

Your Real Estate Advisor



What is Development?

“Remember that this is a delicate business, and if you are not well advise during the whole process, you may end losing money...”

For the last 12 years I've been involved, directly, with developers, from small to tops. And now that a lot of attention is been given to it, everyone wants to be a developer; from the one who owns a 1 acre lot, to the medic who told me that “this business is more profitable and with less legal risks, than his profession” !@#\$?

Developing real estate is principally an adequate Money Management Business. It is considered a not liquid and too risky business, as it requires big amounts of money that will be attached to the project for a period of time which, though defined, is uncertain, due to the difficulty of the whole process.

Real Estate Development pass thru many phases:

- Land Acquisition - The property must be free of liens, to guarantee the Financing. The value of the land is usually about 5% of total costs.
- Design (Engineering & Architecture) & “Permits” - The developer will have to work at least 2 years to finally obtain all required permits and endorsements required by law. Yet, depending on the concept, it Could surpass the 3 years. During this process, all costs incurred are paid by the developer (“from his pocket”), and we are talking of about 15% of total costs.
- Financing - The proposed application and approval could take about 3 months. But this time does not consider the fact that the institution has already been studying the case previously.
- Construction - Will last around 2 years to finish the last unit, in a 100 units project.
- Units Delivery - The average starting period for the first unit is schedule as follows: *Detach units at 12 months; “Walk Up’s /Down’s” at 16 months; Condominiums at 20 months.*

Many developers have risen their capital substantially, yet many have loosen everything, due to their inability to keep solvent in terms of liquid money. The lack of knowledge has proven their failure. Remember that this is a delicate business, and if you are not well advise during the whole process, you may end losing money...

De La Guardia Group combines many years' experience, a thorough understanding of the real estate market, and cutting-edge technology to provide buyers and sellers with competent advice and proven results.

