

PLATINUM

# Multi Unit Development

## Monthly Mastermind Event

---

**Tamara Read**  
**Greg Miller**  
**Nicolle Beer**

*State Coaches*



PLATINUM

**I LOVE**  
REAL ESTATE



# Multi Unit Development – What is it?

- Development of **two or more dwellings** on 1 title – with the capacity to **strata title** – includes:
  - Duplex
  - Units
  - Apartments
  - Townhouses
  - Villas
  - Studio units



# Multi Unit Development – What is it?

- Duplex:

- 2 dwellings
- Vertical or horizontal division (side by side or above and below),
- Attached or detached



- Multi's :

- 3 dwellings plus, plus, plus
- Attached or detached
- Vertical &/or horizontal division gives the different terms



# Multi Units – What are they?

- **Units** – Typically low rise – vertical & horizontal division – on top of each other & side by side
- **Studio Units** – Small unit - no separate bedroom
- **Apartments** – Typically high rise – vertical & horizontal division



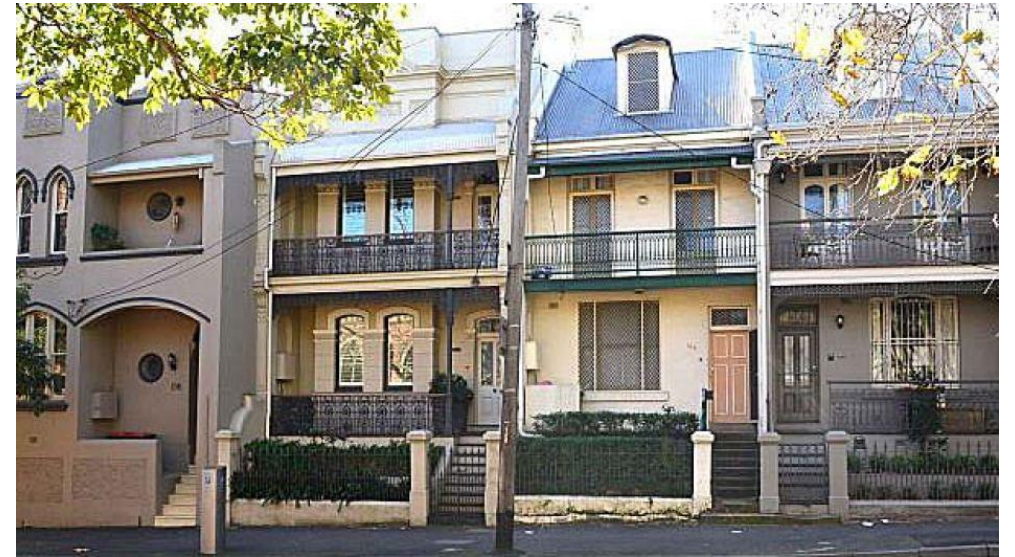
# Multi Units – What are they?

- **Townhouses** – Vertical division – side by side, 2+ storey
- **Villas** – Ground level, Vertical division – side by side
- **MUD vs SUB** – (Multi vs Single Unit Dwelling) - Brisbane City Council



# Multi Units – What they are not.....

- **Granny flat** / Auxiliary Dwelling – can NEVER be strata titled!
- **Dual Occupancy???** - Definition specific – Ask more questions! Some Councils call Dual Occ. a granny flat and others a duplex.
- **Terrace houses** – Freehold title with shared common walls



# Multi Unit Development - Why **Medium Risk Strategy?** (Module 3 Appendix)

# Multi Unit Development - Why **Medium Risk Strategy?** (Module 3 Appendix)

- ❖ More **complicated process** – DA approval, BA approval, construction, strata titling.
- ❖ Higher **skill level** & time input required
- ❖ Longer **timeframe** to complete e.g. 12 mths plus
- ❖ Higher **purchase price point** (\$300k plus) due to sites development potential
- ❖ More **funds required** e.g. \$100k - \$300k plus (property purchase + approvals + construction)
- ❖ Medium **volume market** upwards e.g. 20-100k plus population

# Multi Unit Development - Why **Medium Risk Strategy?** (Module 3 Appendix)

- ❖ Distance less critical although construction phase requires inspections.
- ❖ **Risk profile** increases significantly the more dwellings, the higher the project costs, the more reliant on selling the end product.
- ❖ **Residential finance** an option.
- ❖ Option to retain existing house = intrinsic value
- ❖ Capacity to **stack strategies** – reno, add bedrooms, subdivision etc.
- ❖ **Learnings** applicable to all other strategies.

# Multi Unit Development Process Outline – (Module 10 Checklist)

- Phase 1 – Due Diligence
- Phase 2 – Design
- Phase 3 – Feasibility \*\*\*\*\*
- Phase 4 – Application & Approvals
- Phase 5 – Finance
- Phase 6 - Construction
- Phase 7 - Titling

# Subdivision vs Multi Units – The Difference?

# Subdivision vs Multi Units – The Difference?

Subdivision	Multi Units
End product - <b>Land</b>	End product – <b>Unit</b> , townhouse....
<b>Freehold</b> title – multiple titles created	<b>Strata</b> title – multiple lots created on 1 title
<b>Individual services</b> (otherwise easement)	<b>Shared services</b> OK
<b>No building</b> required – can sell vacant land	<b>Must build</b> before creating new lots & selling
<b>Less equity</b> required due to no build	<b>More equity</b> required due to build

# Subdivision vs Multi Units – The Difference?

Subdivision	Multi Units
Once built on – end product = <b>House</b> regardless of size e.g. 1 bedroom	End product remains a <b>unit</b>
<b>Council</b> rates only	<b>Council</b> rates plus <b>strata</b> fees
Can potentially <b>add</b> granny flat	<b>Can't add</b> to lot
<b>Easily</b> reconfigure house e.g. add bedrooms – building code only	<b>More complex</b> to reconfigure unit e.g. add bedroom – town planning, body corporate & building code

# Terminology-Development Approval (DA)

- DA is where **council approval is obtained** to change the use of a property, typically taking it to a higher, more intensive use.
- DA process is **very similar** regardless of the end product e.g. multi units, industrial sheds, retirement village.
- **Material Change of Use** (MCU) is the QLD term used for these types of planning applications.
  
- Multi-unit Residential Code = Multi units
- Reconfiguring a Lot Code = Subdivision

# Council & Project Size Specific -

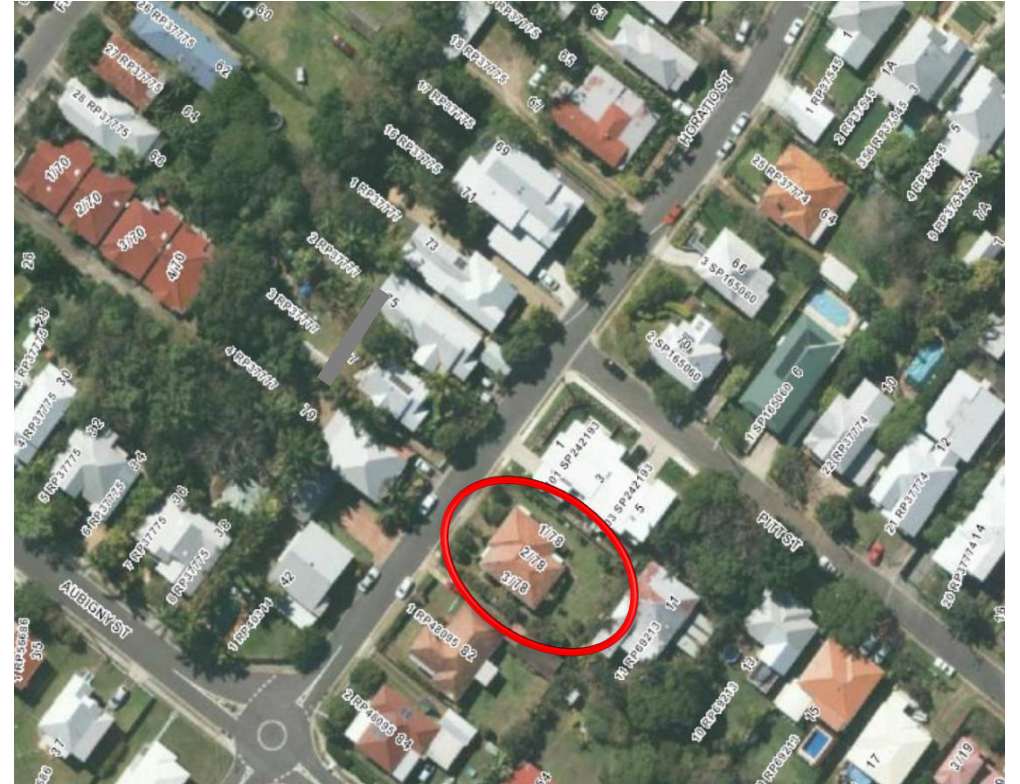
- Multi unit DA **process differs** between Councils & Size of Project
- **Duplex** – Self assessable in some councils e.g. you still must comply with the Duplex town planning code, but if you do - an approved Building Certifier may be able to approve. Hence quicker & cheaper.
- **Fast Track Approval** – More recent initiative by some Council's. Requires almost 100% compliance with the town planning code (code assessable) & requires more documentation upfront - Quicker.

# Code Assessable vs Impact Assessable DA – The Difference?

- **Code Assessable** –
  - Complies with the town planning code for the end use e.g. multi dwelling code.
  - Assessed by Town planning Dept. only
  - No public advertising
- **Impact Assessable** –
  - Doesn't comply with planning code - is pushing the boundaries e.g. higher density, insufficient car parking, demolishing in demolition control area, unapproved use – industrial in resi, **OR**
  - Council deems higher density = Impact assessable
  - Assessed by ALL Council departments & Codes
  - Public advertising required, hence less certainty

# The Deal

- **Targeted suburb** due to: 6km CBD, transport links, major infrastructure - hospital, education, zoning, demand for townhouse living, \$500k - \$550k purchase.
- **Targeted street** due to: zoning, close to services & transport, mostly detached houses, leafy street, target property on market 3 days - deceased estate



# The Deal

- Intention - **remove house** (post 1946), develop townhouses,
- **Fast track** DA approval & strata titling
- **Sell** all townhouses.



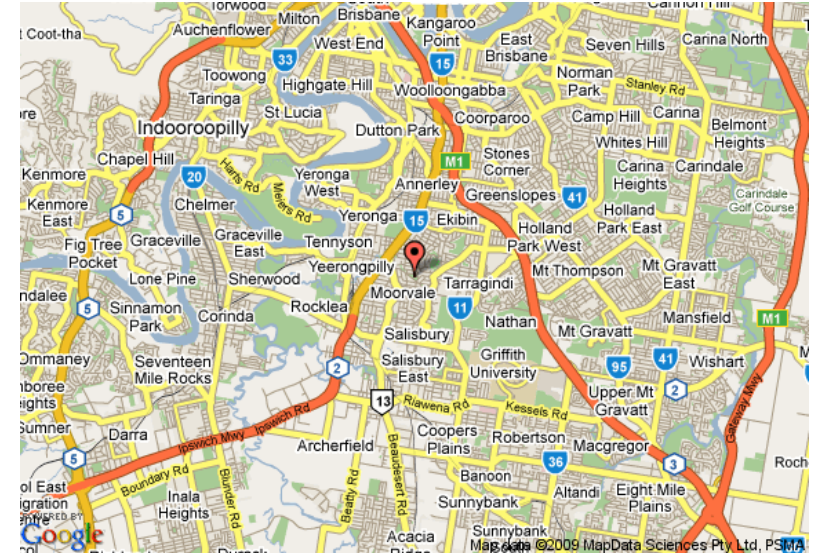
# The Deal

- Precedence in street – neighbor = 3 townhouses



# The Process Leading Up To This Point – Induction Webinar Part 1

- **Location Research** – Based on your personal circumstances –
- **Strategy Research** – Town planner meeting
- **Mapping** – Zoning, infrastructure
- **Street Focused Research** – ID target streets - Become area expert
- **Deal Finding Actions** – Agents, On-line, Door Knock



# 1) Strategy Due Diligence – What Opportunities & Constraints?

- What's the properties potential –  
**Town planners feedback** re multi  
unit development?



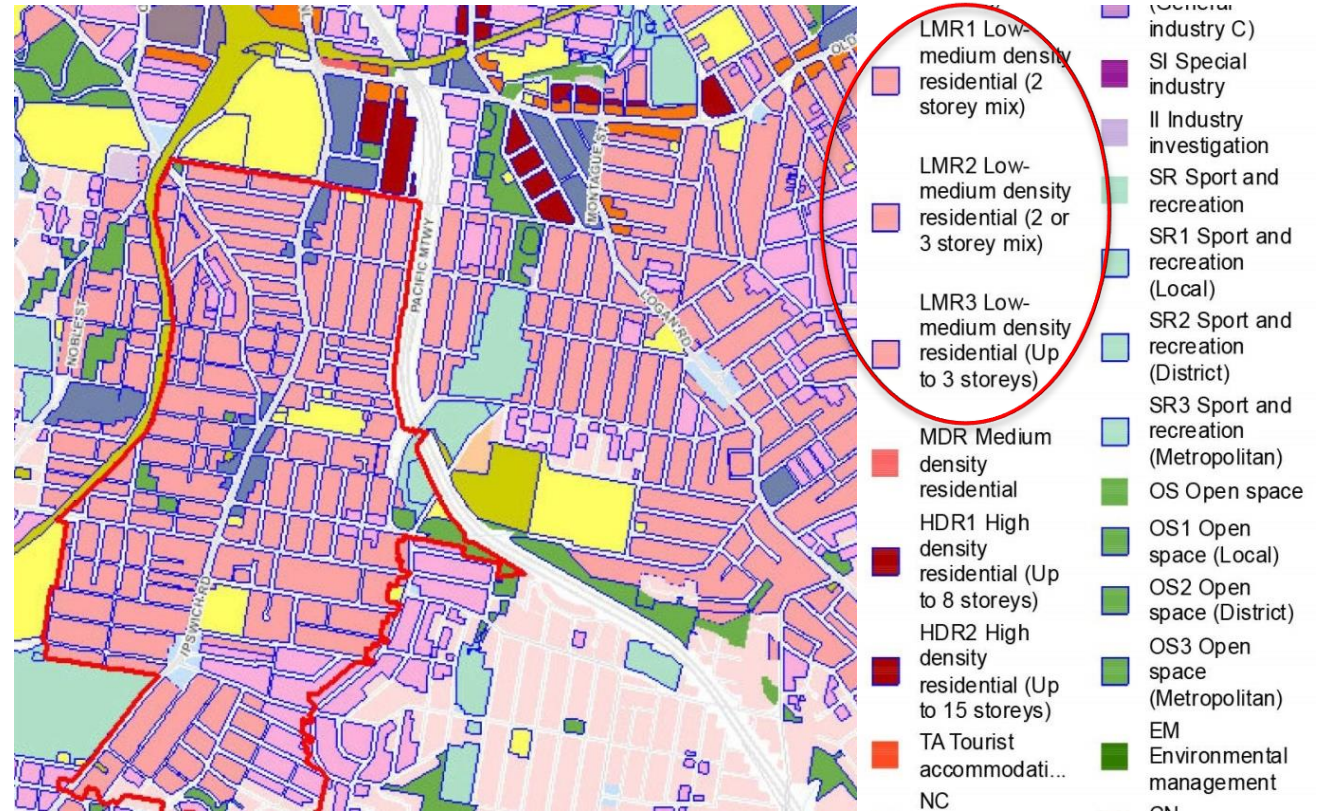
# 1) Strategy Due Diligence – What Opportunities & Constraints?

