PROPERTY DEVELOPMENT DECISION CHECKLIST

(Print this. Do not rely on memory. Every tick mark prevents a mistake. You can also order a printed copy from www.mercuryarchitecture.co.nz)

STAGE 1 — BEFORE YOU BUY (THE PREPARATION GATE)

Rule: If you buy first and check later, you are gambling; not developing.

1. Define Your Objective (Your WHY)

❐ I know whether I want **rental income** OR **capital gain**
❐ I know my holding period:
  ❐ Flip (0–2 years)
  ❐ Medium (3–7 years)
  ❐ Long term (10+ years)
❐ I know my risk tolerance (I can survive delays or not)
❐ I know how much time I personally can invest weekly in the project
❐ I know my real available cash (not optimistic cash)

2. Market Understanding

❐ I have checked recent comparable sales (actual sold prices)
❐ I have studied supply in the area (new subdivisions / apartments)
❐ I understand who will buy/rent my product (family, students, investors)
❐ I know infrastructure plans in the area (roads, metro, schools, zoning changes)

3. Finance Readiness

❐ I have loan pre-approval from the bank
❐ I have calculated holding cost for 12 extra months (worst case)
❐ I have stress-tested interest rate rise
❐ I have consulted an accountant about ownership structure (individual/company/trust)
❐ I have contingency funds (minimum 10–15% of project cost)

4. Desktop Due Diligence (MANDATORY before you put an offer)

❒ Zoning checked
❒ Floodplain checked
❒ Easements checked
❒ Heritage overlays checked
❒ Environmental restrictions checked
❒ Access/driveway feasibility checked
❒ Council records reviewed
❒ Planner or architect has reviewed the site

If any of the above is unchecked, **do not make an offer to buy the section.**

5. Your Core Team (Assemble Your "Avengers")

❒ Lawyer
❒ Accountant
❒ Architectural Designer
❒ Planner
❒ Civil Engineer
❒ Geotech Engineer
❒ Traffic Engineer
❒ Arborist
❒ Structural Engineer
❒ Truss Designer

STAGE 2 — DEFINE THE PROJECT SCOPE

Rule: Don't ask how many houses you can build—ask what the project must achieve.

❒ I know my minimum profit target
❒ I know my required rental income (if any)
❒ I know my exit strategy (sell / hold / refinance)
❒ I know my target buyer profile
❒ I know the project timeframe expectation

STAGE 3 — FORMAL FEASIBILITY

Rule: Ownership ≠ Buildability

1. Legal Feasibility

❒ Title search completed
❒ Covenants checked
❒ Easements checked
❒ Legal restrictions understood

2. Planning Feasibility

❒ Planner review completed
❒ Unit count confirmed realistically
❒ Height, setbacks, density verified

3. Technical Feasibility

❒ Civil engineer checked services (water, sewer, stormwater)
❒ Site slope and drainage reviewed
❒ Access width confirmed
❒ Utility capacity checked

4. Design Feasibility

❒ Bulk & location plan prepared
❒ Realistic buildable area known
❒ Council compliance possible

If any one of these fails, **stop project early (this is success, not failure).**

STAGE 4 — PROFITABILITY ANALYSIS

Rule: Profit is lost during execution, not at sale.

Real Cost Calculation

Include ALL:

☐ Land cost
☐ Design & consultant fees
☐ Council approvals
☐ Construction cost
☐ Finance interest
☐ Holding costs (EMI, rent, rates, utilities)
☐ Variations & delays
☐ Marketing & legal selling fees
☐ Profit still exists after adding 10%-15% cost overrun

The Rule of Three (Choose Two Only)

Tick your choice:

☐ Quality + Speed (Higher Cost)
☐ Quality + Budget (Longer Time)
☐ Fast + Cheap (Accept poor quality & risk)

STAGE 5 — DESIGN STAGE

Rule: Design must follow purpose and budget.

❒ One final decision-maker identified in family/partners
❒ Reference images collected
❒ Budget discussed honestly with designer
❒ Preliminary cost estimate taken from builder/quantity surveyor
❒ Design adjusted to fit budget before consent drawings

STAGE 6 — MANAGEMENT & CONSTRUCTION

Rule: Builder builds. Project Manager protects.

❒ Independent Project Manager appointed
❒ Builder selected based on similar project experience
❒ Builder references verified (cost, time, performance)
❒ Contract reviewed by lawyer
❒ Payment stages clearly defined

STAGE 7 — DELIVERY & EXECUTION

Rule: A project is successful only when completed and usable.

❒ Budget reviewed regularly during construction
❒ Variations approved before work
❒ Timeline monitored
❒ Regular site meetings conducted
❒ Final inspection completed
❒ All compliance certificates received

FINAL CHECK (MOST IMPORTANT QUESTION)

Before starting construction ask yourself:

❒ If the project is delayed by 12 months and costs 15% more - will I still survive financially and mentally?

If the answer is NO, **you are not ready yet.**