A BRIEF INTRODUCTION TO

PROPERTY DEVELOPMENT

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CONTENTS

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For me, property investing is all about proactively adding value to a property in order to maximise returns. Property development is a fantastic way to add value.

Although I started my property career with rental properties (and rental strategies still make up a huge part of my portfolio), property development has given me a chance to diversify my portfolio and generate shorter-term returns as well as long-term income. Over the years, my business has successfully completed an array of development projects, from straightforward refurbishments to building entire blocks of apartments and a whole lot of stuff in between.

Here, I look at the essential thought processes that go into a development project at the outset, plus the basics of keeping a project on track. You won't find step-by-step instructions on how to refurbish or build a property as that would fill an entire book. Instead, consider this an overview of property development – something to whet your appetite, demonstrate how property development feeds into other property strategies, and help you decide whether property development is right for you as an investor.

What do I mean by property development?

The term property development can be used to describe a wide range of activities, including:

- Giving a property a light spruce up – for example, by redecorating and adding new flooring throughout.
- Completely renovating a property, perhaps including knocking down walls, adding an extension and adding a new kitchen and bathroom(s).
- Converting a house into self-contained flats.
- Buying a piece of land and building a property or properties on it (anything from a single house or block of flats to a housing estate).

These are the sorts of activities I focus on here. However, the term property development may also refer to changing the use of a property – perhaps by turning a house into an HMO (house in multiple occupation), or converting a commercial property into residential accommodation. If these strategies appeal, check out my separate guidance on converting commercial buildings to residential, and creating and running an HMO.

Whether you're physically improving a property or changing its use, all property development is about adding value. Even if all you're doing is adding a fresh lick of paint, new flooring and new kitchen worktops, you're still adding value by making the property more desirable. At the other end of the scale, building a new property on an empty plot of land makes that land more valuable. Adding value is how you maximise your return on investment. Here, I focus on the simpler ways to add value – physically improving a building that already exists – and touch briefly on tackling new builds. This chimes with what most beginner investors are willing (and able) to take on.

PRO TIP: It makes sense to start with simpler projects that require less time and financial outlay. The more expensive the project, the more expensive your mistakes will be. As you build your knowledge and experience, you can progress to more complex, larger projects.

Why consider property development?

There are some attractive advantages that draw investors to property development:

- It's a great way to maximise your returns. Done well, even a relatively simple refurbishment can add significant value to a property.
- Development activities can easily be scaled up as your expertise grows.
- You can choose whether to sell the developed property for capital growth (generating short-term returns) or keep it and rent it out (thereby earning a long-term income). In other words, you can tailor this strategy to meet your goals as an investor.
- You could potentially use a developed property as leverage to finance future projects. If you hold onto the property, you could release equity from it to fund other projects.
- But there are some downsides to consider, including:
- Calculating costs and timings accurately can be really difficult when you're first starting out, and this can lead to costly mistakes. This is why it's better to get a few low-risk projects under your belt first.
- You should be prepared for unexpected setbacks and delays. Almost every project will have something unexpected crop up. Can your finances cope with a delay of, say, three months where you're not able to sell the property and not earning an income from it?
- Managing a development project can take an enormous amount of time and effort. You'll have to plan your finances carefully to ensure the rewards are worth it.

Deciding your exit strategy before you start

Before you source any property (or land) for development, you should have a clear end goal in mind. Remember, property development can mean developing to sell, or developing to rent. So what do you intend to do with your property at the end of the project, and who will you be aiming the property at? You must decide the answers to these questions at the outset. Pro tip: All the best property developers have an exit strategy in mind before they commit to a project. Almost every decision you make along the way – project finances, layout of the property, overall finish, presenting the property, and so on – will be impacted by your exit strategy.

Choosing the right exit strategy for you

It should be pretty obvious by now that the two main exit options are selling the property outright to generate capital growth, or holding onto the property and renting it out to generate a longer-term income. The second option feeds into many other property investment strategies, such as running the property as an HMO and renting it to young professionals, renting to students and social housing tenants, marketing the property as a holiday let (depending on its location), or providing serviced accommodation. See my separate guidance on these various strategies.

