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## CRITICAL THINGS TO KNOW ABOUT PROPERTY DEVELOPING

- 1** Do your **research**! There is an endless amount of information online in regards to recent sales analysis, suburbs that are performing well etc.
- 2** Select the **right Builder**! One that knows property development, knows the Perth market and actively develops their own properties and therefore is aware of all the pitfalls of developing.
- 3** Make sure you allow for **ALL of the costs**! Developers can fool themselves into thinking they are making a good margin by not including hidden costs in their Feasibilities such as Government charges, GST, marketing or settlement costs.
- 4** Choose the **right Location**! We all know that location is critical in real estate but in property development that is even more so. Buying land in the right suburb, near transport, near convenient things like shops, schools and parks can mean greater demand for your finished stock.
- 5** **Buy land at the right price**! This is the most critical of all and often ignored at developer's peril. Paying too much at the start of the project for the land can mean a developer cutting corners on construction which can result in an end product that is not attractive to purchasers, which in turn means a long selling period at the end or heavy discounting to clear units.
- 6** Ensure your Builder gives you a full **Turn-Key fixed price** construction cost. Many Builders will give you an attractive upfront cost that excludes many important items or only makes allowances for costs such as site works. This leaves you exposed to unknown costs blowing your budget.
- 7** Find out who will be **looking after your development**. Many builders will put an inexperienced Project Supervisor in charge of your project - someone that may have never completed their own development.
- 8** How will you **fund** your project? Deal with a builder / developer who has strong financing partners and relationships with major Banks, who is willing to help you put your project funding in place.
- 9** How will you **sell** the finished Units? Deal with a builder / developer who has the ability to pre-sell your units prior to development or who has very good relationships with selling agents and then continue to market the product during the construction period, so that on completion you have most if not all of the units sold.
- 10** When will your project be **completed**? Make sure you have a timeline from your Builder detailing when the construction will start and when the estimated completion date will be and make sure they don't have any unnecessary delays. The sooner you finish the first project the sooner you can move on to the next one.

