






Decision Making FrameWork

Market Indicates 1 Development Decisions

- 1.1 Oversupply
- 1.2 Lending Restrictions
- 1.3 Higher Interest Rates
- 1.4 Poor Feasibility

2 You Have 3 Main Options

- 2.1  Buy & Hold
 - 2.1.1  Buy a piece of land based on market trends
 - 2.1.2  Must be able to cover holding costs
- 2.2  Flip
 - 2.2.1 Add Value & OnSell
 - 2.2.2 Rezone
 - 2.2.3 Dev. Approval or Development Permit
- 2.3  Develop
 - 2.3.1 Go All the Way With The End Product

Control Using Options)

5 Market Timing

5.1

4 Market Constraints

- 4.1 Customer Confidence
 - 4.1.1 Do they FEEL rich? or Do They feel they are struggling?
 - 4.1.2 If they feel uncertain about the economy, the fate of the country or if they feel that they could be impacted severely because of changes in tax laws or government policies - they will SIT on their wallet.
- 4.2 Interest / Mortgage Rates
 - 4.2.1 Higher Interest = Lower Borrowing
 - 4.2.2 Credit Restrictions
 - Stringent Lending Criteria
 - Lower LVR / LTV

3 Success Factors

- 3.1 Location
- 3.2 Execution Plan
 - 3.2.1 Property Development System
- 3.3 Best Projects
 - 3.3.1 Planning & Anticipation
 - 3.3.2  Rather Than Reaction
- 3.4 Strategy At The Right Time
 - 3.4.1 Strategy Fit For Market Cycle
- 3.5 Financial Buffer
- 3.6 Drivers Seat, Not Your Architect
 - 3.6.1 To Control Construction Costs
- 3.7 Correct Marketing & Target Audience
 - 3.7.1 Don't Wait for the market to come to you
 - 3.7.2 Identify the market  Develop what meets the demand
- 3.8 Favourable Finance
 - 3.8.1 Adds to the bottom line
 - 3.8.2 Lowers cost to service
- 3.9 Management & Control
 - 3.9.1 Developer Must Always be on top of things
- 3.10 Healthy Economy
- 3.11 Quality
 - 3.11.1 Design
 - 3.11.2 Construction