

Avoid the Pitfalls of the Property Development Process

By Gillian Torres

Property development can be a time-consuming and often costly undertaking. If you are the proud new owner of a fixer-upper, with plans for your own grand design, there are no two ways about it, it is going to be a big project. There are, however, things you can do to ensure the smoothest possible ride.

Whatever the scale of your development, from a spruce to a full refurb, you will probably follow much the same process. In this introductory guide, Select Magazine will walk you through that process and help you to anticipate costly mistakes before they happen.

Buy Right

We spoke to seasoned property developer Richard Wild of Oak Developments North West. His first piece of advice, and the one he stresses to be the most important, is, “Buy right; make sure you get the property for the right price and source labour and materials as cheaply as you can without sacrificing quality.”

If you are planning to rent out or sell the finished product, you should be thinking of the development as a business way before you put an offer in on a property. Consider the buying price, the estimated renovation costs and the eventual rental or sale value. If the sums add up, it's a good deal. If you are developing a home to live in yourself, the maths is slightly less important but you still don't want to pay over the odds, so the finances always deserve careful consideration. Here at the beginning, as well as at every other step of the way, budget should be at the forefront of your mind.

Assemble Skills

Even if you are planning to do a lot of the work yourself, it's doubtful that you will have the skills for every single task, unless the changes are to be purely cosmetic. At the very least, plumbing and electrical work must be carried out by qualified professionals in order to meet legal obligations. The skill base required will, quite obviously, depend upon the scale of the project. For example, if you are planning to extend the property or undertake complex conversions, you will need an architect on board. Whatever skills you require, our advice is to have your team lined up before you purchase the property.

As you become more experienced, you may be able to estimate prices fairly accurately. Richard told us that he estimates a standard refurbishment at £15,000 - £20,000. Generally speaking, in order to work out the business proposition, you will need to have the scale of the various jobs assessed by each trade and to gather prices for everything from the plumbing to the paint job *before* you can decide whether buying the place is worthwhile.

Start by looking at the circuit board, the boiler, the windows, the radiators... does anything look worn? Also think about requirement at this point. 10-year-old windows in good condition may be perfectly acceptable for tenants but if you hope to sell, spending a bit more to replace them, could help you achieve a higher price.

'First Fix'

“Rip it all out and prepare to put everything in brand new,” was Richard's advice. Whether you're going with that or not, by day one on-site, you should already know the scale of the job.

If you are extending or making structural changes, your architect will be present at this point and there will be a lot to do before you get to plumbing and electrics. The process of making structural changes is a whole other article in itself. For the purposes of this guide, we will assume a standard refurbishment with new heating, plumbing and electrics.

A gas-safety qualified plumber and an electrician will complete their 'first fix' by removing the old system and installing new pipes and wiring. At this early stage, it will be left at that - without the sockets, radiators, valves and boiler that are added later.

Interior Preparation

Now we move on to consider the doors, the walls, the windows and the rest of the interior. If interior doors are in good condition, just replacing the hinges and handles could save time and money. Replacing skirting boards and architraves will also tidy the place up.

If windows need replacing, do that here, before you fix the walls. Once these interior fixtures and fittings are in place, it is worth ensuring that all of the walls are in good condition, by

having them reskimmed with a topcoat of plaster. This will give paintwork a far better finish.

'Second Fix' and Finishing Off

Now is the time to get the plumber and the electrician back in; the point at which everything begins to come together.

The boiler, the switches, the bathroom etc will all be plumbed in at second fix stage. Your team should also ensure that everything is fully tested and working well. If exterior work needs to be carried out, guttering and external pipework replaced and pointing done, that should be done here.

The final stage is the interior décor. If you don't plan to live in the property yourself, it's ideal to decorate in neutral tones, to appeal to the maximum possible market for sale or rental.

Developer's Top Tip

'If you want to sell a property, the basic things, like the sink, bath and carcass of a kitchen, aren't the places to splash out. It is the fittings, such as taps, light fixtures and tiles that will really set off a kitchen or bathroom. To make a bathroom look classy, tile the walls and floor.'

Richard Wild / Oak Developments NW Limited