

Real Estate Development Business

Property types

Residential

Single-family detached

Single-family attached for sale
condominiums

Multifamily

Mixed use

Commercial

Office

Industrial

Retail

Key players in a development project

Architect

Civil Engineer

Structural Engineer

Soils Engineer

Environmental Engineer

Marketing Consultant

Appraiser

Contractors

General

Engineering

Plumbing

Electrical

Specialty

First Look at a New Deal

What is the zoning?

What is the intended use?

What are surrounding uses?

What is the site topo like?

Where are the existing utilities?

Sewer location – gravity service or pump?

Water location

Power adequate to service project?

What is the access?

Any street improvements required?

Any offsite improvements required?

Any preliminary engineering completed on the site?

Grading?

Utility placement?

Drainage?

Financial considerations on first look

Price per unit for raw land

Site improvement cost

Finished land cost per unit

Offsite improvement requirements

Evaluation of deal prior to offer
Preliminary proforma based on what you know
Market comparables – sale or rent
Any third party reports available?
How long on the market?
Why are they selling?
Motivated seller?
Is proposed use a conforming use?

Entitlement process
Zoning – conforming?
General Plan designation?
Planning process and requirements to get permit

Mapping
Tentative Map
Final Subdivision Map
Parcel Map

Permits
Grading
Engineering for site improvements
Engineering for offsite improvements
Building permit
 Plumbing
 Electrical
 HVAC
 Other

Fees
Impact Fees
 School
 Parks
 Sewer
 Water
 Drainage
 Special assessment districts
 Development Impact Fees
Building Permit Fees

Contractor Payments and Lien Releases

When a contractor is employed to work on a project, he has certain lien rights to protect his right to payment. It is important to receive the proper lien releases when payment is made, to protect the owner's property rights. There are four lien releases.

1. Conditional waiver and release upon progress payment – submitted with all contractor invoices and requests for payment
2. Unconditional waiver and release upon receipt of progress payment – returned by contractor after he receives his check for a progress invoice
3. Conditional waiver and release upon final payment – submitted with contractor final invoice
4. Unconditional waiver and release upon receipt of final payment – signed by contractor in exchange for final check

