

THE LAND INVESTOR GUIDE TO BUYING LAND

A Development Due Diligence Guide for Investors, Property Buyers and Developers

Purchasing land is often the first step in a successful development. However, many buyers focus only on location, size and purchase price, without understanding the hidden constraints that can significantly affect development costs, timelines and feasibility.

Before committing to a property purchase, consider the following key factors.

1. ZONING AND DEVELOPMENT RIGHTS

Questions to Ask

- ✓ What is the current zoning of the property?
- ✓ Does the zoning permit the intended development?
- ✓ Will rezoning, consent use or subdivision approvals be required?

Potential Implications

- Delays of several months or longer before development can commence.
 - Additional professional and application costs.
 - Reduced development yield compared to initial expectations.
 - Agricultural land may require additional approvals before development rights can be secured.
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2. TITLE DEED RESTRICTIONS AND SERVITUDES

Questions to Ask

- ✓ Are there restrictive title deed conditions?
- ✓ Are there registered servitudes crossing the property?
- ✓ Are there access rights or utility servitudes affecting development?

Potential Implications

- Portions of the property may become undevelopable.
- Buildings may need to be relocated.

- Additional legal processes may be required to remove restrictions.
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3. WATER SUPPLY

Questions to Ask

- ✓ Is municipal water available?
- ✓ What size is the nearest water main?
- ✓ Does the existing network have sufficient capacity?

Potential Implications

- New water pipelines may be required.
 - Reservoir upgrades may be necessary.
 - Municipal infrastructure contributions may apply.
 - Development density may be limited by available capacity.
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4. SEWER INFRASTRUCTURE

Questions to Ask

- ✓ Is a municipal sewer connection available?
- ✓ Does the sewer network have spare capacity?
- ✓ How far is the nearest connection point?

Potential Implications

- Pump stations may be required.
 - Rising mains may need to be constructed.
 - Package treatment plants may be necessary.
 - Significant additional infrastructure costs may be incurred.
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5. ELECTRICITY SUPPLY

Questions to Ask

- ✓ Is electricity infrastructure available nearby?
- ✓ Does the network have sufficient capacity?
- ✓ Will upgrades be required?

Potential Implications

- New transformers or substations may be required.
 - Development timelines may be affected by utility approvals.
 - Infrastructure upgrade costs can significantly affect project viability.
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6. ENVIRONMENTAL CONSTRAINTS

Questions to Ask

- ✓ Are there wetlands on the property?
- ✓ Are there rivers, streams or watercourses nearby?
- ✓ Are environmental authorisations required?

Potential Implications

- Environmental assessments may be required.
 - Development footprints may be reduced.
 - Protected areas and environmental buffers may limit usable land.
 - Approval timeframes may increase significantly.
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7. ACCESS AND TRAFFIC

Questions to Ask

- ✓ Is there legal access to the property?
- ✓ Are road upgrades required?
- ✓ Will a Traffic Impact Assessment be necessary?

Potential Implications

- Additional road infrastructure may be required.
 - New access points may require approval from road authorities.
 - Traffic studies and engineering designs may be necessary.
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8. TOPOGRAPHY AND EARTHWORKS

Questions to Ask

- ✓ Is the site steep or uneven?

- ✓ Are retaining walls required?
- ✓ Will extensive cut-and-fill earthworks be necessary?

Potential Implications

- Construction costs may increase substantially.
 - Additional stormwater infrastructure may be required.
 - Retaining structures can significantly affect project budgets.
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9. STORMWATER MANAGEMENT

Questions to Ask

- ✓ How does water move across the site?
- ✓ Are attenuation facilities required?
- ✓ Are there flooding risks?

Potential Implications

- Stormwater systems may require extensive engineering.
 - Developable areas may be reduced.
 - Flood mitigation measures may increase costs.
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10. PROFESSIONAL DUE DILIGENCE

Before purchasing land, consider obtaining input from:

- Town Planner
- Civil Engineer
- Environmental Practitioner
- Land Surveyor
- Architect
- Geotechnical Engineer

Early due diligence often identifies risks before significant capital is committed.

FINAL THOUGHT

The most important question is not:

“Can I afford the land?”

The most important question is:

“Can I afford everything required to develop the land?”

Land is often the cheapest component of a development project. Infrastructure upgrades, environmental approvals, engineering requirements and statutory processes frequently have a greater impact on project cost than the purchase price itself.

Conducting proper due diligence before acquisition can save substantial time, money and risk.

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