



STRATAWISE BUSINESS PLAN

Keep this as your overall property development master plan.

Overall Strategy

An outline of your property’s potential, and how you’re going to achieve it (for example, *The plan is to build four high quality units and sell three, live in one. Finance to be provided by X bank, completed by June 2012*).

Objectives

Detail your precise objectives – do you want to:

- Build & sell
- Hold property & minimise tax
- Part of a retirement/superannuation plan?

Return on investment

Estimate the expected terminal value of the venture (what all the land and dwellings will be worth)

- If renting, what rental value?

from \$	to \$
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- If selling, research the value of five comparable properties

\$
\$
\$
\$
\$

You will need to research the area, the market, the kind of developments that work in the area and the kind of prices being attained at present, and potential for the future.

Area

Current Real Estate trends

Below average Average

Above average Strong

Notes

Financial feasibility

What are the risks attached to the venture?

What are the potential rewards?

Finance

What will your out-of-pocket expenses be?

Calculate interest on borrowings

When do you need to realise a return?

You should probably construct a cash-flow chart to map out costs versus returns

Investment required

Estimate how much will the whole thing cost:

Site costs

Surveys

Headworks

Earthwork

Services

Retaining walls

Demolition costs

Other

Other costs

Application fees

WAPC

Landgate

Local council

Building costs

Marketing/sales costs

Finance costs

Holding costs

Legal fees

Settlement fees

Agents fees

Other

GRAND TOTAL

Break-even point

Timing

How long will the development take?

When will it start?

When will it end?

Marketing

How are you going to sell or rent the properties?

Are you going to engage professional help?

Team

Who is the main contact managing the whole process?

Who will be your:

Surveyor

Builder

Demolition company

Quantity Surveyor

Settlement agent

Real estate agent

Property manager

Notes