PRO TIP: Be sure to talk to a tax adviser to discuss the tax implications of selling a property and pocketing the profit versus retaining it as an investment.

So which option is right for you? You'll be guided by the local housing market, of course. But don't forget about your passion, your goals and your strengths as an investor. If the daily grind of managing properties and tenants doesn't appeal (and you don't want to work with a managing agent), then developing properties for sale is probably a better choice for you personally. Likewise, if you're passionate about designing, styling and dressing a property, then developing to sell gives you more chance to focus on that, as opposed to maintaining properties for the long term.

Or maybe your interests, passions and goals lead you more down the path of holding onto a property and renting it out. For example, you might be passionate about providing affordable accommodation. Or maybe you have a deep understanding of the rental market for young professionals, after years of living in house shares. Or perhaps your biggest goal is to earn a passive income and effectively 'retire' at 50.

There's no right or wrong exit option. The key is to pick the right option for you as an investor.

Deciding your target audience

It makes sense that a house aimed at student tenants will be developed very differently to one that's going to be rented to professionals or sold as a family home. Fixtures, fittings, appliances, décor, use of space … your target audience will inform every key decision along the way. Offering a product that's too generic and trying to appeal to many different audiences can be a mistake. As with any business, it's far better to decide on your target audience and tailor your product accordingly.

Pro tip: If you aren't sure which target audience is right for you, talk to local estate agents and lettings agents to get a feel for the biggest target market in the local area and what type of properties are most in demand. Talk to a handful of different agents, rather than relying on the opinion of just one.

Having decided on your ideal target audience, you then need to do your homework on what your audience is looking for. I relish the task of immersing myself in my target market and will always view lots of similar properties that are aimed at the same target audience (whether that's student renters, professional flat shares, family homes for sale, luxury executive homes, etc.). At this stage, you should be looking to build a thorough understanding of your audience's needs before you start looking for development opportunities. Good questions to ask at this early stage are:

- How big does a property have to be to satisfy your target audience? How many bedrooms, bathrooms and reception rooms will your audience expect/need?
- How big will those rooms need to be? While you might need a large, upmarket kitchen for the affluent family market, that's not necessary for students (who, let's face it, may be partial to regular takeaways).
- What will your audience expect in terms of outdoor space? A small, sociable, easy-to-maintain patio garden is ideal for young tenants sharing a house, but won't work for families with children.
- What's the best location for your audience?
- What sort of sale or rental price can you expect in that location?

Answering these questions upfront, and building a clear picture of what your audience needs, will stand you in good stead when you come to look for development opportunities.

Why you might want to give yourself multiple exit options

I said before that the best property developers have an exit strategy in mind before they commit to a project. Let me add something to that: the very best property developers give themselves more than one exit option.

To clarify, you absolutely should pick one exit strategy and target audience, and diligently work towards that end. However, you might also want to keep a 'plan B' in mind. After all, circumstances change and markets shift. Having a backup exit option helps to reduce your risk and gives you more wriggle room, should you need it.

Say your exit strategy (your 'plan A') is to develop the property as a family home and sell it for a profit. If the local sales market nosedives, you can change tack to plan B, which is to keep hold of the property and rent it out, either as a family home or perhaps as a house share for professionals.

PRO TIP: Unless I'm specifically targeting students and social housing tenants, I prefer to develop properties to a pretty high specification (nice kitchens and bathrooms, that sort of thing). A higher spec is attractive to buyers if I want to sell the property, but will also attract quality tenants in case I need to rent the property out for a while. This does mean my development costs are a little higher, but I've found it's worth the extra spend to reduce my overall risk.

Finding the right development opportunities

Buy the wrong property or piece of land in the wrong location (or even the right property/land in the wrong location), and it doesn't matter how much value you add, you may struggle to achieve the sale or rental price you want.

Location is key

While carefully weighing up properties, you'll need to consider each property's location – and this must be informed by your intended audience and their needs. Families, for example, are less likely to buy a city-centre property with no off-road parking and no garden. But a quieter location away from the city centre, somewhere with good local schools and other families in the vicinity, will be much more appealing. Meanwhile, young professionals looking for a rental property will probably be completely turned off by that quiet, out-of-town location with its highly rated local schools. They'd rather be closer to the centre, with plenty of things to do on their doorstep and good public transport links. Off-road parking and a garden may not matter to them at all.

