

# 8 TIPS FOR FINDING A GOOD PROPERTY DEVELOPMENT SITE

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*The key to good property development is finding a good site, but if you don't know what to look for, you won't know where to start.*

*In addition to that, there are elements that make some sites better than others — and these are things you need to take note of.*

*What are the factors you need to consider when choosing the site for your property development?*

*Here, we share tips on how to identify a good property development site and avoid a bad one.*

*Curious? Read on.*



# 1. DON'T JUST JUMP ON THE HORSE AND GALLOP OUT THERE!

Upon taking a look at the first site, you can't just jump on the horse. You need to do a little bit of housework. This is preliminary work that will ensure you're not making the wrong decision when you decide to buy the site.

Find out what you can afford. Don't go looking for a townhouse site if you can only afford a duplex. This means you have to search for sites that are within your range. It's an unwise decision to get all hyped up without knowing what you can really afford to buy.

Get your finances assessed and see how much you've got to get started! Bear in mind that the finances you need cover not just the site's acquisition but also construction on top of it.

# 2. GET A GOOD BROKER!

A good broker will help you look at the deal in its entirety. Find one who will say, "Show me your assets, liabilities, and your capital." so they can work out what you can afford to buy as far as sites go.

In addition, let me just say that we're not limited by the amount of money we earn. There are other ways one can come up with finances, such as acquiring investor funds.

# 3. WHAT KIND OF PROPERTY WOULD YOU LIKE TO DEVELOP?

This is one of the important questions you need to ask yourself before you start acquiring sites. What are you going to use them for? What kind of properties are you going to build on them?

It might be quite useless to acquire a site if you don't have the answers to the questions above. Again, we come back to what you can afford to develop.

## 4. KNOW YOUR TARGET MARKET TO IDENTIFY A GOOD AREA

What can you consider a good area? What are the characteristics you need to look for?

To be able to identify a good area, the first thing you need to do is to identify your target market. Whether it's investors, or owner-occupiers, it's good to identify your target market.

Now, it doesn't necessarily mean you won't be able to sell to owner-occupiers once you've decided your target are investors and vice versa. It's just essential to know who your initial target market is so you can find better-situated sites that are suitable for that specific market.

A few tips — investors are interested in rental properties. So keep in mind that if you're looking to target investors, the number one thing on their mind is to look for properties that will rent well.

### THINGS TO CONSIDER FOR RENTING AREAS — if you're targeting investors:

- Transportation (Train Stations, Bus Interchanges)
- Entertainment (Shopping Centers, Cafés)
- Proximity to Work Centers (Hospitals)

### THINGS TO CONSIDER IF YOU'RE TARGETING OWNER-OCCUPIERS:

- Community (Suburbs where majority of the habitants are also owner-occupiers)
- Proximity to Schools (In-demand Schools)
- Transportation
- Proximity to Cafés, Cinemas, and Beaches

## 5. UNDERSTAND WHAT MAKES A BAD DEVELOPMENT SITE

It's crucial to identify what makes a good development site, but it's just as important to be able to identify what makes a bad one. Here's a list of the things you need to examine:

- **Flooding.** It doesn't necessarily mean that you can't develop areas that experience flooding, but it does mean that the cost of development could be a bit higher.
- **A site too close to the train tracks.** To clarify, being close to the train station is good. But close to the train tracks is another thing.
- **Slopy sites.** Just because it costs more to develop properties on such sites/areas. You can't get more profit from them unless you get a reduction on the land value.

## 6. YOU NEED TO CONSIDER ZONING

Zoning is a critical factor to consider when looking for a good development site. This leads us back to tip no. 3 — what kind of property would you like to develop?

If you're planning to develop a small townhouse project, you have to make sure that the area is zoned for townhouses, otherwise, you won't be able to develop the type of property you had in mind. The same goes for apartments, single family homes, and etc.

## 7. DON'T DEVELOP IN AREAS WHERE THE SALE PRICES ARE LOW

You can choose to develop properties at the expensive, upper middle, or middle area of the market.

But a fair warning to those who wish to develop properties in the low end of the market to: it will cost the same amount of money to build properties in the low end as it will in the middle area of the market.

The only difference is the profit — it's harder to make a profit when you build in the low end of the market.

## 8. EDUCATE YOURSELF BEFORE BUYING A PROPERTY — NOT AFTER!

The most common mistake that most people make when they're new in property development is buying a property first before educating themselves about it, which in turn results in losses and failures.

You can't get the highest and best use of your finances if it's all tied up to something that doesn't give you a profit.

So, it's really important to educate yourself first before jumping on the horse and galloping out there.

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Educating yourself about property development is crucial if you want to succeed in it, and that goes for everything else in life.

You don't just jump on something you have no idea about and then complain later on that you just weren't taught enough.

Save yourself from the hassle of failure and loss by reading this free resource!

But if you're interested in learning more about Property Development, just go to our website at <https://propertymastermind.com.au> and we'll be more than happy to guide you through your property development journey.

