

# Why You Shouldn't Search For Great Property Development Sites

by Adrian and Amber Zenere

We have seen so many beginning property developers go badly wrong at the very first step. Before scouring the real estate listings to find large blocks of land for sale, there is a crucial first step. If you jump into buying a site without taking this crucial first step, you are taking a huge risk.

You see, there is no way that you can be an expert in every part of your city or state. Yet, to be truly successful as a real estate developer, you must become an expert in the area in which you develop. Each local council is different. Each area has different public transport provision, traffic bottlenecks, noise pollution issues, local resident action groups, and any one of a dozen other differences - and all these differences are vital factors in your development site viability calculation.

We advise that you don't begin by searching for sites - but rather begin by selecting one or two areas in which you will specialise. When we're looking for an area, we're after "*a desirable location with consistently good growth*". In other words, we're after an area that historically has had a minimum annual average growth of at least 10%.

The growth of an area is normally associated with supply and demand more commonly known as the "*scarcity*" factor. But that's by no means the end of the story. We have identified over 30 'Factors That Can Influence Real Estate Capital Growth' - here are just some that we consider:

- consistent median house price increases
- positive population growth
- high socio-economic suburbs
- high percentage of homeowners
- low unemployment
- good transport links

Once we've identified an area we undertake a detailed market analysis of the neighbourhood using our '*RED Local Market Feasibility Checklist*'. Here are just some of the things we assess:

**Demographics:** Who is our market and what do they want? -facilities: Are there schools, transport, shopping centres, hospitals, etc?

**Gentrification:** Is the suburb in transition, are people moving into the area, are people renovating, is there a café society, is it a beach suburb etc?

**Infrastructure:** Are there plans for new infrastructure like bypasses, new roads, new bridges, shopping centres or is council undertaking beautification?

Finally, we identify what the town planning regulations allow. Possibly even speaking to the local council planners directly - in our experience most council staff are willing to help. Never overlook the importance of proper research because it helps you to determine what type of dwelling is in high demand in a particular area, for example if you should be concentrating on single homes, townhouses or boutique apartments.

Once you have selected two or three locations which look good on paper, get familiar with the areas by driving around the suburbs, checking out what other developers are building, and then talking to a few Real Estate Agents and Property Managers. If possible, you should also attend property auctions. You want to get a feeling for what's possible, and the demand in the area.

Only when you are completely satisfied that an area stacks up, in the statistics, the ease of doing business, and in the general atmosphere, should you start the process of looking at individual development sites to purchase.

Don't get distracted by the "*Bright Shiny Object*" - the apparently brilliant bargain buy in an area you haven't researched. You have no idea what problems you may be buying into! Stick with the area you know, and know well, and you will have a lower-risk real estate development experience.

**For more information browse: [RealEstateDevelopmentClub.com](http://RealEstateDevelopmentClub.com)**

Adrian Zenere is a Registered Architect, Licensed Builder and Property Developer with nearly 3 decades of experience in the design and construction industry along with his wife and business partner Amber they have built a sustainable Real Estate Development (RED) business.

Together they run a busy Sydney boutique architectural practice [archizen.com.au](http://archizen.com.au) specializing in Holistic Architecture, combining eco sustainable development principles with the philosophy of feng shui, resulting in harmonious living that is respectful of our environment. Their projects are regularly featured in the Australian Property Investor, Luxury Home Design, Lifestyle Magazine, Home at Yellow and many Sydney newspapers.



Adrian and Amber are also authors of the popular small Real Estate Development book '**RED Armchair Entrepreneurs RED Hot Property Profit\$**' and founders of the '**Real Estate Development Club**' where they use their professional knowledge and experience to help beginners get started in small property development and build a sustainable RED business.

To have a closer look at Adrian and Amber's Real Estate Development process and access your free webreport visit: [RealEstateDevelopmentClub.com](http://RealEstateDevelopmentClub.com)

To purchase Adrian and Amber's small Real Estate Development book for beginners visit: [REDarmchairEntrepreneurs.com](http://REDarmchairEntrepreneurs.com)

