Having completed the predevelopment activities, the developer moves into implementation: financing, marketing, design, and construction. *Financing* involves convincing others of the project's feasibility. Typically, the developer, just like the would-be homeowner, must put down part of the cost: the developer's *equity*. The remainder is sought from a bank or from some other backer or consortium of backers—pension funds, insurance companies, and the like—who may themselves require certain changes in the nature of the project. The development industry is highly "leveraged," meaning that the developer's equity often works out to be a much smaller proportion of the overall cost than the homeowner's equity.

The design and construction phase begins with the development of the project design based on the approved schematic design determining building materials and methods, then production of detailed contract drawings, followed by a bidding process in which general contractors are invited to bid for various aspects of the engineering, construction, and landscaping. Speed of operation is essential during this phase. Interest has to be paid on construction loans based upon a balance outstanding that increases as the project proceeds. Any delays in producing revenue from a project can result in significant losses due to increased interest payments, particularly when such delays occur toward the latter stages of construction. Once the construction is completed, the developer has to search for and manage tenants, collect rents, and generally maintain and administer the projects; or sell to new owners. This is the *facilities management* stage of the process.

Builders

As we have seen, developers sometimes extend their operations to include building; more often than not, however, general building contractors will be engaged by developers. At the same time, many small- and medium-sized building firms will undertake their own speculative land acquisition and development functions. Much depends, as with development companies, on the size and internal organization of the company. The typical large builder reduces costs through direct purchasing of materials in bulk, the maintenance of large inventories, the development of efficient subcontracting relationships, the retention of a specialized labor force, the use of federal financial aid and housing research, and the use of mass-production methods on large parcels of land.

As a result, large builders are inevitably concerned almost exclusively with construction for mass-market suburban development. Medium-sized companies cannot afford to pay the interest on large parcels of developed land, so their preferred strategy is to maximize profits by building at high densities (condominiums, apartment blocks) or by catering for the high-profit luxury end of the market (where the mass-production orientation of the big companies is a handicap). This strategy leaves small firms to use their more detailed local knowledge to scavenge for "custom" building contracts and smaller infill opportunities, whereupon they will assemble the necessary materials and labor and seek to build as quickly as possible, usually aiming at the market for larger, higher quality dwellings in neighborhoods with an established social reputation.

Consumers

Consumers—households, industrialists, retailers, and so on—represent the demand side of the development process. Consumer preferences and consumer behavior develop in a social context that is fundamentally competitive, though people's preferences are frequently created or manipulated by powerful investors and their associates working through advertising, public relations, and the mass media. It should also be stressed that people need not always react individually—as "consumers"—to the choices available to them: they may affect the development process collectively, through citizen-group protests over specific development projects, through involvement in pro-growth, no-growth, or slow-growth politics, or through involvement in residents' associations.

Real estate agents, financiers, and other professionals

Real estate agents, financiers, and other professionals are essential to the development process as facilitators, intermediaries, and specialized experts. A wide range of professionals is involved, including surveyors, market analysts, advertising companies, lawyers, title insurance companies, appraisers, property managers, engineers, ecologists, and geologists. The most important of them, however, are mortgage financiers and real estate agents, who stand at the center of the magic circle of "exchange professionals." Their activities go well beyond the actual *creation* of the built environment to encompass continuing processes of neighborhood change.