- What's the properties potential – **Town planners feedback** re multi unit development?

- ❖ Zoning
- ❖ Land size
- ❖ Block frontage width
- ❖ Slope
- ❖ Position of existing dwelling – if retaining
- ❖ Capacity to move / demolish house
- ❖ Site cover
- ❖ Services location
- ❖ Height restriction of new build

# Planning Requirements – The Deal

- Target Zoning – Bright Pink = **Low - Medium Density Residential** = Multi units



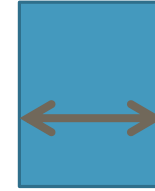
# Planning Requirements – The Deal

• **Land Size** – Min 600m<sup>2</sup>



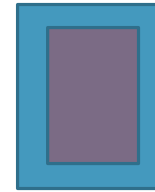
Site = 602m<sup>2</sup>

• **Frontage Width** – Min 15m



Site = 20m

• **Site Cover** – 50%



Site = 602m<sup>2</sup> x 50% = 301m<sup>2</sup>

• **Slope** - <15%

Site = 5%

• **Build Height** – LMR1 Zoning

Site = Max 2 Storey

• **Assessment Level** – Site = Impact Assessable

# Town Planning Meeting – Be Prepared -

Criteria	Multi Units	Duplex	Granny flat	Subdivision Frontage Block	Subdivision Battle-axe Block
Zoning					
Land Size					
Frontage					
Slope					
Site Cover					
Overlays					
Density Calc.					
DA Process					
Costs					
Website Qu					

# Services Location – What Services?

# Services Location – What Services?

- ❖ **Sewer** main e.g. Dissecting block, Depth?
- ❖ **Water** main - On our side of road?
- ❖ **Electricity** - On our side of road?
- ❖ **Phone** – Nearest Telstra pit?
- ❖ **Gas** – In street? On our side of road?
- ❖ **Storm water** - Legal point of discharge?

## Info Source?

- ❖ Dial Before You Dig Website
- ❖ Council Web Site
- ❖ Council Services Location Diagram



# The Deal – Dial Before You Dig

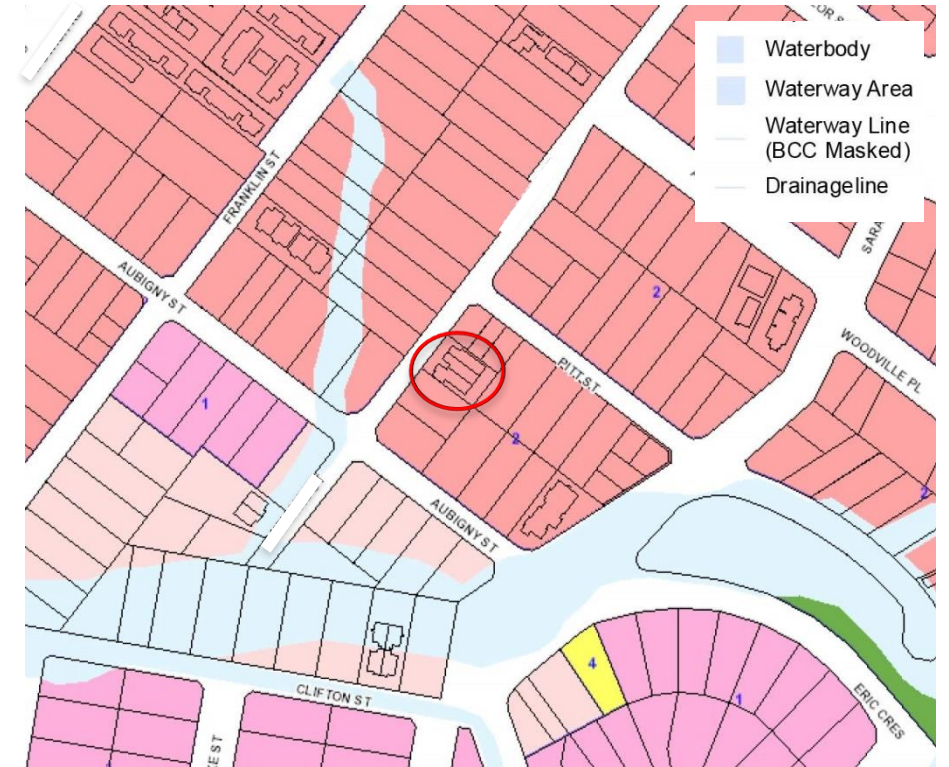


- Site = All services available & on our side of road

# 2) Strategy Due Diligence – What Environmental Constraints – Council Overlays?

# What Environmental Constraints – Council Overlays?

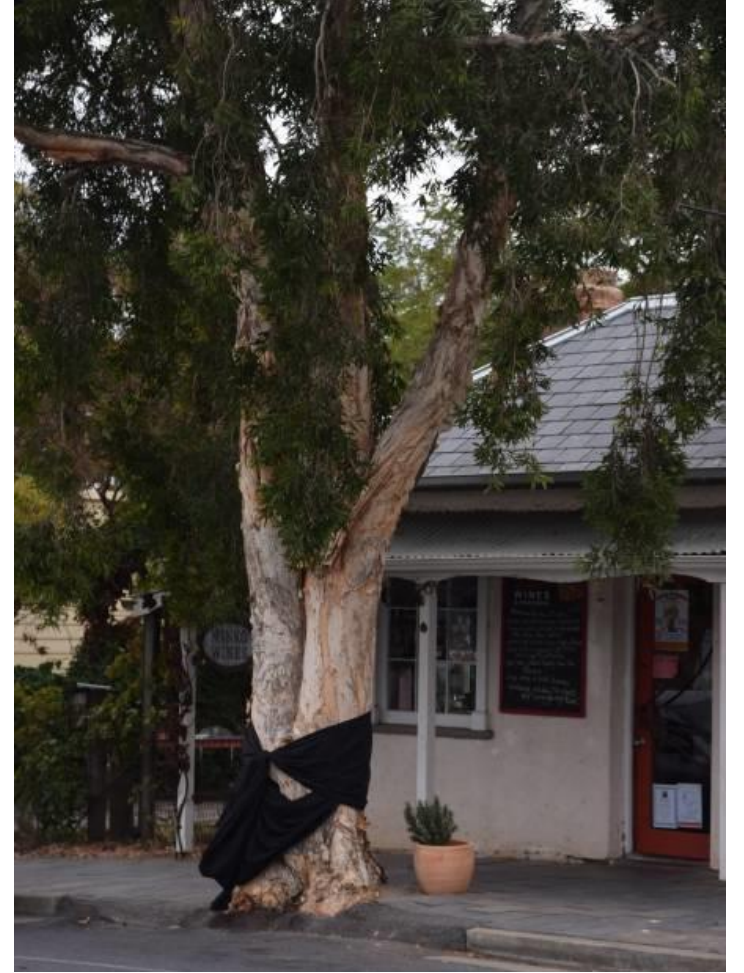
- ❖ Flooding
- ❖ Waterway
- ❖ Overland flow
- ❖ Native vegetation
- ❖ Bushfire prone
- ❖ Koala habitat
- ❖ Slip prone
- ❖ Acid sulfate soil
- ❖ Cultural heritage
- ❖ Demolition control
- ❖ Slope



- Site = Overland flow flood map – Site unaffected

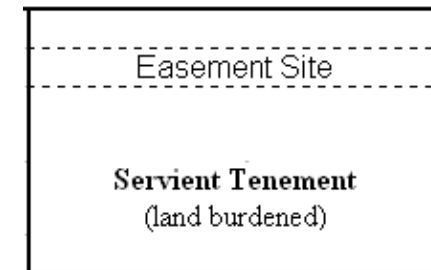
# What Site Specific Constraints. Need To Be Researched?

- Significant trees
- Rock & Soil type – swelling & cracking clays
- Contaminated site
- Easements – sewer, power, access way etc.
- Encroachments – survey site
- Covenants
- Caveat or other encumbrances
- Notation on survey plan
- Neighbor disputes
- Council show cause notices
- Heritage listed buildings



# What Other Site Specific Constraints Need To Be Researched?

- **Above ground infrastructure** out front – power poles, road signs, bus stop, traffic lights, fire hydrant, public mail box, parking, substations
- **Underground infrastructure**
  - man holes, disused septic tanks, buried water tanks, Telstra pits
- **Capacity of Services** – electricity, sewer, water, stormwater
  - need to upgrade for strategy?
- **Shared services** with neighbours
  - combined sewer drain



# What Other Site Specific Constraints Need To Be Researched?

- **Adjoining properties** & structures next door – zero lot, windows/doors, private open space
- **Road hierarchy** – class of road/street, visibility, access restrictions, bin collection, resumption plans, on-street parking etc.
- **Noise pollution** – road, flight path, industry, birds/bats



# What Other Site Specific Constraints Need To Be Researched?

- **Air pollution** – road, industry
- **Subsidence** – underground mining & earthworks
- **Cyclone** rating for new build
- **Earthquake**, sea level rise, tsunami
- **Crime rate**
- **Resumption** – roadway, footpath widening, parkland



# The Deal - Site Specific Constraints?

- 1) Very **Narrow Street** – House move ??, road widening?
- 2) Potential **footpath resumption**
- 3) **Buried slab** = decommissioned septic tank
- 4) **Trees** on rear neighbor boundary & dilapidated fence
- 5) **Slope** to left side = retaining?



### 3) Initial Deal Review – How Many Units?

- Calculate potential number of units?:
  - ❖ **Gross Floor Area** (GFA) Calc. = 0.5 times site area
  - ❖  $602\text{m}^2 \times 0.5 = 301\text{m}^2$  gross floor area
  - ❖ No. units & bedroom **configuration flexible** in  $301\text{m}^2$  GFA e.g. 5 x 1br or 4 x 2br or 3 x 3br
  - ❖ Need to comply with site cover, setbacks, parking, max height, private open space, disability access



# Other Density Calculation Methods –

- **Equivalent Dwellings per Hectare**

e.g. 50 dwellings per ha -

$$10,000\text{m}^2/50 = 200\text{m}^2 \text{ per dwelling}$$

- $2\text{brm} = 1.0 \text{ multiplier} = 200\text{m}^2 \times 1 = 200\text{m}^2$

- $1\text{brm} = 0.7\text{multiplier} = 200\text{m}^2 \times 0.7 = 140\text{m}^2$

- $3\text{brm} = 1.2 \text{ multiplier} = 200\text{m}^2 \times 1.2 = 240\text{m}^2$

- ❖  $600\text{m}^2/200 = 3 \text{ (2brm)}$

- ❖  $600\text{m}^2/140 = 4.3 \text{ (1brm)}$

- ❖  $600\text{m}^2/240 = 2.5 \text{ (3brm)}$



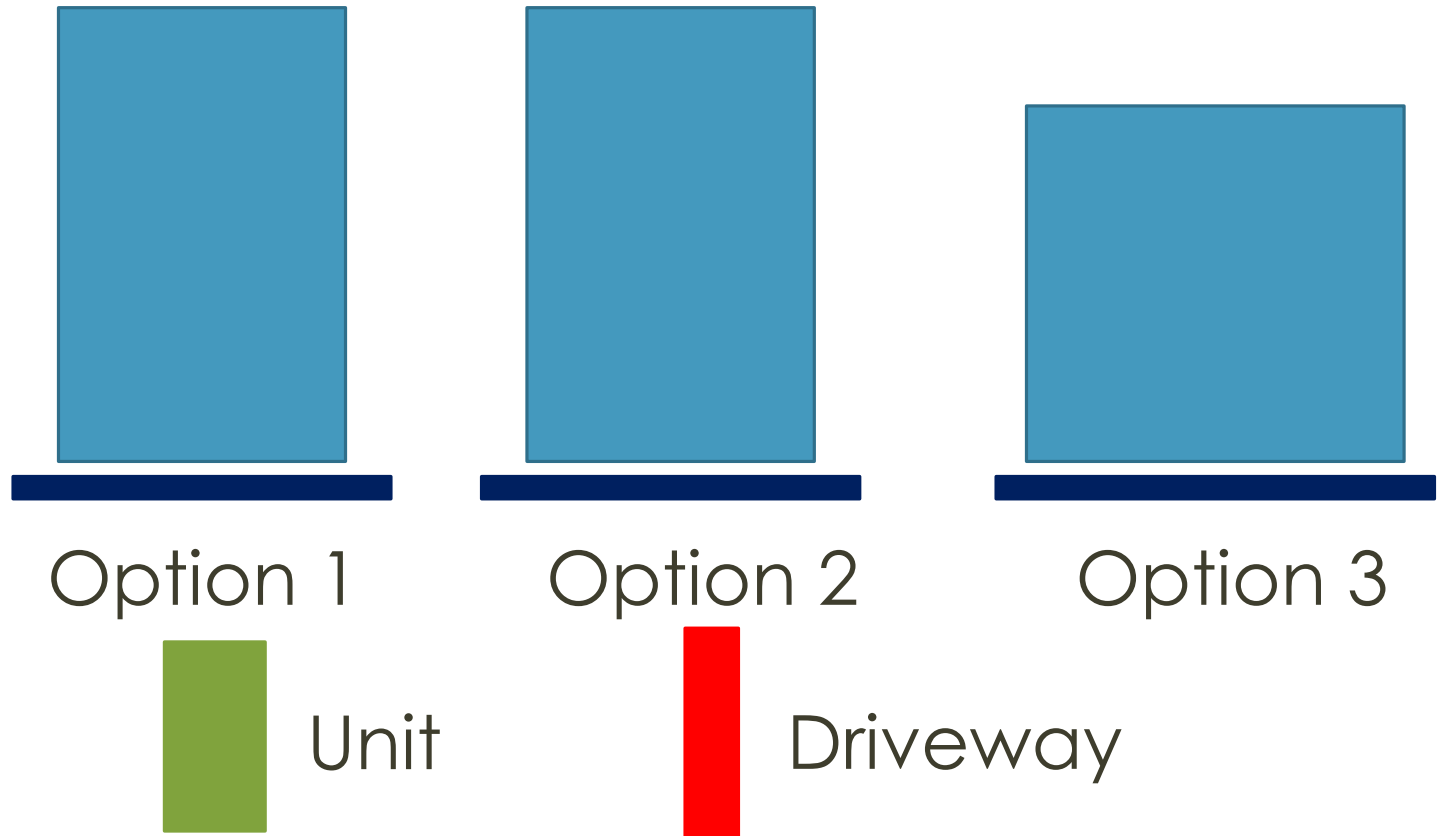
# 4) Concept Design – Layout Options? – The Deal

- ❖ **House too large** & has to go
- ❖ Due to parking - 3x3brm more realistic than 4x2brm
- ❖ **Market demand** = 3brm over 2brm
- ❖ **Wide frontage** = Opportunity for street frontage to each townhouse



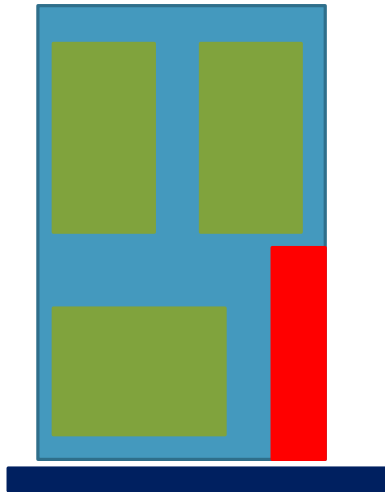
# Concept Design – Layout Options?

- Draw rough concept sketch – hand drawn / digital
- 600m<sup>2</sup> vacant blocks

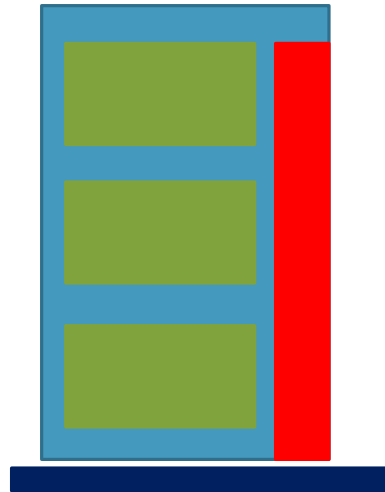


# Concept Design – Layout Options?

- Draw rough concept sketch – hand drawn / digital
- 600m<sup>2</sup> vacant blocks



Option 1



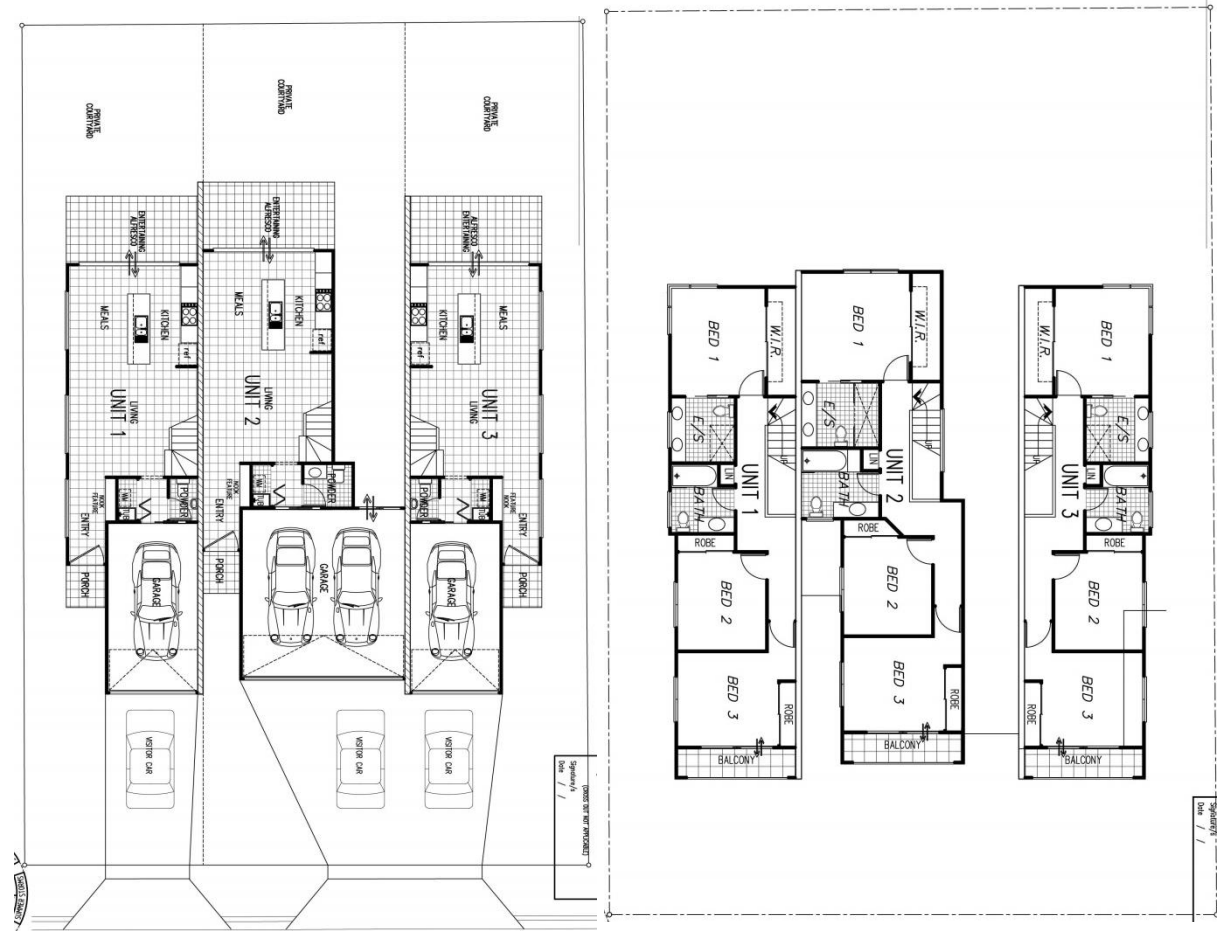
Option 2



Option 3

# Concept Design – Layout Options? – Deal

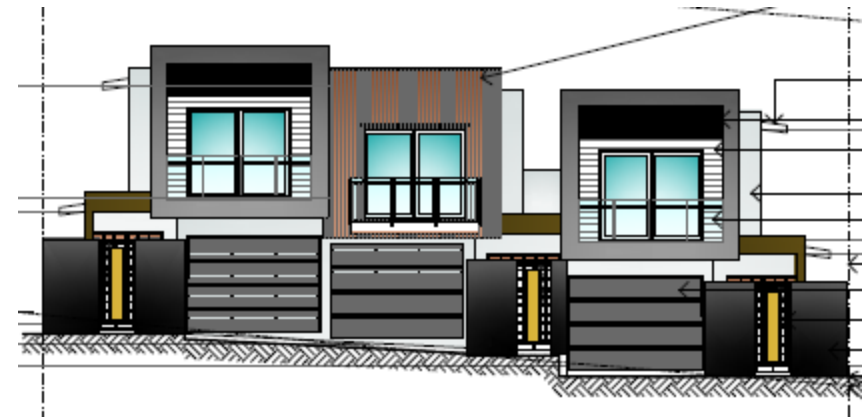
- 3x **Townhouse** each street frontage
- Living down, 3brm, 2 bath up
- Rear yards
- **LUG** each
- Visitor parking in driveway
- OK **leave site in reverse**



# Architect / Building Designer / Builder?

- **Building Designer / Drafty** – Our Target, budget sensitive
- **Architect** – High end product – Exclusive product
- **Builder** – They own the plans – therefore restricts you getting quotes from others!!

- ❖ Must get sign-off that you own the design and **can use it at your discretion.**
- ❖ Ask if designer **using design elsewhere?**  
Found out deal design was used elsewhere..... & impacted at sale!!



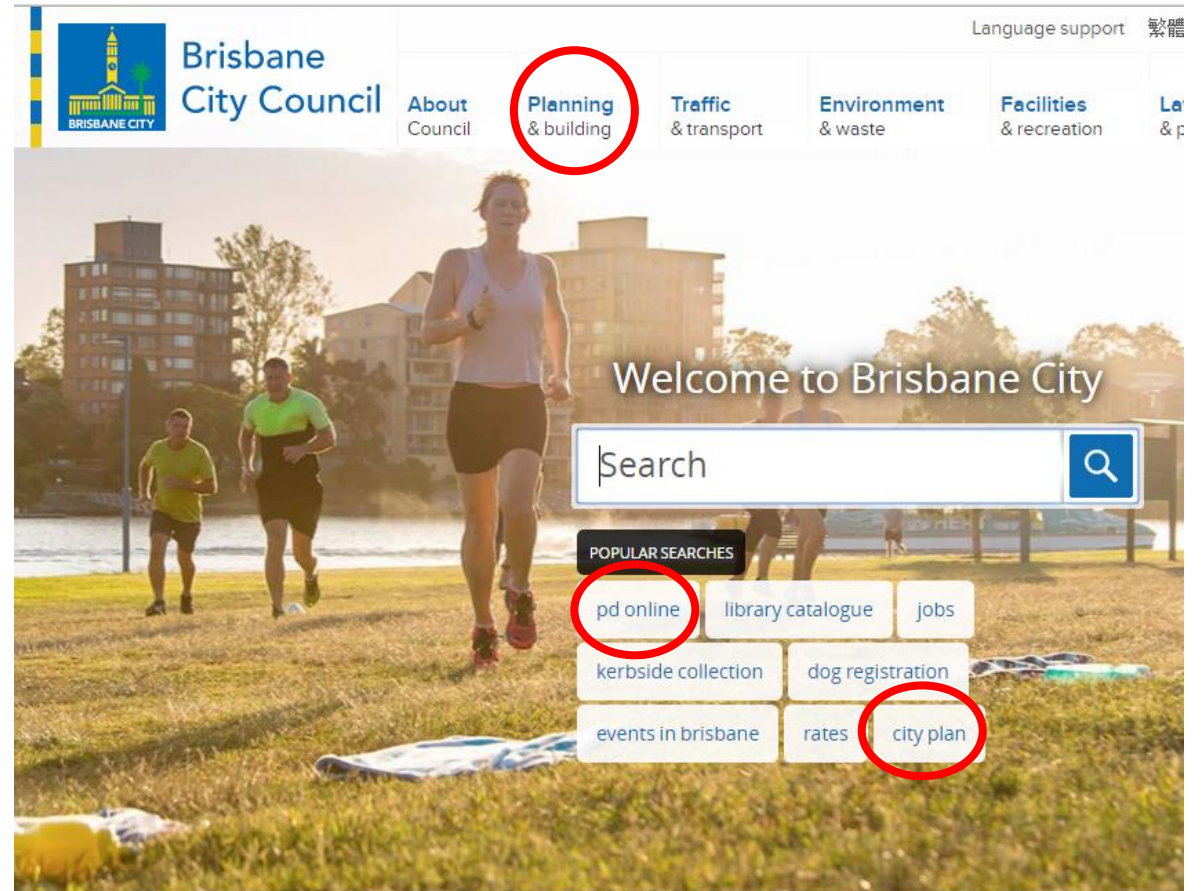
# 5) What Are the Characteristics of Other Multi Unit Developments in Area?

- **Research other multi unit** DA's in the general area – DA lodged / DA approved / Projects completed:
  - Review approved plans
  - Review approval conditions
  - Review approval process and timeframe
  - Review consultants involved
  - Review costs
  - Review market feedback if complete



# Council Website – Queensland



- Learn to Navigate
- Planning & Development Tab
- PD Online Tab
- City / Town Plan Tab



# Council Website –PD Online – QLD Councils

## Search:

- Address
- Application number
- Application type e.g. MCU – Material Change of Use
- Activity e.g. Multi-unit Dwelling

**Application Search**  

Application Enquiry allows you to:

- Track the progress of a development application.
- Look up current and past development application activity (information published dates back to 1 January 2004, however the accuracy of historical data cannot be guaranteed).
- Access Council's online submission service where you can formally submit comments on development applications.
- Look up development applications recently submitted or determined by quick search shortcuts.

[Search application by application reference number, e.g. A001234567](#)

**Search by Application Number**  
Application Number:

**Search by Property Address**  
Suburb:   
Street Name:   
Street No From:  To:

**Search by Real Property Description**  
Lot Number:  Plan No.:

**Search by Other Criteria**  
Dates From:  To:   
Application Type:   
Activity:   
Show Determined Applications:

**APPLICATION**

[Home](#)

[Disclaimer](#)

[Search](#)

**DEVELOPMENT APPLICATIONS SUBMITTED**

[This Week](#)

[Last Week](#)

[This Month](#)

[Last Month](#)

**DEVELOPMENT APPLICATIONS DETERMINED**

[This Week](#)

[Last Week](#)

[This Month](#)

[Last Month](#)

# Council Website - Victoria

- Learn to Navigate
- Planning & Development Tab
- Land.vic.gov.au
- City / Town Plan Tab
- SPEAR

The screenshot displays the City of Melbourne website interface. At the top left is the City of Melbourne logo. Navigation links for 'About Council' and 'About Melbourne' are visible. A search bar is located in the top right corner. A left-hand navigation menu is open, showing categories like 'Home', 'Building and Development', 'Planning and building services', 'Planning and building overview', 'Planning applications', 'Land subdivision', 'Building safety and amenity', 'Construction and development', 'Planning and building compliance', 'Forms, fees and checklists', 'Planning alerts and online register', and 'Industry news'. The main content area is titled 'Planning and building services' and features a large photograph of a historic, ornate Victorian-style building with a balcony. Below the image, a text block explains that the City of Melbourne's planning and building services provide assistance and advice about construction and land use. On the right side, there is a sidebar with a 'Report an issue' button and a 'I want to...' dropdown menu listing various services such as 'Subscribe to planning alerts', 'Apply for a planning permit', 'Apply for a permit to occupy space on road or footpath', 'Apply for public protection or report and consent', 'Object to a planning application', 'Request planning pre-application advice', 'Apply for safety and amenity construction permits', 'Apply for an out of hours building permit', 'Amend a planning application or permit', and 'Apply for a consent for works (excavations)'. A 'View all services' link is at the bottom of the sidebar.

