property development

Week 1

What is Property Development?

Property development is the process of changing or intensifying the use of land to produce buildings or improve property.
It involves planning, finance, design, construction and ultimately selling, leasing or managing the completed development.
Examples include building on vacant land, redeveloping an existing site, renovating buildings and converting buildings to a new use.

Why Property Development Occurs

- Population growth
- Changing lifestyles
- Economic growth
- Buildings becoming obsolete
- Demand for housing and infrastructure

Highest and Best Use

The legally permissible, physically possible, financially feasible and most profitable use of land.
Developers seek the use that creates the greatest value. Example: replacing one dwelling with several townhouses where appropriate.

Characteristics

- Long-term
- High risk but potentially high reward
- Capital intensive
- Every project is unique
- Influenced by many stakeholders

The 8 Stages of Property Development

1. Initiation — identify an opportunity or need.
2. Investigation & Viability — analyse planning, market, site and financial feasibility.
3. Acquisition — purchase or secure the land.
4. Design & Costing — prepare plans and estimate costs.
5. Consent & Permission — obtain planning and building approvals.
6. Commitment — sign contracts and secure finance.
7. Implementation — construction and project management.
8. Leasing / Management / Disposal — sell, lease or retain the completed development.

Stages may overlap and do not always occur in the same order.

Stakeholders

- Landowners
- Developers
- Government agencies
- Town planners

- Financial institutions
- Contractors
- Real estate agents
- Professional consultants (architects, engineers, surveyors, lawyers etc.)
- Objectors
- Occupiers

Mixed-Use Development

Combines multiple land uses (e.g. retail, office and residential) to maximise land efficiency and convenience.

Sustainability

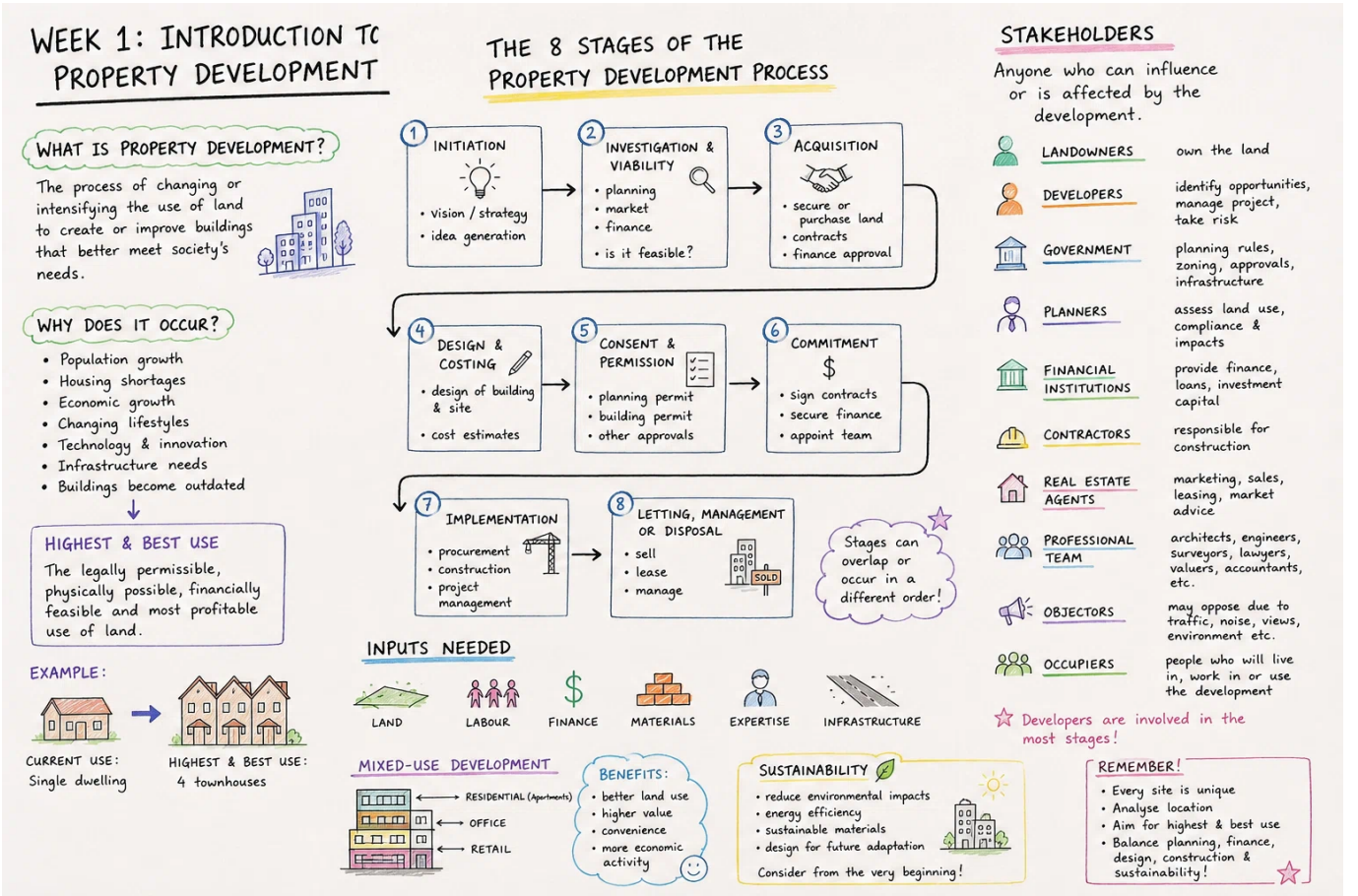
Modern developments should minimise environmental impact, improve energy efficiency and be adaptable for future uses.

Exam Tips

Memorise the eight development stages in order.
Know the definition of highest and best use.
Be able to explain the role of each stakeholder.
Remember that every development is unique and location is critical.

Practice Questions

1. Define property development.
2. What is highest and best use?
3. List the eight stages of the development process.
4. Name five stakeholders involved in property development.



Week 2

Sustainable Development

Sustainable development meets present needs without compromising future generations. In property development it balances environmental, economic and social outcomes.

Three Pillars

1. Environmental — minimise environmental impacts.
2. Economic — financially viable over the long term.
3. Social — healthy, inclusive communities.

Energy in Property

Embodied energy — energy used to make and transport materials.
In-use energy — energy consumed while occupied.
Transport energy — movement of people and materials.

MOTIV Framework

Materials — recycled, durable, low-impact.
Orientation — maximise natural heating/cooling.
Thermal Mass — stores and releases heat.
Internal Planning — efficient room zoning.
Ventilation — controlled airflow, minimise leaks.

UN Sustainable Development Goals

The 17 SDGs guide sustainable development. Common goals for property include:

- SDG 7 Clean Energy
- SDG 11 Sustainable Cities
- SDG 12 Responsible Consumption
- SDG 13 Climate Action
- Rating Tools
- NatHERS (7-star homes in Victoria)
- Green Star
- NABERS
- BREEAM
- WELL
- EnviroDevelopment

Net Zero

A net zero building produces as much energy annually as it uses through efficient design and renewable energy.

Exam Tips

- Know MOTIV.
- Know the 3 pillars.
- Understand embodied vs in-use energy.
- Remember SDGs link directly to Assignment 1.

Practice Questions

Define sustainable development.
What does MOTIV stand for?
What is thermal mass?

Name three SDGs relevant to property development.

What is Net Zero?

