

Nova Southeastern University

H. Wayne Huizenga College of Business and Entrepreneurship

Assignment for Course: REE 5878 – Real Estate Development Process: Part 1

Submitted to: Dr. Thomas Wuerzer

Submitted by: Marcela Dib

N01881081

11963 SW 30th CT, Miramar, FL

954-512-9641

Date of Submission: March 17, 2018

Title of Assignment: A1 Assignment - Answers

CERTIFICATION OF AUTHORSHIP: I certify that I am the author of this paper and that any assistance I received in its preparation is fully acknowledge and disclosed in the paper. I have also cited any sources from which I used data, ideas of words, whether quoted directly or paraphrased. I also certify that this paper was prepared by me specifically for this course.

Student Signature: _____

Instructor's Grade on Assignment:

Instructor's Comments:

Question 6. What are the different approaches utilized for “a use looking for a site” vs “a site looking for a use”?

James Graaskamp stressed that “to start, beginning developers must control at least one of four assets – land, knowledge, tenants or capital” (Peiser & Hamilton, 2012, p8). This notion led to two different approaches regarding developers finding a deal, “if developers control land” they have “a site looking for a use,” and “if developers control knowledge or tenants” they have a “use looking for a site (Peiser & Hamilton, 2012, p8).

The approach of “a use looking for a site” is based on the idea that a developer has knowledge of a specific market and will use that knowledge or experience to find the right piece of land to develop a specific product. In other words, this approach is about finding the right site for what the developer, based on knowledge, believes is needed to satisfy market needs. Developers’ knowledge can be obtained from being familiar with a market from previous projects in that area, from knowing prospective tenants needs, or by knowing sources to finance a project that can lead them to become involved on deals (Peiser & Hamilton 2012).

The approach of a site looking for a use basically means the developer owns land and needs to determine what to use that land for. “Developers must not only consider what offers the highest return, but they must also study demand for that product” (Peiser & Hamilton, 2012, p9). In other words, the developer’s goal when owning a piece of land will be to determine what is that land’s most effective and productive use. “The development strategy should be created once the developer has acquired information about the market, engineering, and environmental and public approvals needed (Peiser & Hamilton, 2012, p9).

Question 32. What are the attributes that a developer may seek in selecting their design/construction team of architects, landscape architects, land planners, engineers, soil engineers, environmental consultants, surveyors, parking/traffic consultants, asbestos abatement professionals, and construction contractors?

Developers must find consultants that share their ideas, attitudes and philosophy to be able to execute their vision. Moreover, developers must choose consultants whom they feel comfortable with, so they can effectively communicate any doubts, directions and ideas about the project. For instance, the developer and the architect “must share a common philosophy of design” and the architect must be able to share his knowledge and experience through advices and recommendations (Peiser & Hamilton 2012).

It is imperative for the developer to look for professionals that have experience with the same type of product to be developed. It is helpful to hire consultants “whose work has impressed public officials and their planning staffs,” which can give developers the advantage of consultants with connections (Peiser & Hamilton 2012). For instance, “surveyors can be important allies because of their involvement with the local regulatory community,” and can help a developer deal with “zoning boards and city councils” (Peiser & Hamilton, 2012, p53).

Likewise, a consultant with a good reputation is a plus. Some developers prefer to hire an architect who is “known for innovative designs... and may give the developer a competitive advantage or a benefit in public relations or approvals” (Peiser & Hamilton, 2012). In the case of an environmental consultant, the developer must choose a “firm that is respected for its technical expertise, independence, impartiality” so his work is deemed impeccable. (Peiser & Hamilton 2012)

Developing a project will require proper communication, professionalism and maintaining good relationships. For instance, “a key characteristic to look for in a land planner is the ability to work well with the project engineer and architect.” (Peiser & Hamilton, 2012, p47) Moreover, finding consultants that have worked together before, gives the developer the confidence that these professionals can execute without conflicts. Engineers must work hand-to-hand with architects and other consultants, so an existing professional relationship helps the process.

It is worth mentioning that the developer needs to make sure to find consultants that have the necessary personnel and availability to take on the project and complete it with quality work, within budget and on-time, and that all consultants, who are required to, are licensed in the state where the project will be developed. (Peiser & Hamilton 2012) Finally, it is very important for the developer to find consultants that know how to save costs.

Question 58. In the context of being sensitive to design issues, how might a beginning developer educate themselves about subdivision design?

Beginning developers must always be aware of what is going in the markets they are planning to, or want to, be involved in. They need to talk to professionals, such as other developers or architects, about “the type of designs that do and do not work in their markets” (Peiser & Hamilton 2012).

Moreover, developers need to “become familiar with classic subdivisions and with innovative new communities” (Peiser & Hamilton, 2012, p113). Developers to know what is trendy and what is driving demand, to put together a desirable product. A good approach would be to become familiar with what new communities are offering and how to incorporate features that would drive demand.

Likewise, it is important for developers to know what the community wants and finds important. This could help avoid rejection or objection to a new development. If the community, which includes its citizens, city’s staff and local environmental groups, perceives the project as positive or beneficial it will be supported when required.

A developer should gain knowledge on “architecture and urban design history” to be able to understand “structures that have survived both social and technological change and to understand the variety of ways in which memorable and functional places are created” (Peiser & Hamilton, 2012, p113).

Developers should also “talk to brokers at competitive subdivisions” to get their input on customer’s reactions and opinions (Peiser & Hamilton 2012). Finally, it is always wise to listen to local homebuyers’ opinions to find out what they like or dislike, their preferences, and whether the needs of different age groups, household types, and income segments are being met (Peiser & Hamilton 2012).

Finally, developers can get educated by attending “planning-related educational sessions at meetings held by professional organizations” (Peiser & Hamilton, 2012, p113).

References

Peiser, R. & Hamilton D. (2012). *Professional Real Estate Development: The ULI Guide To The Business* (3rd ed.). Washington, DC: Urban Land Institute