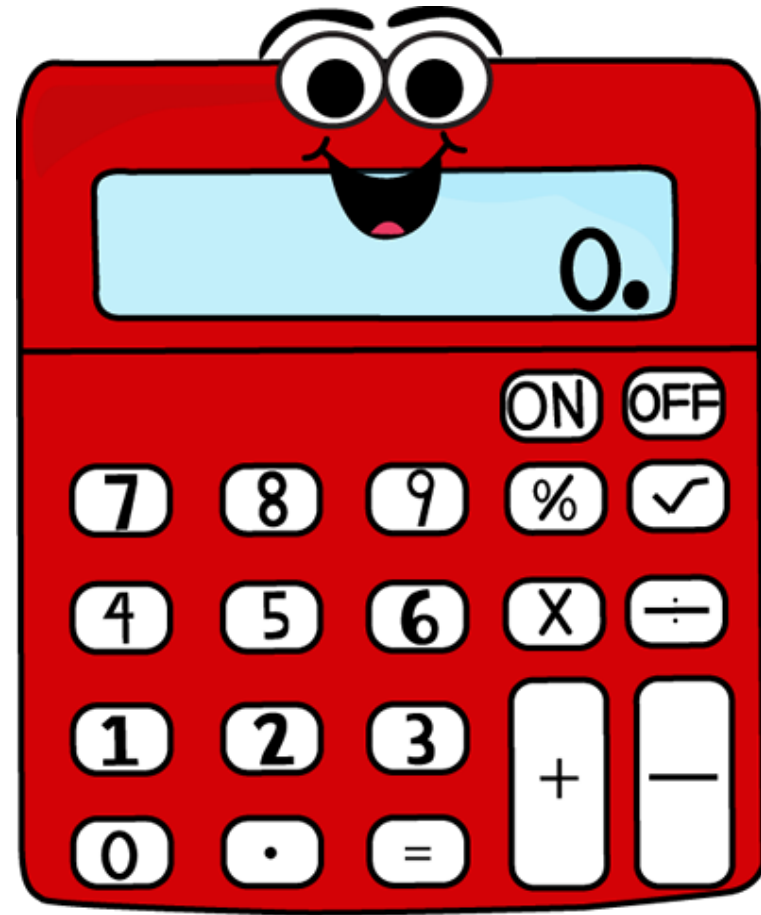
# Council Website – New South Wales

- Learn to Navigate
- <https://www.planningportal.nsw.gov.au>
- <https://www.lgnsw.org.au/about-us/council-links>
- Planning & Development / Building Tab



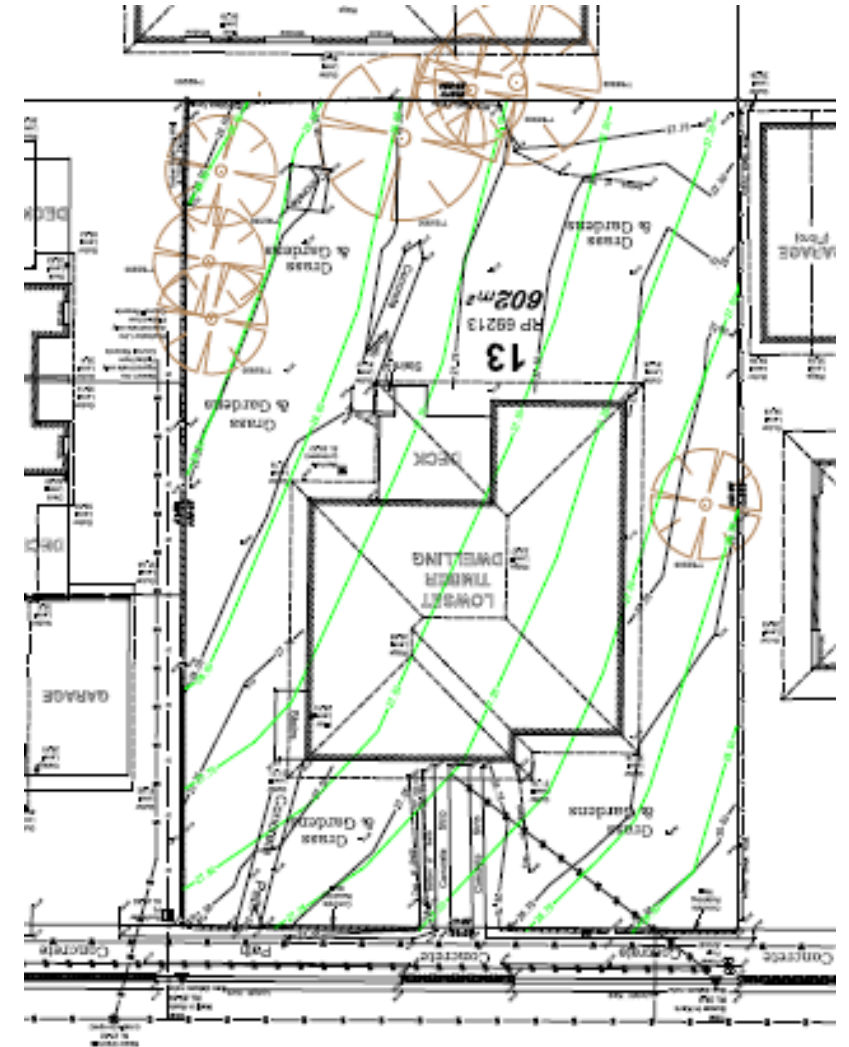
## 6) Rough Feasibility

- Will come back to at end



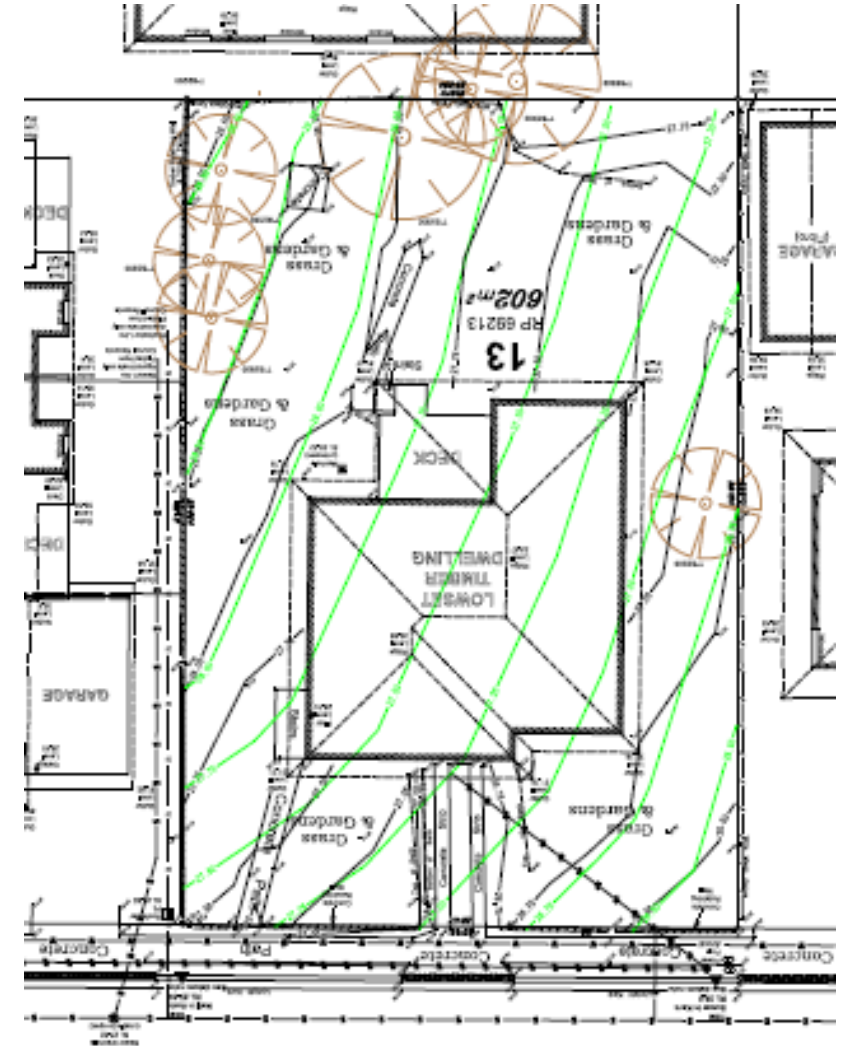
# 7) Detailed Design & Mapping

- What to look for on survey plan?



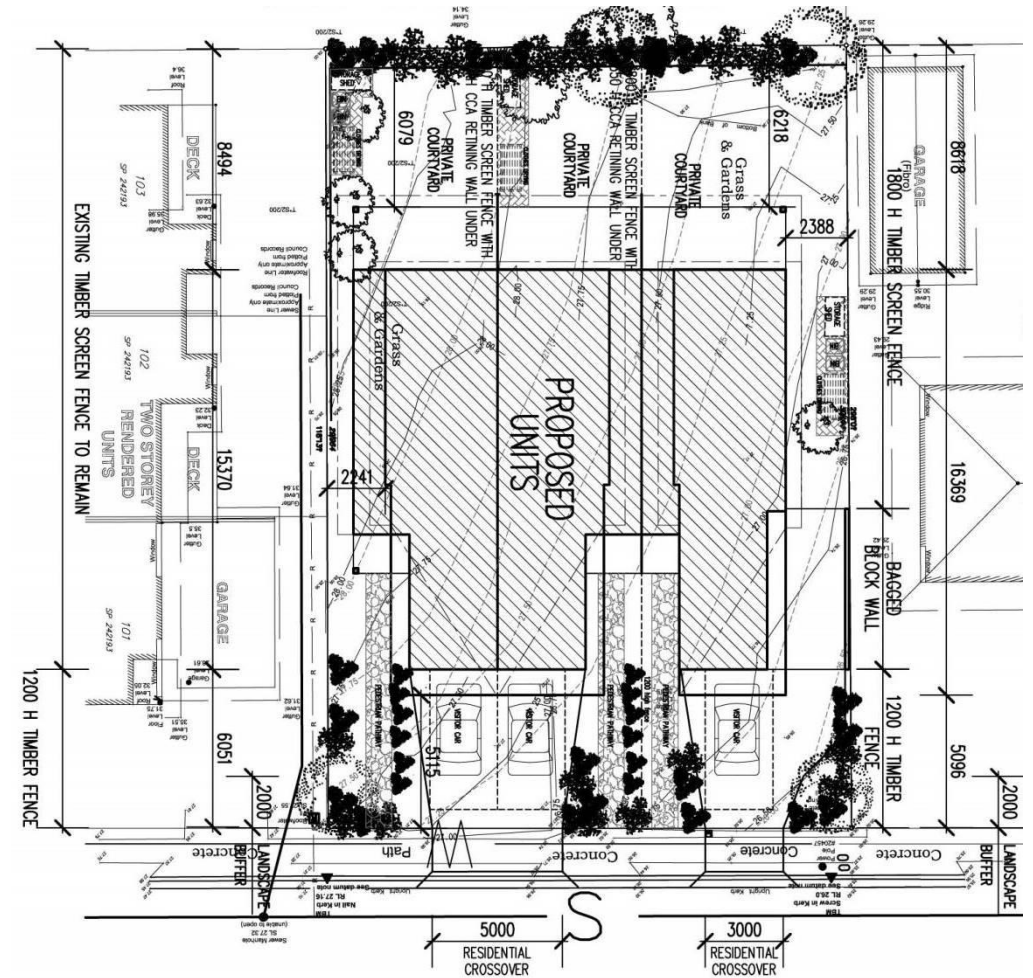
# 7) Detailed Design & Mapping

- What to look for on survey plan?
  - ❖ Total Land **Size**
  - ❖ **Boundary** Measurements
  - ❖ Boundary **Encroachment**
  - ❖ Contours = **Slope**
  - ❖ **Services** Location
  - ❖ Unexpected **Features**



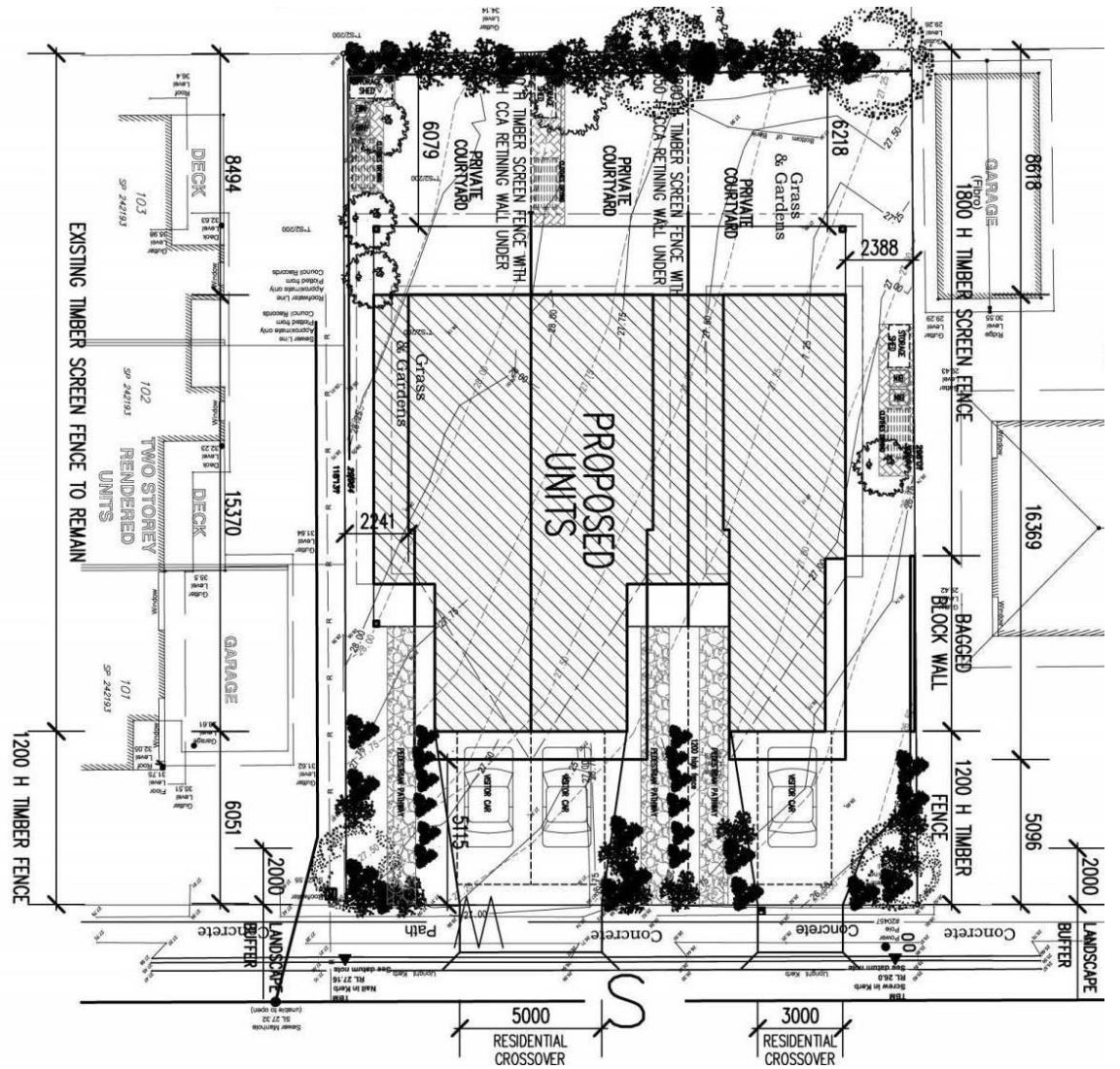
# When Do You Do Detailed Design?