The same sort of thing goes for land. You'll need to think about the land's location and how it will appeal to your target audience. Consider proximity to local shops and other amenities as well as transport links.

Looking for properties where you can add value

When it comes to developing existing properties, in my experience the best opportunities to add value come from:

- Properties that aren't quite right for the local demographic, such as a large house in a busy urban area populated by young professionals. That property could yield significantly higher returns as an HMO, or by being converted into self-contained flats.
- Unloved, poorly maintained properties, and those that have stood vacant for a while.
- Smaller properties that could be expanded, perhaps by converting the attic, adding an extension or converting a garage. Ideally, there would be planning precedent in neighbouring houses for such an expansion.
- Properties that are dated, but structurally sound. It's amazing how many potential buyers can't see past a bit of dated wallpaper, old lino flooring and an avocado bathroom suite!
- Factors that limit the appeal of the property and lower its value – but, crucially, aren't big, expensive issues. Lack of an upstairs bathroom, for example, really puts buyers off, but isn't a hugely expensive thing to rectify. Likewise, a dark kitchen can be brightened up with large doors that open onto the garden.
- Properties where the internal layout could be reconfigured to better suit modern life. For example, knocking down the wall between a kitchen and dining room to create one large open-plan space will make a property more appealing to families.
- Assessing land opportunities
- If you're looking for land to build on, there are several things you'll need to consider when assessing the merits of different plots:
- Talk to your local council about investment plans in the surrounding area – this may affect the desirability of your end product.
- Check the planning status of the land. Does it have full planning permission to build on, outline planning permission (OPP, which

determines whether a proposed development would be acceptable to the local authority), or no planning permission at all? If the land has OPP, then full planning permission must be sought within three years of the OPP being granted. If it has no planning permission, then obtaining consent could be a lengthy affair.

- It's usually easier to get planning permission on a parcel of land that has been developed previously – for example, if it has a derelict building or an old commercial property on it. You may be restricted to the same footprint, but the planning process should be easier.
- You'll also need to check out any restrictive covenants that may impact how you intend to use the land.
- Consider access points and rights of way – it's no good building a property if future buyers can't get to it. Also establish whether any public footpaths cross the land.
- Check that utilities can be provided to the site, and whether these would have to cross neighbouring land.
- Also check carefully where the boundaries lie, and look out for complications such as telegraph poles, manholes, protected trees and flood plains. A qualified surveyor will be able to assess all these issues for you.
- Work with owners of neighbouring land or properties to get them on board with your plans. If your plans will negatively impact neighbours, look for ways to avoid or mitigate this.

PRO TIP: When it comes to developing land, it's well worth establishing good connections with your local council's planning office. Discuss your ideas with them at the outset and work with them to steer your plans.

Finding awesome development opportunities before they hit the market

By far my favourite way to source lucrative development opportunities – both in terms of properties and land – is to source off-market, which essentially means getting the jump on leads before they're advertised on the open market. This is important because great development opportunities will attract other hungry developers like yourself, and you don't want to end up in a bidding war. Far better to sniff out properties (or land parcels) that are ripe for development before your competitors learn about them. Two good ways to do this are to make friends with local agents, and to source opportunities directly yourself.

Imagine a local estate agent has a new property come onto her books that's in a good location, is structurally sound, but is rather dated. If she already knows of a serious property developer looking for exactly this sort of opportunity, it's far easier for her to make that call and potentially secure a quick sale than advertise the property on the open market and spend hours on viewings. If you're the developer she calls, you get a head start on your competitors. This is why it's well worth cultivating relationships with local agents and regularly touching base to ensure you stay present in their minds. For this to work, it's important you build a reputation for yourself as a serious investor, not a timewaster. So, when the right opportunity comes up, move fast, prove you can commit to and complete deals, and you'll find more and more opportunities come your way.

PRO TIP: There are plenty of other professionals who could connect you with valuable development opportunities, including building contractors, architects, financial advisors, accountants, and solicitors specialising in wills, trusts and estates. You could always offer a finder's fee for introductions that pan out into successful purchases.

