



MEAFORD HAVEN

LAND DEVELOPMENT FACT SHEET

1- Definitions

Land Developer. A person, or company of persons, who buys a large acreage, usually from a farmer, and takes the property through the Planning Approval Process.

Planning Approval Process. It consists in consulting various municipal departments and governmental Agencies and satisfying their demands.

Municipal Departments. The ones most frequently involved are: Planning, Public Works (water, sanitary sewers), Roads.

Governmental Agencies. Some are: Conservation Authority, Ministry of Municipal Affairs and Housing, Ministry of Transportation, Department of Fisheries and Oceans.

Studies. Routinely, municipalities demand all kinds of Studies and Reports: Surveys (boundary and topographical), Environmental Impact Assessment, Environmental Study (Phases I, II, and III), Traffic Impact, Noise and Vibration, Planning Justification, Fish, Trees, birds, amphibians, archeological.

Official Plan. A Plan produced by municipalities every five years that shows what every property can be used for: Agricultural, employment, residential, commercial, open space.

A zoning category must still be obtained to give details such as density, coverage, setbacks.

Draft Plan of Subdivision. Shows the streets and lots, which can be registered, and then sold, individually.



Approval. This refers to the Municipal Council approving the application for the Draft Plan of Subdivision (or condominium).

Conditions of Approval. Each approval of a Draft Plan of Subdivision comes with a list of conditions. They usually are: naming the new streets, installing water, sanitary sewers, storm sewers, roads, electricity, water connection to each lot, telephone, cable TV. Most important, and expensive is the posting of security (usually in the form of Letters of Credit from a bank). They may amount to millions of dollars. Also donating to the municipality 5% of the land area, or its corresponding cash amount.

Process of transition from Developer to builder

Once the land developer has obtained approvals, he has two options:

- Sell the land right away, as is, to a builder.
- Satisfy the conditions of approval and sell the lots to a builder once this is done.

Absorption. This refers to the number of building permits (for new homes) granted by a municipality in one year. It is a major factor in the decision made by a builder to acquire a subdivision site. Albeit, it may be a false one. Indeed, if there are few new houses offered for sale, there can only be a few building permits. We call that a lack of product.

Builder. The person who buys the lots from the Land Developer and builds the houses.

Builder's Marketing. After he has bought the lots, the Builder must decide what type of residences will be offered, their sizes, finishes, options, and prices.

Typically, the builder creates a website, advertizes, erects signs, builds a Sales Pavilion, hires a salesperson, hires an architect to prepare plans and elevations, prepare specifications and renderings for each residence, and a list of options.



2- Land Development 101

Land Development is considered by banks – justifiably – as being speculative. That is because there are so many unknown items, which the approval process aims at flushing out, and so many things that can go wrong.

Some of the steps, requiring careful considerations by the developer, are:

- Choosing a good property, in terms of soil, topography, services availability, size, physical constraints, Official Plan Designation, and a location where demand exists, or is likely.
- Negotiating acceptable, price and terms
- Determining the size of lots
- Determining amenities
- Selecting a team of consultants
- Paying, paying, and paying!

3- The Gap

As can be seen from the above, when the Land Developer and the Builder are two different persons, there is a gap between them. It may be better to say that this implies a period of time (up to six months) that is wasted between the time the Developer sells to a builder, after obtaining Plan Approval, and the time the Builder will be in a position to offer the residences to the potential buyers. See Builder's Marketing.

4- Pre-Marketing

We have decided to bridge this gap by doing much of what the Builder has to do. This is why you can go to our website that is already offering much information. We hope to find a builder soon, who will buy the project, “buy our vision”, and implement all, or most, of our recommendations and choices. Because we feel a responsibility to every person who has expressed an interest in Meaford Haven, we will assist the Builder as much as possible, and insist on high standards.