

DEVELOPMENT CONSULTANT

TODAY'S TREND IN REAL ESTATE

WHY TO HIRE A DEVELOPMENT CONSULTANT?

In today's competitive market, where only the most unique and high-quality projects are selling very well that is mainly due to development consulting services that is very much required. The development consultant relies on data and strong industry connections to help developers make decisions and ensure they're working with the best team to achieve their goals.

Engaging an expert development consultant at the earliest stage is one-way developers can guard against missteps.

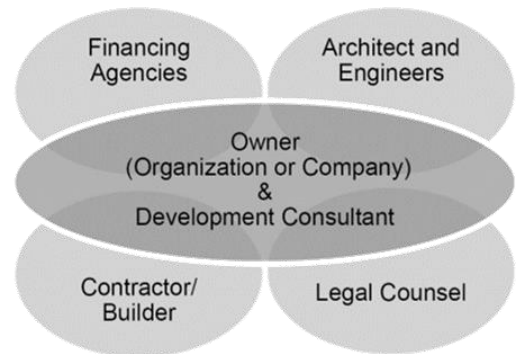
WHAT DOES A REAL ESTATE DEVELOPMENT CONSULTANT DO?

The owner and the real estate development consultant become the "developer" of the real estate project. While the owner is responsible for decision making, the development consultant takes on the responsibility for managing the entire real estate development process, coordinating the work of the development team, serving as a central point of contact for communication and assist in the owner's decision making process by providing advice and guidance to the owner. In addition, the development consultant takes on a number of specific tasks either independently or in conjunction with other members of the development team.

These tasks normally include:

- Undertake market/need/demand analysis
- Prepare capital and operating cost budgets
- Assist with organizing property management
- Identify, evaluate and assist with property acquisition
- Prepare and update development and construction schedules
- Assist with zoning, entitlements and other development approvals
- Oversee the preparation of the development program and concept plan(s)
- Assist with project design (particularly from market and budget perspectives)
- Prepare marketing materials and coordinate marketing / application / pre-leasing / pre-sales process

Real Estate Development Team





For most projects, development consultants guide owners through a FIVE-STEP RE development process.

During the **FIRST STEP**, the development consultant helps the owner to identify the project's goals and objectives, secure/define the property to be developed, and develop an initial project concept. The development consultant assists the owner in assessing his own financial/operational capacity to undertake development of the project.

STEP THREE is pre-construction. It usually involves significant expenditure of funds for design and engineering services. During this stage the development consultant also helps the owner determine final capital cost budget, finalize contracts and agreements, and all necessary approvals in order to proceed with construction.

THE FINAL STEP in the development process involves assisting the owner with setting up for on-going property management, because developing real estate is a cumulative process with each step forming a foundation for the next, it is important for the development consultant to be hired by owners as early as possible in the process. Decisions made, or not made, early in the development process can have a major impact later in the process. Awareness of how early decisions impact later in the process is one of the skills a qualified development consultant brings to a project.

During **STEP TWO**, the development consultant works with the owner to assess the project's feasibility. This step typically involves helping the owner with market need/demand analysis, preliminary designs, preliminary capital, operating budgets, financing applications, negotiations, zoning and development approvals.

STEP FOUR is construction of the project. During this step the development consultant participates in construction meetings, helps the owner resolve any construction issues that arise, accounts for all project costs, and facilitates advances from financing agencies, initiate and coordinate the marketing/pre-leasing/pre-sales process.

Due to the current economic environment, it is important that all businesses must find ways to stand out, tighten their operations, and increase their revenues while keeping expenses low. Developing a new real estate entity is a complex process involving years of efforts, large sums of money, and the work of many professionals. Changes in financing procedures, shifting market needs & demands, development regulations, and evolving design requirements have all added to the complexity of any RE development process. Hiring a professional development consultant offers owners the comfort of having someone "on-board" who understands the complexities of RE development and has navigated through the process many times before, because they are not committed to a single firm and bring experience from a variety of companies and industries, which allows them to offer creative solutions and "Out-of-the-Box" thinking.

For more details, please contact: