	\$ _____	Environmental assessments:	\$ _____
Median islands:	\$ _____	Development taxes:	\$ _____
Traffic signals:	\$ _____	Other fees:	\$ _____

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Bond premium: \$ \_\_\_\_\_

Property taxes: \$ \_\_\_\_\_

Interest: \$ \_\_\_\_\_

Overhead: \$ \_\_\_\_\_

**Total subdivision costs:** \$ \_\_\_\_\_

- Projected refund advances: \$ \_\_\_\_\_
- Cost benefiting other land: \$ \_\_\_\_\_

**Actual subdivision costs: \$**

<b>Total raw land costs:</b>	\$ _____	<b>Total land and subdivision costs:</b>	\$ _____
Estimated number of lots:	_____	Estimated number of lots:	_____
Raw lot costs: (total raw land cost divided by estimated number of lots)	\$ _____	Finished lot cost: (total land and subdivision cost divided by estimated number of lots)	\$ _____

**Estimated retail value of finished lot: \$**

**Use this information to re-run project cash-flow**

# Site plan

**Once you are ready to go ahead with your project you will need to set up a clear site plan**

▫ **Follow guidelines and local rules**

Each suburb and council has its own set of building guidelines, as well as local rules regarding safety and comfort of residents. Thoroughly research your area and coordinate with development

▫ **Potential zoning changes or planning scheme amendments**

Ensure flexibility in your project, project any changes or adjustments that may be necessary in order to prevent construction from slowing down

▫ **Architectural reviews, fire district or public works reviews**

This will inform you of any new observations, methods of work and region's development critiques

▫ **Conceptual layouts**

Create layouts from general to specific, mapping out all necessary construction and project all necessary permits

- Vision and overall design concept
- Development types
- Lot sizes
- Amenities
- Green & communal spaces
- Public outreach plans
- Engage with and meet civic associations, surrounding homeowner associations and adjacent property owners (outline benefits and concerns they may have)

# Construction sequencing

## Get all your permits approved and underway before building

- **Land use, zoning and subdivision**

Your region will have zoning and land use guides that will impact the type of property developments

- **Wetlands**

Your construction should not cause damage or impact to valuable flora and fauna communities, nor impact natural water streams

- **Demolition**

If demolition requires large machinery such as bulldozing, a demolition permit is required to ensure no dangers or risk to the community

- **Grading**

To prevent grading that can lead to property damage, flooding or erosion of embankment areas

- **Right-of-way grading**

Permission to build relevant transport from one land to another – paths, roads, bike trails, etc

- **Stormwater management**

Determines limitations on various pollutants that could be discharged into waters

- **Storm drain & paving**

Allocated location to direct water and stormwater drainage

- **Tree removal & protection**

Permission to remove any trees within construction and details on trees protected under local laws

- **Sanitary sewer main construction**

Commitment to appropriate sewerage disposal to relevant local sewer systems

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- **Maintenance of traffic**  
Must not breach any traffic and registration laws, must not obstruct transport from passing
- **Construction & sales trailer**  
Construction trailers are temporarily placed within the developed and used by builders and developers. Plan all trailers needed
- **Model homes**  
This permit is relevant specifically to the development of model homes for showcasing builds
- **Driveways**  
Creating necessary access points and creating alternatives to any obstruction access points
- **Construction access**  
Relevant access points for the temporary use during construction
- **Signage & marketing**  
Follow all council guidelines when marketing property, including size, location and type
- **Sediment control installation**  
Regards the prevention of any discharge of surface water or groundwater
- **Clearing & demolition**  
Evidence of fenced off areas and safety measures for builders and neighbouring residents
- **Topsoil removal**  
Permits for the removal of or lopping of native vegetation in the area
- **Utility relocation & offsite water/sewer extension**  
To coordinate and minimise all utility relocation needs and extensions
- **Earthwork operations**  
The use of cranes, hoists, lifting equipment etc. must be approved and builders must have appropriate licenses
- **Interim grading for future roads**  
Grading permits for temporary access points

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▫ **Install:**

- Sanitary sewer
- Storm draining
- Water system
- Curb and gutter
- Streets, parking & footpaths
- Dry utilities
- Street lights
- Trees & landscaping

▫ **Install:**

- NBN connection
- Modern telecommunication infrastructures
- Connection to power supply

**You are now ready to sell your lots!**

# Selling lots to developers

**If you are selling lots to other developers you will want to make sure you transfer and review all permits and guidelines**

- **Letter of Intent & contract before construction**

Intended timeframes and plans, to ensure parties execute work as soon as reasonably possible

- **Contract clause to protect existing subdivision**

Ensure parties' commitment to protecting and preserving neighbouring subdivision e.g. environmental protection

- **Review architectural guidelines with developer**

All architectural policies and procedures must be followed during construction and you should make developers aware

- **Transfer all necessary permits**

All approved permits must be transferred over to their name

- **Performance guarantees**

Providing financial security to ensure contractual obligations are all met

- **Provide homeowner transition or education documents**

Make copies of all relevant transfer documents for homeowner