- Assuming the rough feaso & detailed feaso look good, undertake detailed design for DA –
- DA Plans Only – **Not For Construction** e.g. Not Working Drawings



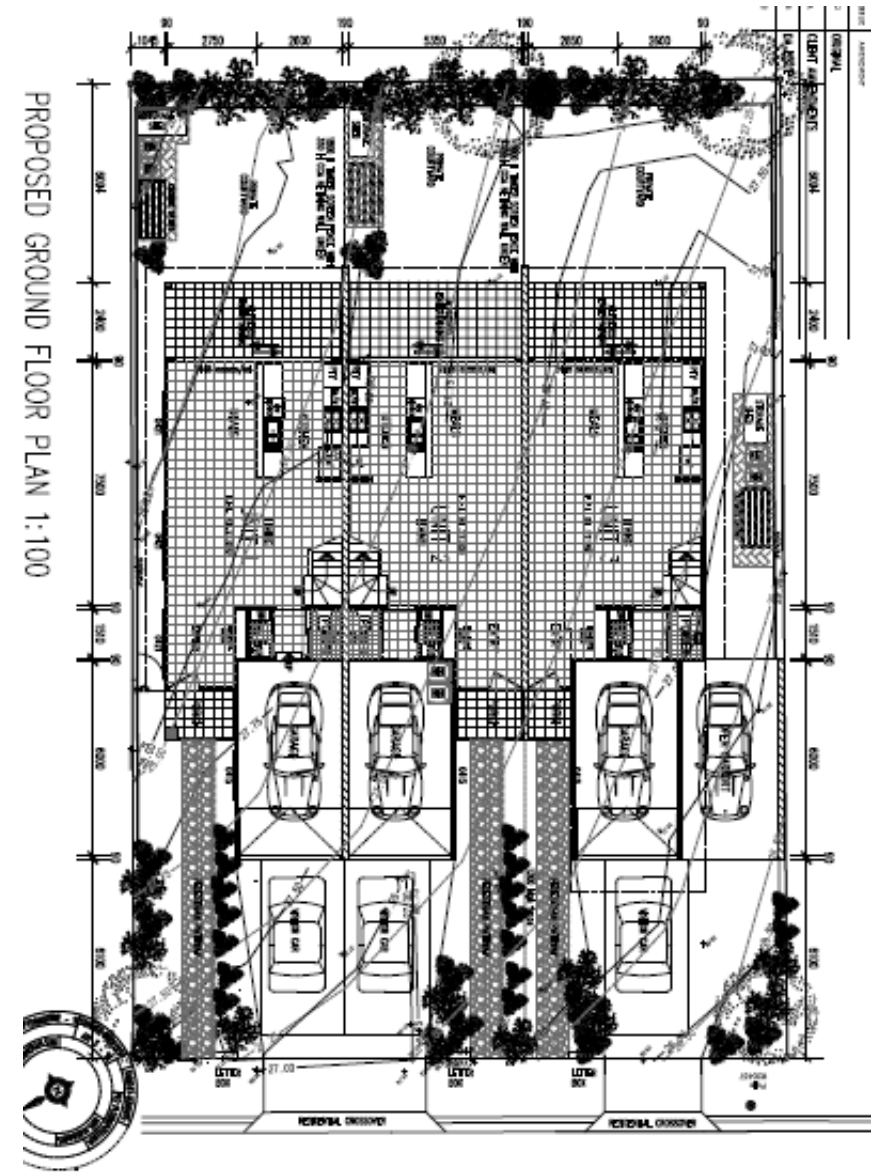
# Site Plan -

- ❖ Site **Cover Calc.**
- ❖ Building Configuration
- ❖ **Setbacks** (front, side, rear)
- ❖ Services location
- ❖ Private **Open Space** (POS)
- ❖ General landscaping
- ❖ **Boundary works** – Fencing / Retaining
- ❖ Bins/Clothesline
- ❖ Neighbor **Privacy**



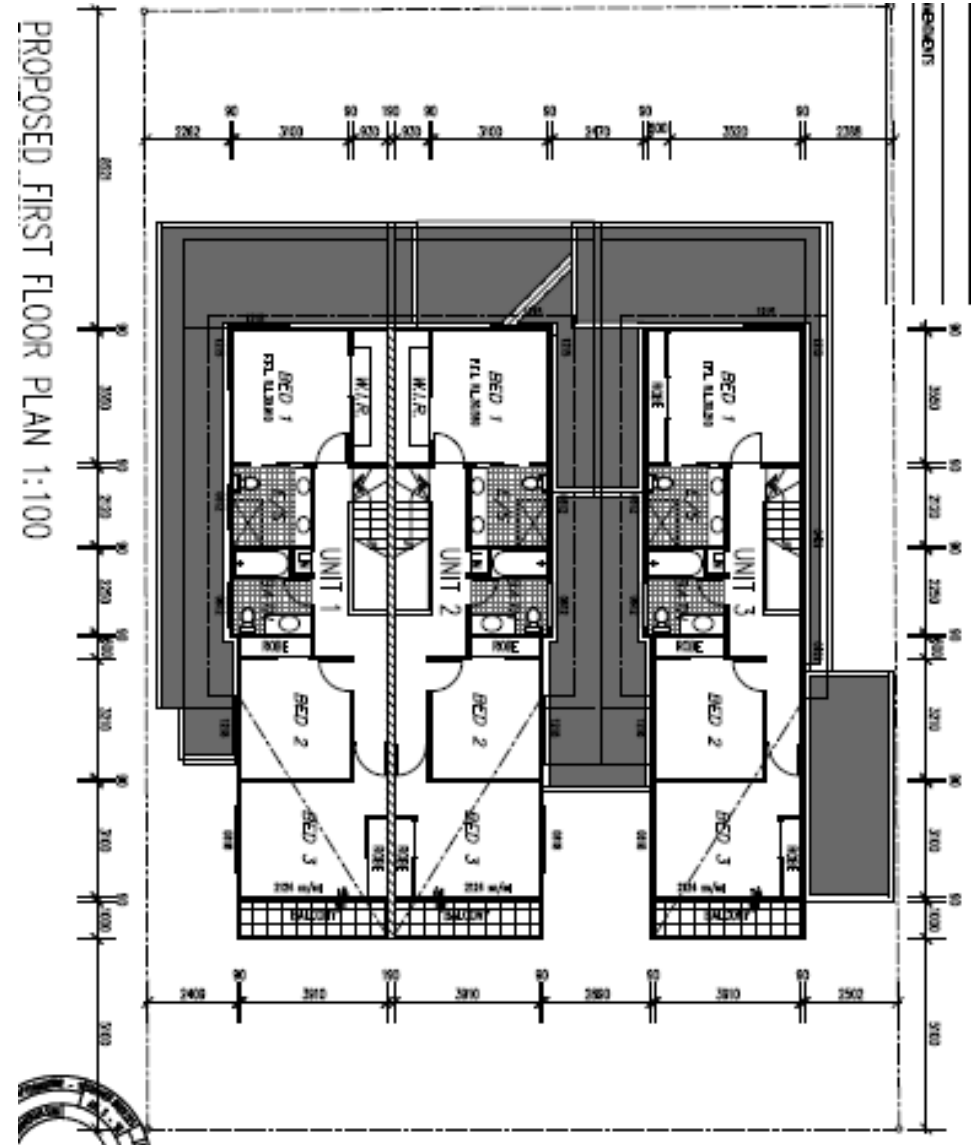
# Floor Plans – Ground Floor

- ❖ Internal Configuration
- ❖ Fire Wall Separation
- ❖ Car Parking
- ❖ Driveway detail
- ❖ Dimension
- ❖ Opening Sizes – Windows / Doors
- ❖ Orientation



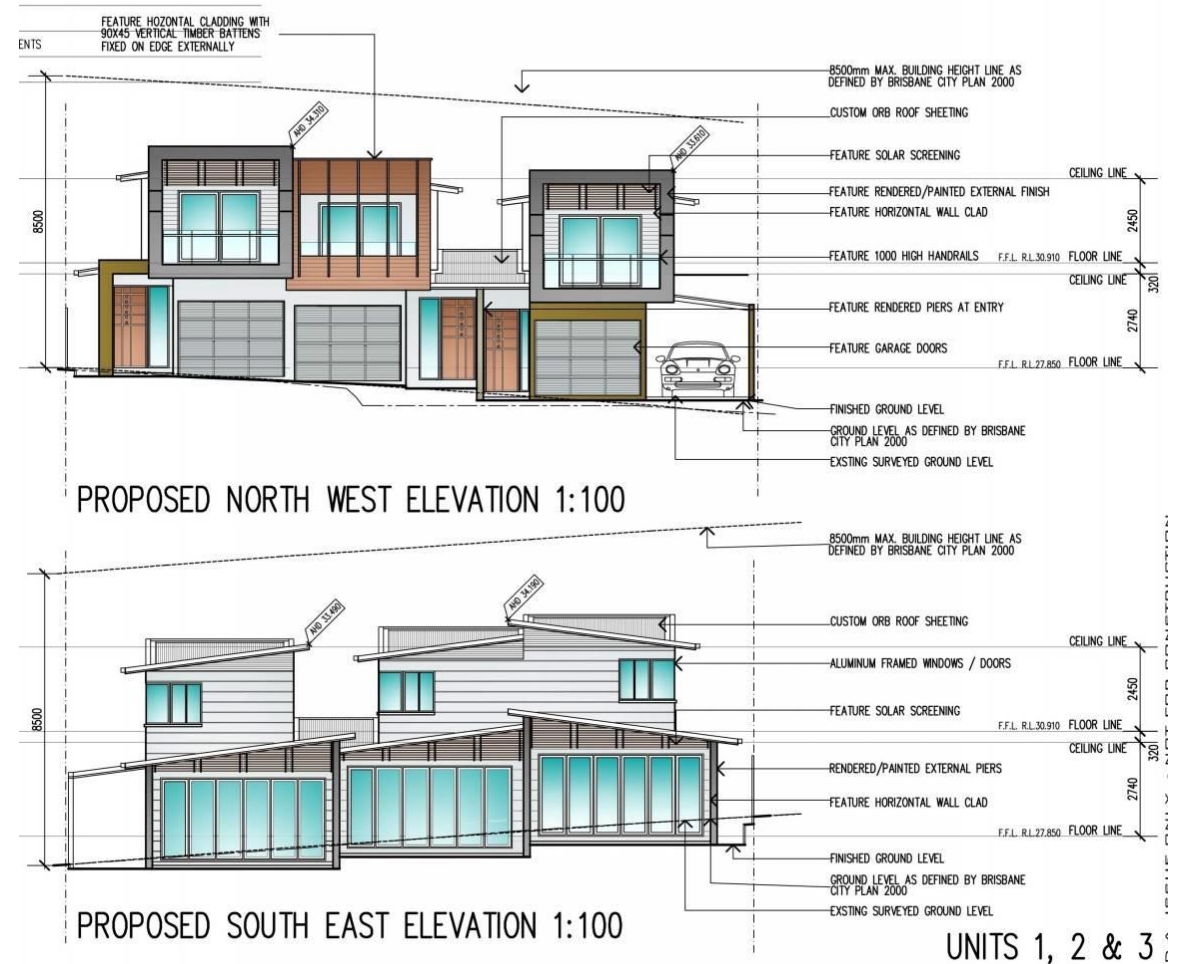
# Floor Plans – First Floor

- ❖ Internal Configuration
- ❖ Setbacks



# Elevations Plans: Front / Rear / Sides -

- ❖ Ground levels
- ❖ Openings – windows / doors
- ❖ External materials
- ❖ Heights
- ❖ Roof lines
- ❖ Retaining



# Street Elevation -

- ❖ Streetscape
- ❖ Scale
- ❖ Position re neighbors



STREET ELEVATION N.T.S.



# 8. Development Application & Operational Works Approval – What's Required?

- **Pre-lodgment Meeting** with Council – If Applicable
- Detailed Designs (DA plans not Working Drawings)
- **Consultation** with Neighbors – If Public Advertising Required
- Town **Planning Report** Including Specialist Reports
- Public **Advertising** – If Required (Impact Assessable)
- **Operation Works** May Be a Separate Approval Process or May Be Part of DA
- **Information Request** (RFI) from Council is Common & Requires an Immediate Response

# Town Planning Report -

❖ Addresses every code requirement & summarizes proposed solution & compliance

The following codes have been assessed against the proposed development:

- Residential Design - Low Density, Character and Low – Medium Density Code (Table 1)
- Landscaping Code (Table 2)
- Transport, Access, Parking and Servicing Code (Table 3)
- Operational Works Code - See attached code assessment tables
- Service, Works & Infrastructure Code – See attached code assessment tables
- Stormwater Management Code – See attached code assessment tables

## Residential Design – Low Density, Character and Low-Medium Density Code (Table 1)

Performance Criteria	Acceptable Solutions	Proposed Solution	Compliance
<b>P1</b> Development size and bulk must be consistent with the low to medium density nature of the locality	<b>A1.1.</b> Gross floor area is no more than: <ul style="list-style-type: none"> <li>• 0.5 times the site area</li> </ul> OR <ul style="list-style-type: none"> <li>• 0.6 times the site area where the site has frontage to a road with a reserve width of 15.5m or more, and:               <ul style="list-style-type: none"> <li>- any part of the site is within 200m radius of any pedestrian entry to a railway or busway station, or</li> <li>- any part of the site fronts an arterial route, or</li> <li>- no part of the site is next to a house (where no approval for a multi-unit or single unit dwelling exists)</li> </ul> </li> </ul>	<b>R1.1</b> The site is within a Low-medium Density Residential Area. The proposed GFA of the site is 54.7%. The development represents a 4.7% variation to the acceptable solution. The development complies with all other controls with regard to setbacks, heights, site cover, parking etc and is considered to be of a scale that is intended by the Multi Unit Dwelling Code. The development will not unreasonably impact adjacent properties by way of overshadowing, loss of views or privacy or loss of amenity. The development scale is consistent with the low-medium density zoning and nature of the area. It is considered that the development provides an	<b>Performance Solution</b>

