

SLIDE 30 - Development and Construction

In this section we will look at how property development generally happens for residential or commercial use.

- Land acquisition
- Subdividing and Development
- Construction

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Land Acquisition

There's much more to land acquisition than just going out and buying a piece of property.

Your strategy should include:

- Land use planning
- Landowner relations
- Property title records
- Environmental issues
- Existing structures
- Government restrictions

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Subdividing and development

Developing the property into something great that will meet specific needs requires extensive planning.

In general, you must:

1. Identify the location – Where is it going to be? How close to schools, employers and other community factors.
2. Determine available space – There must be ample space for each structure and also common areas.
3. Type of homes to build – What price point will the market stand? This will determine size and building method of the homes in the subdivision.
4. Amenities to be offered – Swimming pool? park/playground? Biking trails? The extras that will make your property more appealing to buyers.
5. Development process – Who will do the development? Are homes built to buyer specs? Any lot restrictions? Will there be an HOA?

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Subdivision plat map

Once you have identified the property and decided on how you want to develop the land, the next step is to have the land surveyed and subdivided.

Then have your plat map recorded with the government office having jurisdiction.

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Public Use

It's common for a developer to segment part of the development project to public use such as a park or playground.

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Construction

The last phase of development is construction.

The developer will choose which residential style to be used in the development:

- **Tract homes** - off-the-shelf, cookie-cutter housing. The builder normally constructs these in quantity and offers different models of homes
- **Spec homes** - Constructed and purchased on a speculation basis. With no assurance of profit, the home is built without a sales order.
- **Custom homes** – It's like buying a tailored suit. The buyer defines the amenities he wants in his home from top to bottom – floor plan, colors, style and even down to the window coverings.