

HIRC

The High-Risers Club

8.12.2024 - Ongoing Land Development Approval: Steps I Have Taken

Coach Jeff Wright

Welcome

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Does anyone have anything great to share personally or professionally?



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Podcast

Tune in wherever you get your podcasts!

- **Last Week: Steps I Go Through with a Commercial Seller and How I Explain the Three Important Phases I Manage as the Listing Agent**
- **This Week: Commercial Leasing 101: Understanding Lease Types, Costs, and Terms**

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Deal Timeline

1) A seller called to discuss the possibility of selling their property

- We discussed their goals: price, timing on the market, anything else to know
- Have they tried to sell before: If yes, why do you think you were unsuccessful. What price were you asking? Did you have any offers? Did you use a real estate agent?
- Do you have any property maps?
- Do you have an appraisal?
- Have you done any feasibility studies?

*** They did not have anything to share with me

Deal Timeline

2) My pre-listing steps

- I pulled the municipal tax card
- I studied the zoning regulations for what the regulations allowed as of right
- I went to see the property and drive the area
- I called a land engineer and a zoning lawyer I do work with and trust
- I pulled comps for other development sales on a per unit basis

Deal Timeline

3) Listing Presentation

- Price Range based on what could potentially be developed ie how many lots for single family homes or how many units for condos or how many apartments, etc
- Comps for other development sales on a per unit basis
- Agree on a price
- Listing length
- Commission

Deal Timeline

4) Marketing

- Sources:
- Developers with experience in the market
- Engineers with experience in the market
- Zoning attorneys with experience in the market
- Sold data for buyers of other development sites

Deal Timeline

5) Letter of Intent

- Price based on unit count (seller will want a minimum price)
- Subject to zoning approval
- Closing/Timing
- Subject to zoning approval
- Price based on unit count with a minimum price
- Closing timing

Deal Timeline

6) Prepare for zoning approval Prepare for Zoning Approval

- Development team meeting: Developer/Zoning Attorney, Engineer, Architect, REALTOR®
- Site design : survey and engineering
- Architectural design
- Traffic consultant
- Meeting with neighbors

Deal Timeline

7) Planning and zoning meetings

- Two different commissions

8) Vote

- 5 -0 in favor

9) Appeal period

- 15 Days from Publication

Deal Timeline

10) Closing Timing

Land Development Analysis

Scenario #	1	2	3
# of Units	24	24	24
Land Cost (Whole Project)	\$4,800,000	\$5,400,000	\$6,000,000
Land Cost (Per Unit)	\$200,000	\$225,000	\$250,000
Site Cost (Whole Project)	\$750,000	\$750,000	\$750,000
Site Cost (Per Unit)	\$31,250	\$31,250	\$31,250
Building Cost (\$/SF)	\$160	\$160	\$160
Building Cost (Whole Project)	\$8,256,000	\$8,256,000	\$8,256,000
Building Cost (\$/Unit)	\$344,000	\$344,000	\$344,000
Unit Size SF (Blended Avg)	2150	2150	2150
Conveyance + Brokerage + Attorney - 6.5% (Whole Project)	\$1,404,000	\$1,404,000	\$1,404,000
Conveyance + Brokerage + Attorney - 6.5% (Per Unit)	\$58,500	\$58,500	\$58,500
Carrying Cost (Whole Project)	\$480,000	\$480,000	\$480,000
Carrying Cost (\$/Unit)	\$20,000	\$20,000	\$20,000
Demolition (Whole Project)	\$300,000	\$300,000	\$300,000
Demolition (Per Unit)	\$12,500	\$12,500	\$12,500
Contingency (Whole Project)	\$500,000	\$500,000	\$500,000
Contingency (Per Unit)	\$20,834	\$20,834	\$20,834
Sale Price Whole Project (Blended Avg)	\$21,600,000	\$21,600,000	\$21,600,000
Sale Price per Unit (Blended Avg)	\$900,000	\$900,000	\$900,000
Total Costs (Whole Project)	\$16,490,000	\$17,090,000	\$17,690,000
Total Costs (Per Unit)	\$687,084	\$712,084	\$737,084
Profit (Whole Project)	\$5,110,000	\$4,510,000	\$3,910,000
Profit (Per Unit)	\$212,916	\$187,916	\$162,916

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Next Session

No session next week, Jeff will be at the beach!

**Tuesday, August 20, 2024
@ Noon Eastern**

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