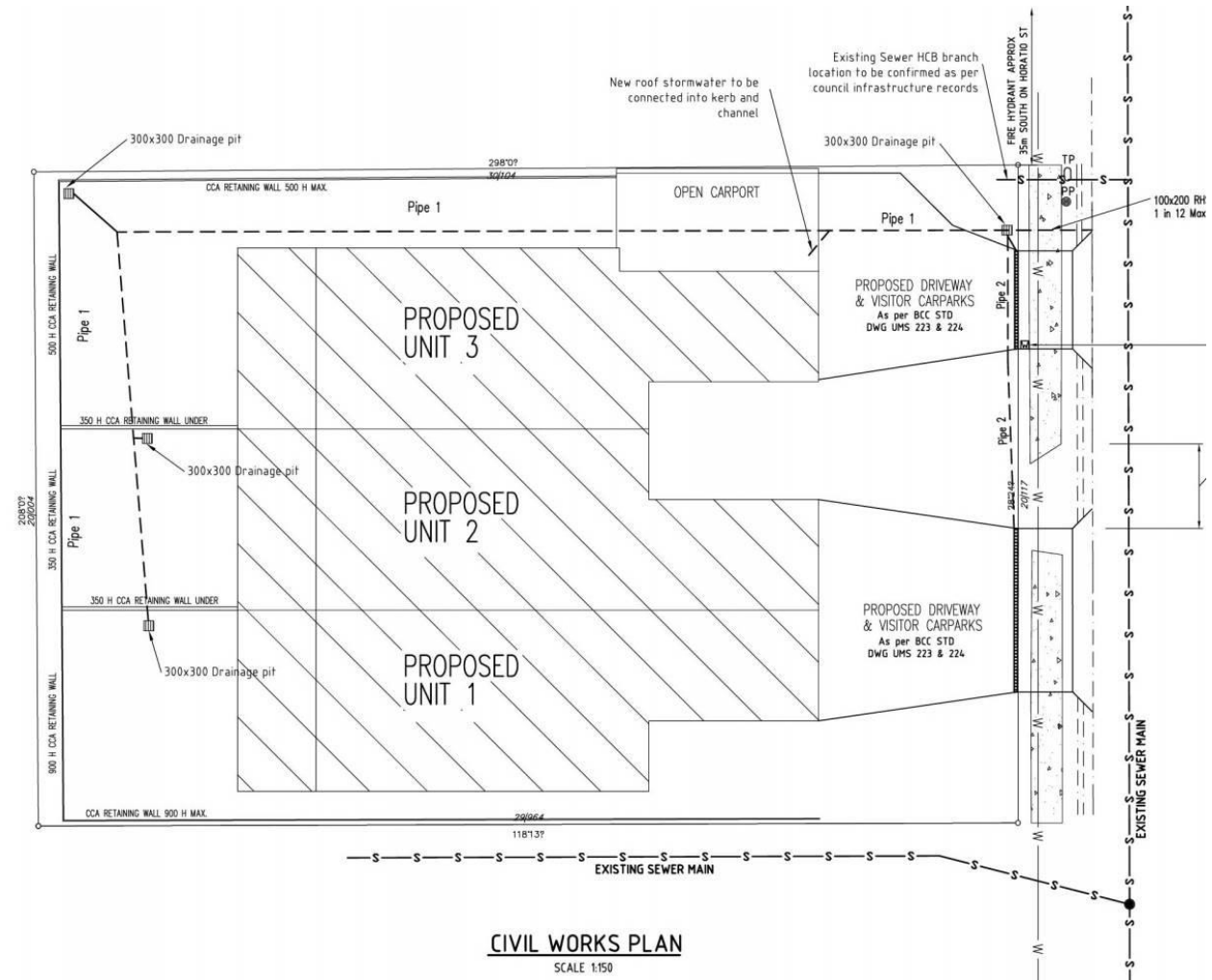
# Specialist Reports -

- ❖ **Traffic** Report – Main Road, Limited Visibility
- ❖ **Flood** Study – Near Waterway, Drainage Line
- ❖ **Arborist** Report – Significant Tree
- ❖ **Geotech** Report – Slip Area
- ❖ **Heritage** Report – Significant Building
- ❖ **Cultural Heritage** Report – Indigenous Influence
- ❖ **Plus Plus Plus** – Contaminated Site, Flora / Fauna, Bushfire.....



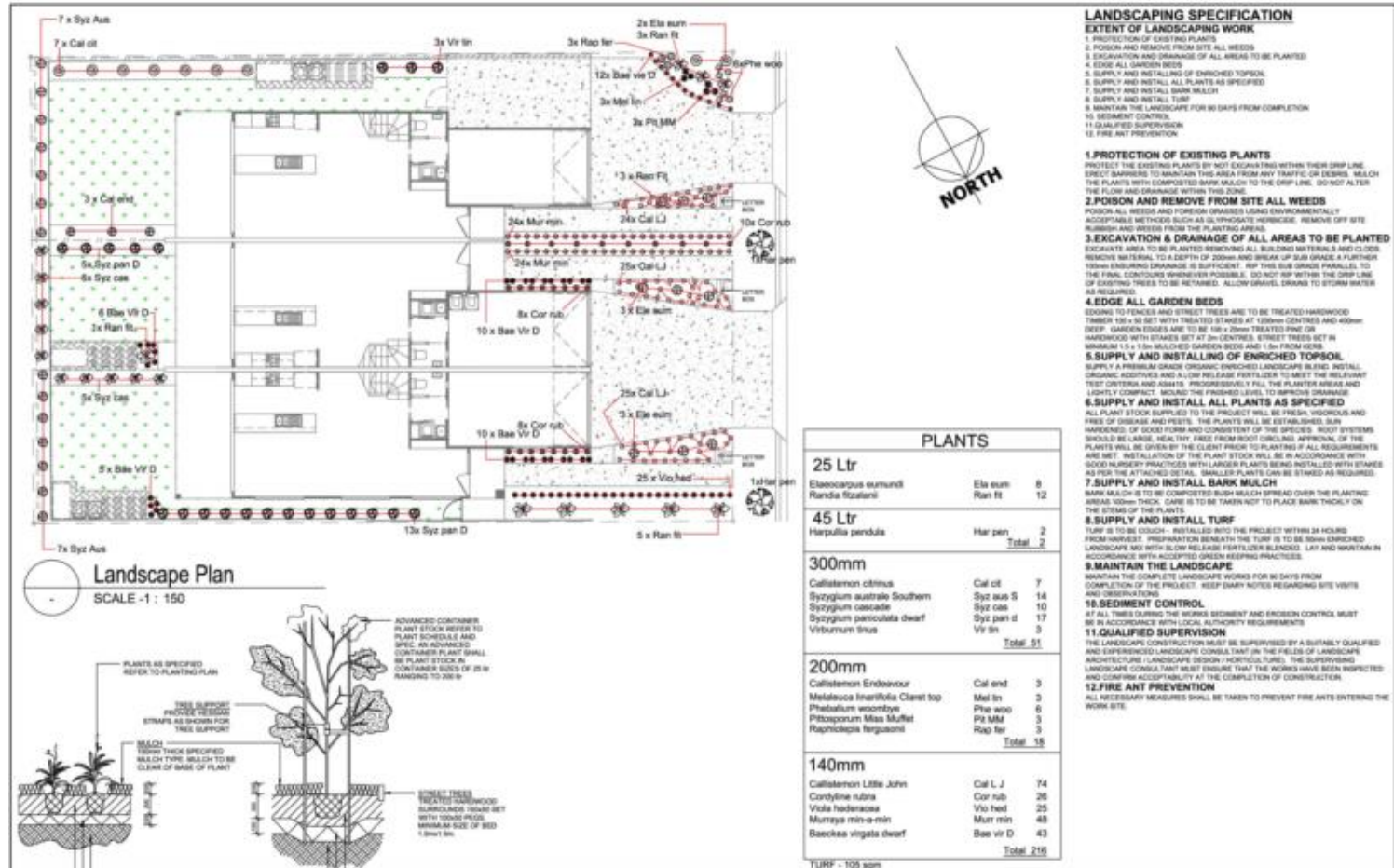
# Operational Works Approval - Engineering Plans –

- **Civil Engineer** – Stormwater Management Plan, Driveway Design, Erosion & Sediment Control Plan, Bulk Earthworks Plan (Cut & Fill), Retaining Design
- **Hydraulics Engineer** – Water & Sewer Connection Plan



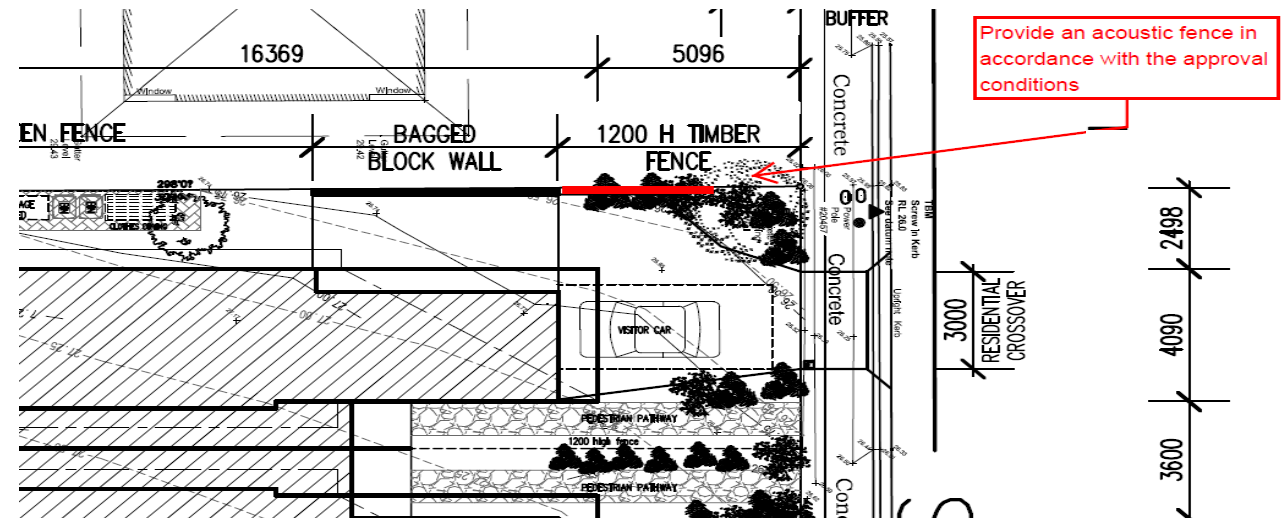
# Landscape Plan -

- Landscape Architect / Designer
- Areas
- Species & Plant Numbers



# DA Approval -

- Approval **Conditions Issued**
- **Notations** Made on Plan – “Add Acoustic Fence”, “700mm Road Reserve Resumption Setback”
- Have Team **Review Conditions** – Planner, Engineers, YOU!
- **Summarize Conditions** in Table – What / When / Who (You, Engineer, Builder, Building Certifier etc.)
- Typically 4 years **validity** – if extending do prior to expiry



# Post DA & Op Works – What's Next?

# Post DA & Op Works – What's Next?

- Working Drawings – Building Designer / Drafty, Structural & Hydraulic Engineer
- Building Approval – Building Certifier
- Can Sell Off-The-Plan
- Can Sell With DA
- Finance Approval
- Demolition Approval
- Demolition / Site Clearing
- Construction
- Strata Titling
- Selling / Tenanting



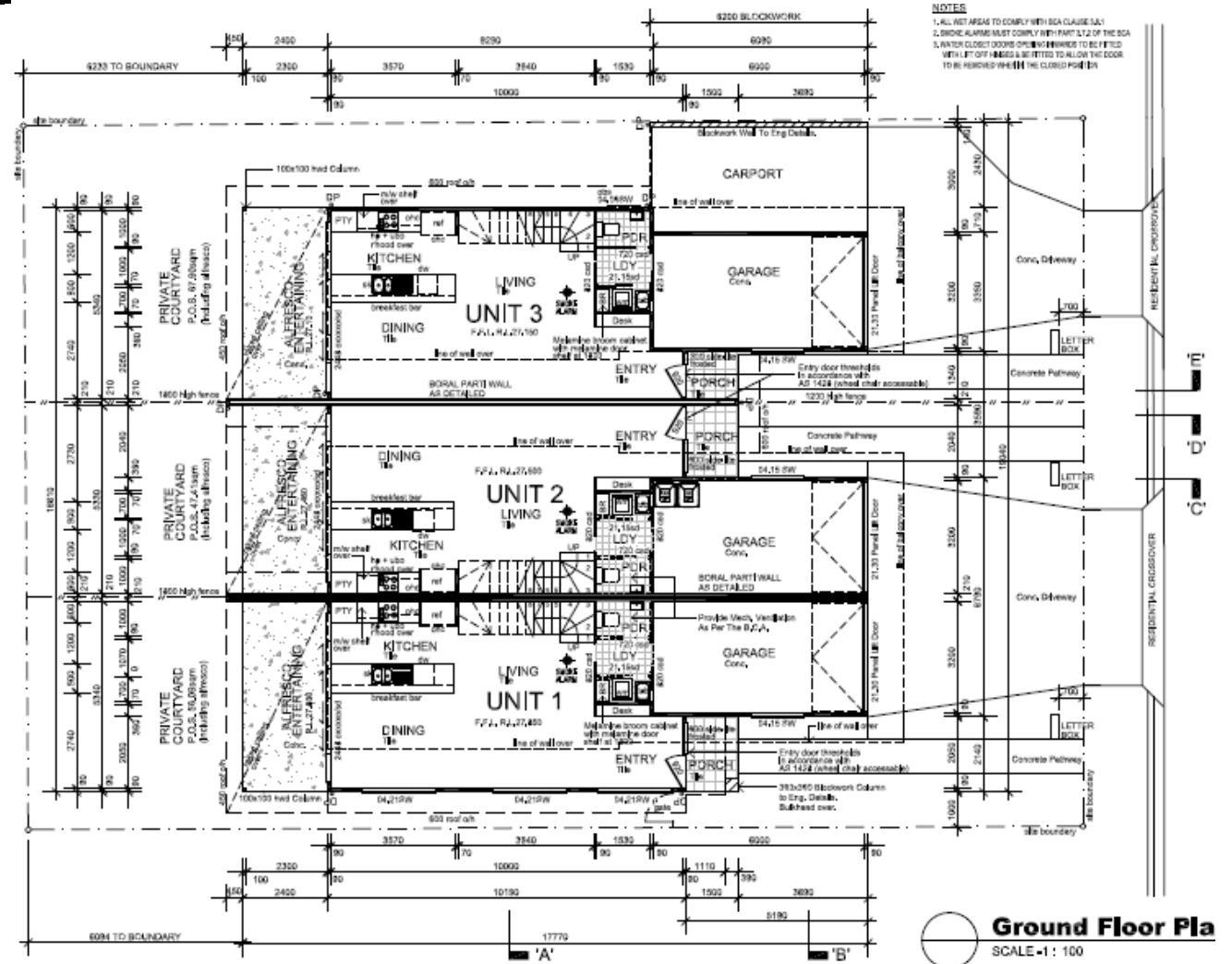
# 9. Demolition / Site Clearing -

- Need Demolition **Approval**
- **CAUTION** - Don't demolish **too soon** after DA ..... Still to get BA, Build Contract, Finance, Pre-sales
- Rent for as long as possible
- Cleared Site = erosion prone, needs fencing.
- **Maximize options** re sale.



