



## Module 5: The role of the Architects and other consultants

Having the right team around you will almost certainly be one of the most critical success factors for your development. Indeed it may be decisive in whether the bank approves your development loan and your ability to attract private investors. It is doubly critical if you are just starting out and you lack the experience to reassure the bank that you can pull it off.

Remember, when the bank looks at your application, they scrutinise two things. One is the financial feasibility and robustness of the project itself – in another words, does it ‘stack up’ and is there enough development margin or profit in it? The other object of scrutiny is you, the developer. Do you have the ability to complete the project? And if you do not have the experience, then you can add weight to your case by appointing experienced consultants, in particular a good and reputable project manager.

The process for selecting your consultants is absolutely crucial. I took on my first project, *La Vie en Rose*, some eighteen years ago. During my interview on applying for a development loan from the bank, I was told by the manager that though he believed the project was financially sound, because I had never tackled a property development project before I would have to hire an experienced project manager for the duration of the project. He actually referred me to a project management company that will remain nameless.

So, as you’ll recall, the next day I turned up at the company’s city office in Sydney and announced enthusiastically to all and sundry, ‘Hi there. The bank sent me. I’m looking for a project manager!’

What’s wrong with this picture? Well, as I was to find out later, despite the referral from my financier being well meant, this is *not* how you select your consultants. Why not? After all, the bank would not give you a bum steer to have you fail. It wouldn’t make sense. As a stakeholder, they would surely want you to succeed, and pay back the loan and interest – wouldn’t they?

Well, yes, but bankers are not developers. As is the case with the myriad of consultants you will deal with, they will offer you advice in good faith. However, it is *always* your responsibility to verify the information you receive, checking and double checking it regardless of who is offering it.

My first project manager was instrumental in the selection of a builder who was overpriced and dishonest, and who eventually went bankrupt during the project. Indeed, as recounted in Chapter 6, he nearly dragged me into bankruptcy with him. I did not escape unscathed, though, and it cost me all my profit, but I survived and got out by the skin of my teeth.

That’s the sort of damage that one consultant, albeit one of the most important ones, can inflict on your project. I am currently about to lodge a development application for an eleven-storey mixed commercial, retail and residential development, with one- and two-bedroom apartments, in inner-city Sydney.



**PROPERTY DEVELOPMENT**  
WORKSHOPS

**Here's the list of consultants I have to engage just to lodge the DA, and go on to build.**

- Architect
- Town planner
- Landscape architect
- Quantity surveyor
- Land surveyor
- Heritage consultant
- Acoustic consultant
- Structural engineer
- Geotechnical engineer
- Contamination consultant
- Hydraulic engineer
- Traffic consultant
- BCA consultant
- Access consultant
- Reflectivity consultant
- Waste management consultant
- Environment management consultant
- Thermal consultant
- Model maker and architectural images consultant

**I may also require:**

- Archaeological baseline report
- Plan of management
- Security management plan
- Wind effects report
- Critical habitat species impact statement

So what's the best way to set up your project and select the most competent consultants to support you in your venture?

**Well, the first thing I do is create my Organisation**



## *Organisation Chart*

Of course, this is not a strict hierarchy. There will be direct interaction between the CEO and other consultants, including the builder, between the architect and the project manager, and so forth.

What the diagram conveys is that the architect is responsible for the performance of the consultants, and indeed will often recommend consultants to the CEO. However, the CEO should be involved first hand in the selection of *all* the consultants and establish a clear selection process.

I would recommend that you invite at least three consultants from each discipline to submit their fee proposal for consideration. Carry out reference checks with previous developers, financiers, quantity surveyors and accountants before final selection. Remember that the cheapest is not always the best, and neither is the most expensive. Avoid the temptation to decide on price alone, as this may prove more costly down the track.

Builder selection is a more involved process, and even more critical, as we'll discuss in the following chapter.

Finally, your consultants, particularly the primary ones, will be working with you closely on a day-to-day basis. It is therefore imperative that you feel comfortable with them and that there are no personality clashes. be working with you closely on a day-to-day basis. It is therefore imperative that you feel comfortable with them and that there are no personality clashes.

## **Getting DA approval and on-selling the site**

I have spoken generally so far about procuring your Consultants for the whole of the Project life cycle, including construction.

However, if your intention is only to add uplift value by obtaining a DA and then to on-sell the site, then you will need much fewer consultants and the critical ones will be:

- The Architect
- Town planner
- Landscape architect
- Quantity surveyor
- Land surveyor
- Structural engineer
- Geotechnical engineer

Who you will need in the end will be dependent on your site. The Architect and Town Planner will advise you in that regard.



## *The Architect*

The role of the Architect is critical to your success during the whole process of development. However, in my mind even more so at the start of the project when you are doing your financial feasibilities, prior to signing any legal documents and “putting any money down” to acquire a site.

Once you have undertaken your preliminary financial feasibilities and they stack up, as discussed in Module 3, you will also want to have confirmation that your assumptions, which so far have been mostly determined on a numerical basis, are actually correct and can physically be achieved on the site.

In other words if based on GFA and FSR calculations you are able to get say 100 Apartments on the site, the Architect will actually do a massing and floor plans taking into account setbacks, overshadowing and other constraints to ensure that you will actually be able to realise the number of apartments you have assumed for the site. Unfortunately, often the FSR for a site cannot be maximised and if you have derived a residual land value (RLV) based on achieving the full FSR then you may overpay for the land, which will jeopardise your future prospects for funding, and the viability of the project overall.

On the other hand if you have a very good architect who is commercially minded, they will often surprise you and be able to deliver more apartments than you thought possible.

## *Your brief to the Architect*

An PDF example of one of my briefs to the Architect is provided with in the module for you to download.

Remember that the purpose of your brief is not to tell the Architect how to design the building but rather what your objectives are for your project. Let the Architect use his experience and creativity to give you the highest and best use for the site. The main objectives of the brief include:

**Financial** - e.g. number of apartments; mix of apartments; building efficiency (upwards of 85% sellable area as a minimum)

**Marketing** - target market, demographics, level of quality etc

**Community** - community benefits sought, culture, political issues

**Planning** - relevant planning instruments, strategic issues, relevance of your project

## *Architect's feasibility*

Architect's feasibility and drawings are provided in this module and can be downloaded accordingly.