# 10. Working Drawings -

- Plans - **For Construction**, incl. engineering
- Maximum Detail
- Builders quote from
- **Incl. DA Conditions** e.g. acoustic fence, 700mm road Reserve setback





# 11. Building Approval (BA) / Construction Certificate (CC) - NSW

- Cover in Detail in [Construction Webinar](#)
- Building Certified
- Plumbing Approval
- Energy Efficiency Assessment
- 2 Years Validity – Extend Prior To Expiry



# 12. Selling Off-The-Plan -

- Experienced Agent
- **Artist Impressions**
- Marketing Brochure
- Sales Contract
- Disclosure Statement
- **Plans**
- Building Specifications –  
Fixtures / Fittings
- Draft **Body Corp Docs**



# 13. Selling DA Approved Site -

- **Value of site** determined from feasibility & working backwards
- Deal needs to stack-up & still **deliver 20% profit** on cost for ultimate developer
- **Limited exit strategy** – because if can't sell and don't have funds to complete development, then DA is costly exercise!



# 14. Finance Approval – (Module 8)



- **Residential Finance:** Up to 3 units – Bank looks at your serviceability; no profit target, Fund 80% Build contract or 60-80% end value, only funds build cost, typically no pre-sales required, resi valuation, resi mortgage broker
- **Commercial Finance :** 4 units plus, bank looks at quality of deal not you for serviceability, requires profitability of 20% profit on total development costs, fund 80% total development costs or 60% Gross Realization Value which ever is less, funds hard & soft costs, pre-sales likely, commercial valuation, Quantity Surveyor involved, higher interest rate, higher loan application costs, commercial mortgage broker

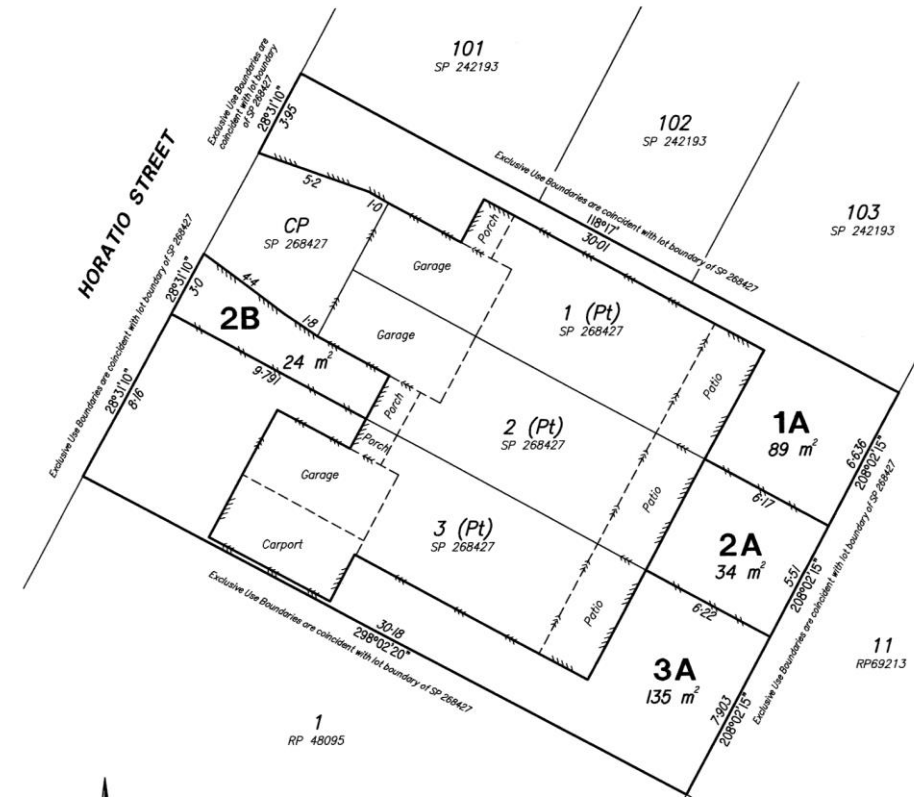
# 15. Construction –

- Cover in Detail in [Construction Webinar](#)



# 16. Strata Titling – What’s Involved?

- Covered in detail in **Strata Titling Webinar**
- Surveyor conducts final site survey and prepares **Building Format Plans** (New Lot & Title Survey Plans), Exclusive Use Plan, Services Location Diagram etc.
- **Community Management Statement** (CMS) Created + Lot Allocations
- Final Survey Plans & CMS Submitted to Council for **Plan Sealing** (Stamping & Signing Plan)



- **Council** Conducts Final Inspection – DA Conditions
- Plan Sealed Documents Sent to Financier / Bank for **Mortgagee Consent**
- Plan Sealed Docs & Mortgagee Consent & CMS Submitted to **Titles Dept.**
- Titles Dept. Reviews & New Lots, New Title, & Body Corp **Registered**
- **Pre-sale contracts** can now be settled, & standard sale contracts now entered into.

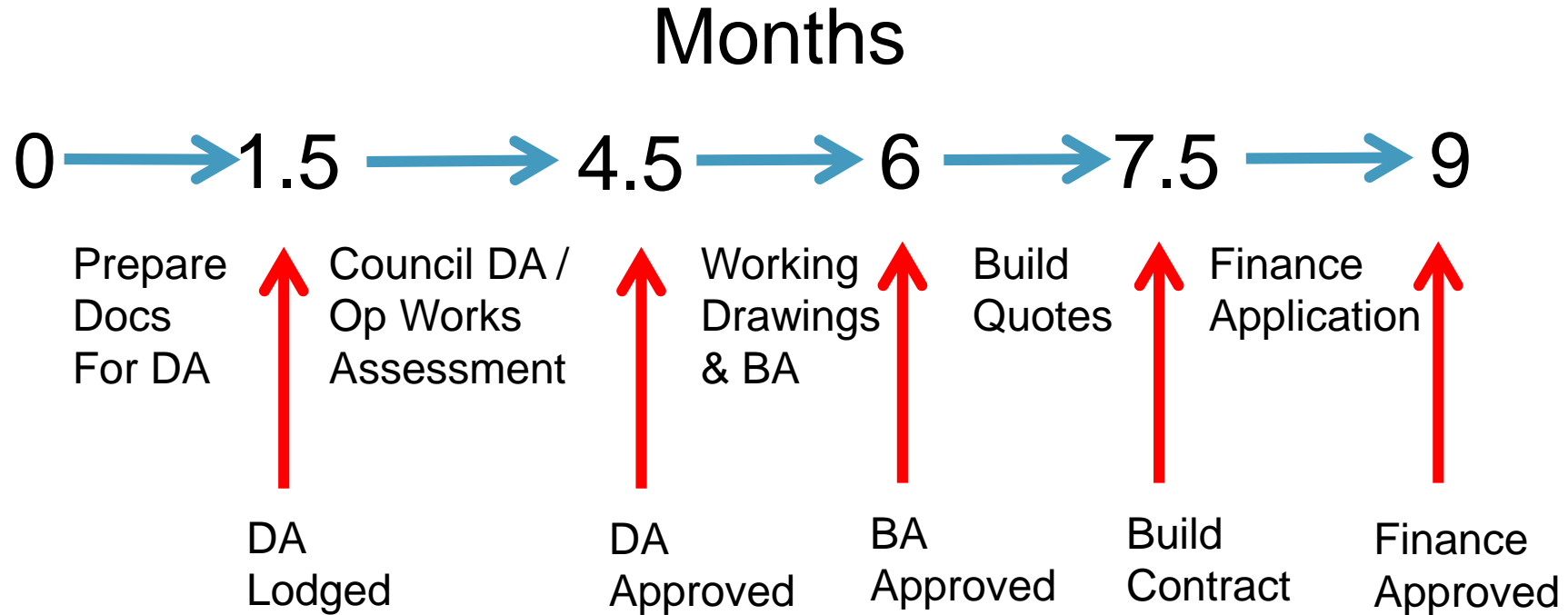


# 17. Selling (Module 9)

- Furniture **Staging**
- Professional **Photography**
- **Agent** Selection
- **Marketing** Material – Photos, Written Copy, Website
- Marketing **Campaign** – Auction / Open Inspections
- Contract **Negotiation**

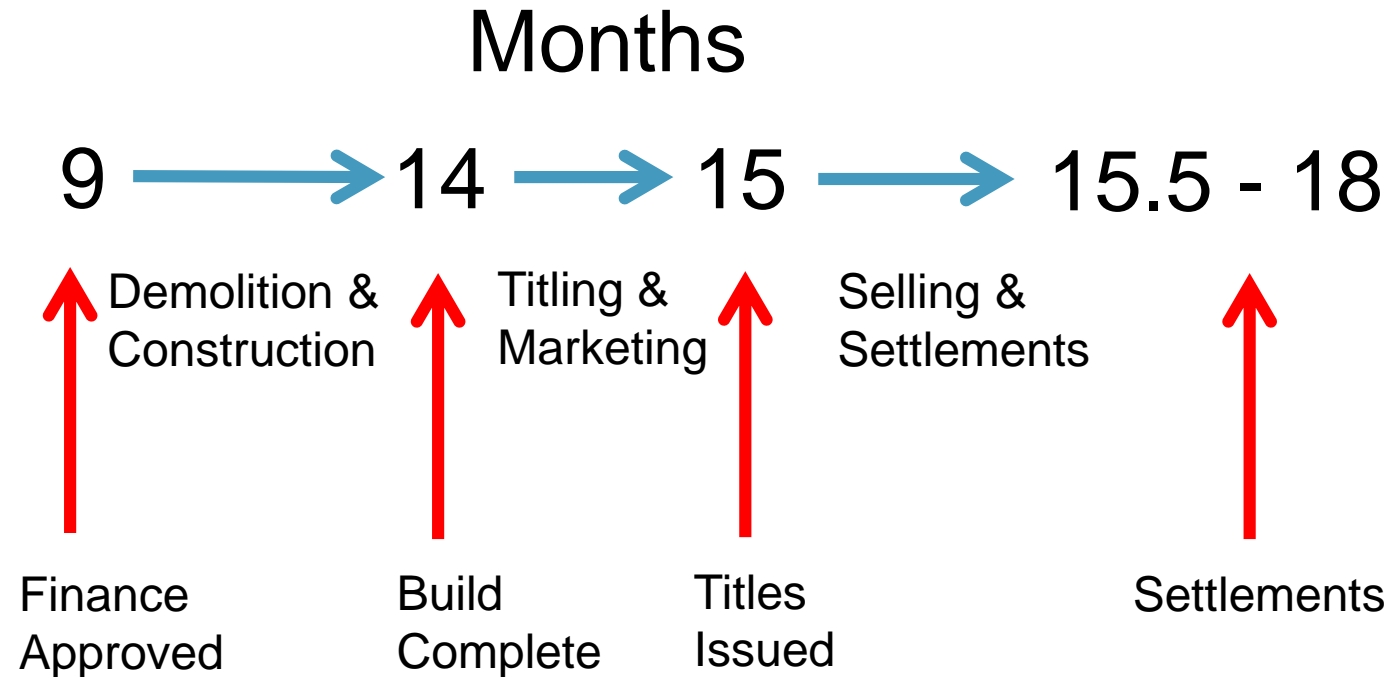


# 18. QLD Timeframe – How Long Does it Take?



- ❖ **Fast-track** DA application could reduce 3mths DA process to 1mth

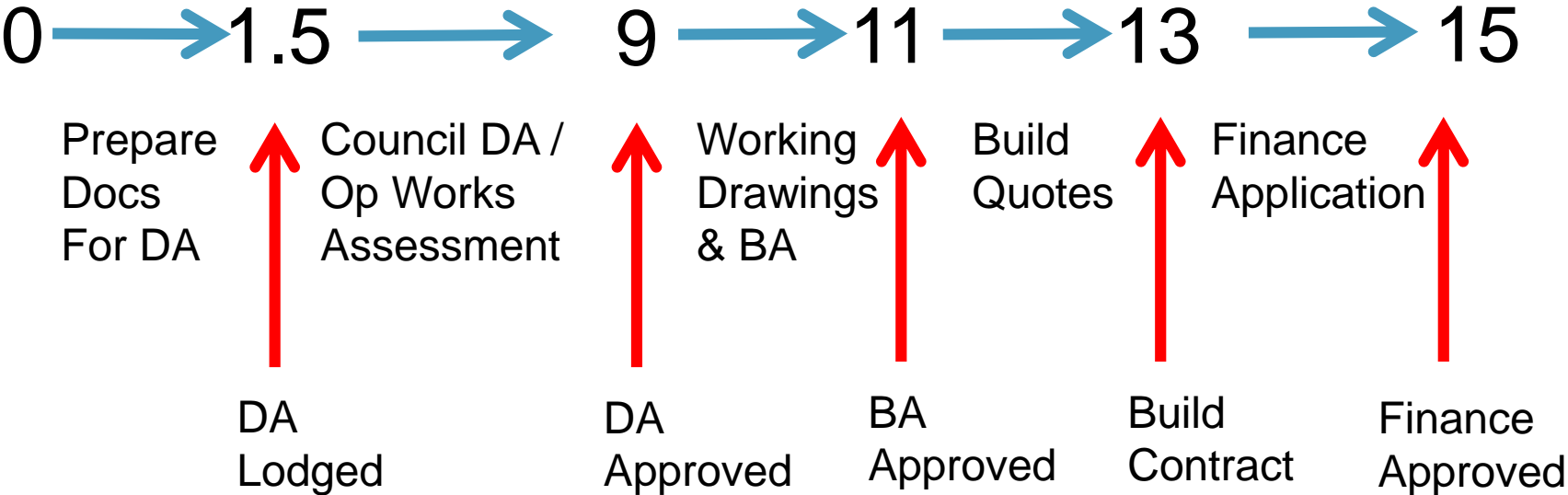
# 18. QLD Timeframe – How Long Does it Take?



- ❖ Quicker if **not selling**
- ❖ Potentially longer if need **pre-sales** for finance

# VIC Timeframe – How Long Does it Take?

Months



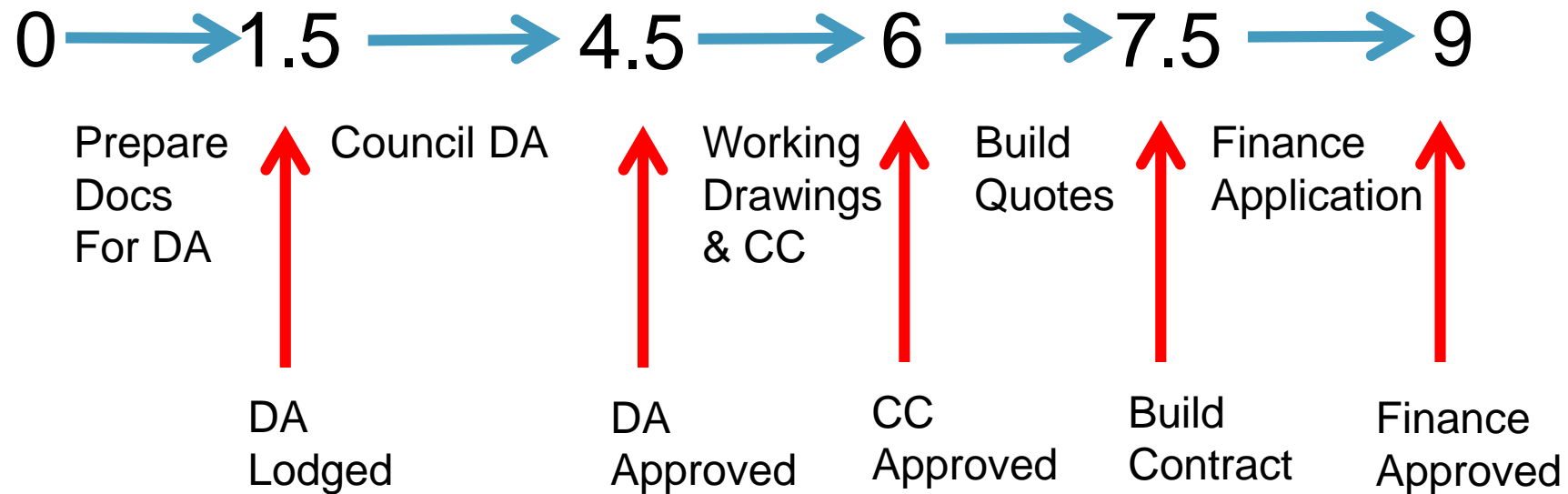
# VIC Timeframe – How Long Does it Take?



- ❖ Quicker if **not selling**
- ❖ Potentially longer if need **pre-sales** for

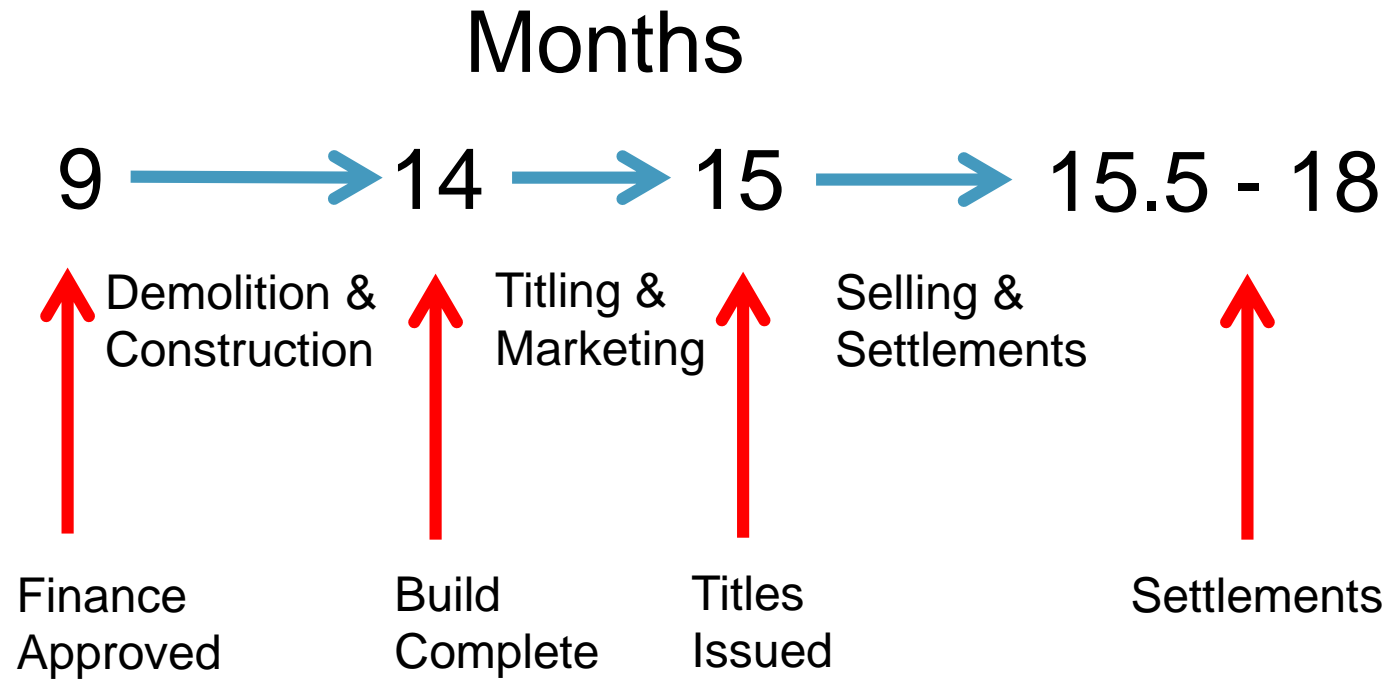
# NSW Timeframe – How Long Does it Take?

Months



- ❖ **Fast-track** DA application could reduce 3mths DA process to 1mth

# NSW Timeframe – How Long Does it Take?



- ❖ Quicker if **not selling**
- ❖ Potentially longer if need **pre-sales** for finance

# 19. What Exit Strategies are Possible?

- Sell DA Approved Site
- Develop & Sell
- Develop & Hold
- Hold / Sell Combo



# 20. Rough Feasibility – What are the Major Headings?

Item	\$

# Rough Feasibility – What are the Major Headings?

- Start from the end product & work backwards

Item	\$
Sale Value	
Sale Costs	
Purchase Price	
Purchase Costs	
Strategy Costs – Development Costs - DA, BA, Construction, Titling	
Operating Expenses – Hold Costs	
Total Costs	
Profit / Loss	

# Rough Feasibility – What are the numbers?

○ Insert \$ figures

Item	\$
1. Sale Value	Comparable Sales: U1, U2, U3 (\$1.8M)
2. Sale Costs	Approx. 3%
3. Purchase Price	Comparable Sales (\$530k)
4. Purchase Costs	Approx. 4.5% - 6%
5. Strategy Costs – Development Costs - DA, BA, Headworks, Demolition, Construction, Titling	DA, BA, Titling \$80k; <b>H'works</b> \$54k; Demolition \$18k; Construction & Misc \$710k;
6. Operating Expenses – Hold Costs	Research
7. Total Costs	Sum of items 2 to 6
8. Profit / Loss	Item 1 minus item 7 (\$250k)
9. % Profit on Total Cost	Target 18% - 20% (8/7)

# 21. Market Research

## – Confirm Demand For Your Product

- **What's** selling
- **Who's** buying
- **Where** are they buying & why?
- **How** does your product compare re location, features etc. etc.?



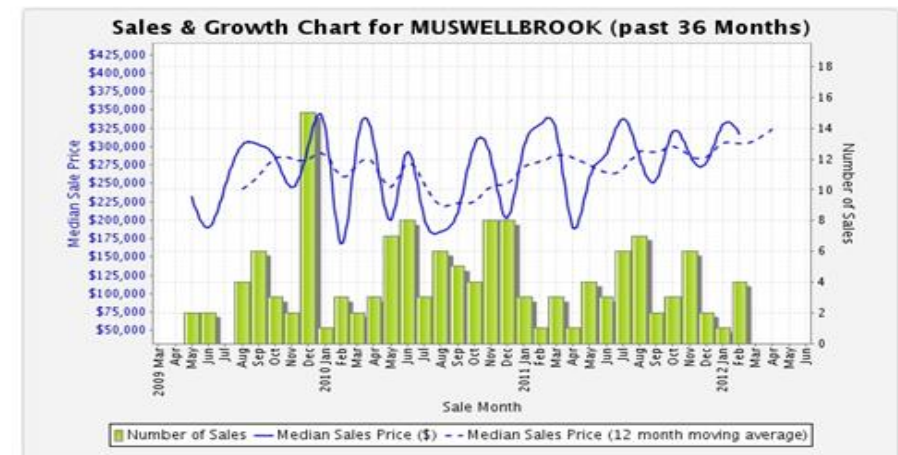
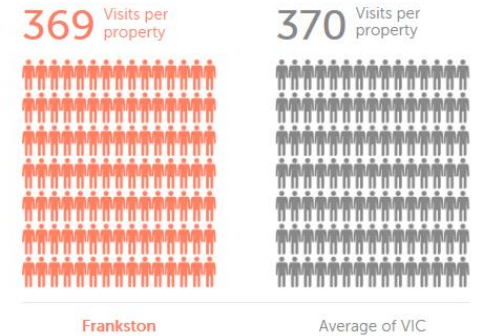
# Market Research – Confirm Demand For Your Product

- Price trend
- Auction clearance rates
- Days on Market (**DOM**) – lower the better
- Discounting Rate – lower the better
- Volume / Number of Sales
- Avg # of visits on RE.com.au (suburb vs region)
- Same for **Rental** – incl. vacancy rate

## 12 months to February 2012

	Kaleen
Median Prices	\$550,000
Long Term Trend	8.18%
Auction clearance rates	66.67%
Days on Market	52
Discounting	3.21%

High demand market



Data from Price Finder

# 22. Recent Comparable Sales

- **Sold Data** –  
Investar, RP Data,  
Pricerfinder
- Summarise in **table**
- **Compare** to your  
product
- Use valuers **terms** –  
Superior, Inferior,  
Comparable
- Use in **feaso**

1/31 Gibson Street, Annerley – 24/10/13 - \$610,000

*Brief Description:* 3 bedroom, 2 bathroom, double lockup garage, 129m<sup>2</sup>, airconditioned, private, covered courtyard, stainless steel appliances and stone benchtops, polished timber stair treads, open plan design, 3 units in complex, strata titled & part of Body Corporate, over 5 years old, communal driveway access.

*In Comparison to Subject:* Comparable size of complex, comparable land tenure & Superior car accommodation. Comparable location, inferior unit size, inferior amenities with no powder room or study nook & no air-conditioning upstairs, inferior street frontage, inferior age, inferior standard of finishes, inferior overall improvements, & inferior exclusive use land area. Overall inferior compared to subject townhouses – Unit 1, 2 & 3.



2/18 Stevens St, Yeronga – 20/8/13 - \$615,000

*Brief Description:* 3 bedroom, 2 bathroom, double lockup garage, 116m<sup>2</sup>, weatherboard and rendered walls, small complex of 3, modern style, private courtyard, open plan, leafy suburb, close to river and University, communal driveway access, Circa 2012.

*In Comparison to Subject:* Comparable age, comparable complex size, comparable modern style and standard of finishes, comparable overall improvements, & comparable land tenure. Superior car accommodation & superior suburb. Inferior unit size, inferior amenities with no powder room & study nook, inferior street frontage, inferior exclusive use land area. Overall comparable to subject townhouses – Unit 1 and 2 and inferior to subject to whouse - unit 3.



# 23. Detailed Feasibility – Reminder Major Headings

- Expand on each heading – list individual items

Item	\$
Sale Value	
Sale Costs	
Purchase Price	
Purchase Costs	
Strategy Costs – Development Costs - DA, BA, Construction, Titling	
Operating Expenses – Hold Costs	
Total Costs	
Profit / Loss	

# Expand on Sales Value?

Item	\$
<b>1. Sales Value</b>	
Unit 1 – End Unit	
Unit 2 – Middle Unit	
Unit 3 – End Unit, plus carport	
Rental from house	
<b>Total</b>	

# Expand on Sale Costs?

Item	\$
<b>2. Sale Costs</b>	
Commission – U1, U2, U3	
Advertising & Marketing	
Auction Costs	
Photographer	
Staging	
Website	
Legals	
Of-the-plan Sales Contract	
Other	
<b>Total</b>	

# Expand on Purchase Costs?

Item	\$
<b>3. Purchase Costs</b>	
Purchase Price	
Stamp Duty	
Legals	
Borrowing Costs	
Lenders Mortgage Insurance (LMI)	
Structure Set up	
Other	
<b>Total</b>	

# Expand on Development Costs?

Item	Item
<b>4. Strategy Costs - Development</b>	Demolition & Site Clearing
Site & Contour Survey	Construction – Full Turnkey
Development Design	Final Survey Plans
Engineering Design	Strata Titling –Body Corp, Solicitor
Town Planning Report & Lodgment	Title Dept. Lodgment & Legals
Council Lodgment Fees	Council Contribution (Headworks fee)
Operational Works Approval	Contingency
Working Drawings & Engineering	Miscellaneous
Building Approval	
Services Upgrade – Water, Sewer, Power, Telstra	<b>Total</b>

# Expand on Operating / Hold Costs ?

Item	\$
<b>5. Operating / Hold Costs (Over Duration of Deal)</b>	
Rates & Water	
Insurance – House & Land	
Land Tax	
Management Fee – House Rental	
Repairs & Maintenance - House	
Other	
Interest on Mortgage - Purchase	
Interest on Construction Loan	
Interest on Owner Funds	
<b>Total</b>	

# Expand on Analysis Calculations – Commercial Financing

Item	\$
1. Total Development Costs (TDC) incl. GST	Purchase Costs + Development Costs + Hold Costs
2. Gross Realization Value (GRV)	Sales Value
3. Less GST on Sales	Margin Scheme Adjustment
4. Net Realizable Value	2-3
5. Less Selling Costs	4 - Selling Costs
6. Net Realization	
7. Profit \$	6 - 1
8. Profit % (Profit / TDC)	$(7/1) \times 100$
9. Return on Investment % (ROI)	$(\text{Profit}/\text{Owner Funds}) \times 100$

# Add Funding Columns -

Item	\$	Bank \$	Own \$
<b>4. Strategy Costs - Development</b>			
Site & Contour Survey			
Development Design			
Engineering Design			
Town Planning Report & Lodgment			
Council Lodgment Fees			
Operational Works Approval			
Working Drawings & Engineering			
Building Approval			
Services Upgrade – Water, Sewer, Power, Telstra			
<b>Total</b>			

# QUESTIONS?