Agents are a great way to connect with your local property market, but many of my best deals have come from opportunities I've sourced myself by approaching owners direct.

Effective ways to source properties yourself include:

- Identify specific properties that are of interest to you and approach the owners. In other words, if there's a run-down property that you've always had your eye on, even if it's not up for sale, the owners may be open to doing a deal. Why not try dropping a letter through the door or ringing the doorbell to strike up a conversation? If the owner doesn't live there (say, if it's a rented property), you can always ask the occupiers to pass your details on to the owner.
- If there's a particular street or neighbourhood with plenty of suitable properties, you could put flyers through letterboxes or advertise in community spaces. Specify that you're a private investor and be clear on what type of property you're looking for.
- You could also invest in newspaper or online ads targeting homeowners in a specific area.
- Always do your homework to work out the market value of properties you're interested in before you approach owners. In some cases, I may even offer slightly more than market value to sweeten the deal for the owner, providing I'm confident I will still earn an attractive return.

These same actions can also be applied if you're specifically looking to purchase land.

PRO TIP: When approaching owners direct, either verbally or with a letter/flyer, remember to stress the benefits of selling directly to you – namely, that they achieve a quick sale, at a fair market value, and with no expensive agent fees. You'll also need to present yourself as a professional investor, which means having a business-like email address, proper business cards, and ideally a website and professionally printed letterhead.

Financing your development project

Depending on the size of your development, there are various ways to fund the project. The two most common are development financing and a regular mortgage.

What is development financing?
Development financing is a bit like a mortgage, in that it's a loan secured against an asset. However, unlike a regular mortgage, development financing will not only help you fund the original purchase (whether it's a plot of land or an existing property) – it'll also provide the funds to cover the refurbishment or construction work.

Development finance typically breaks down into two portions:

- The 'land loan' portion is for the original purchase, whether it's land or an existing property. At the time of writing, a standard loan-to-value (LTV) ratio on land loans is around 50% of the value, but some providers will offer as much as 75% or 80%.

- Then the 'development loan' covers the cost of the refurbishment work or construction. Some providers will offer up to 100% of the cost of the development work. This part is usually drawn down in stages, meaning you'll get the money in instalments, in arrears, as you complete certain phases of the project. In other words, you have to fund the work upfront, then the lender pays you back after you've completed allotted stages. This means you can expect the lender to monitor your progress on the project closely, possibly sending out a surveyor for regular site visits. And if you don't complete a stage, the next instalment won't be released.

PRO TIP: As you can probably guess, with development finance it's vital you maintain a tight hold on your project schedule and cash flow if you want to keep the project moving (and the loan payments coming through). Many a development project has stalled because the developer runs out of cash and can't afford to complete the next phase, yet the lender won't release more funds until that phase is completed. Talk about catch 22.

So where can you find development financing? Some traditional lenders offer it, although there are also many specialist development finance providers. I suggest you work with an independent broker to assess which provider is right for you. You can usually get both portions from the same lender, although it may work out better to get one portion from one lender and the other from a different provider. Again, a broker will be able to help you make this decision.

Finally, it's important to note that fees and interest rates on development finance are usually higher than with a standard mortgage (because the risk is higher for the lender). You may also be asked to provide details of your development experience or provide a personal guarantee to secure the loan. Always take professional advice before you agree to any loan conditions.

Other ways to fund your development

Given the higher fees and interest rates associated with development financing, a regular mortgage may make more financial sense for you – especially if your development project is fairly small.

PRO TIP: An independent broker will help you consider all your options. But as a general rule of thumb, development finance makes most sense on larger developments involving quite a sizeable spend. If you're planning to spend less than, say, £25,000 on the development work itself, you're probably better off with a regular mortgage – because, with a budget like that, it's relatively easy to fund the construction/refurbishment work through other means.

These other means of funding the development work include:

- Releasing equity from a property you already own.
- Using personal savings.
- Using personal loans or credit cards (almost every property developer has fallen back on this at one time or another, but it should only ever be considered a short-term, last-resort measure).
- Securing private lending, perhaps from friends, family or another investor.

Working out costs for your development project

Strictly speaking, this budgeting stage will come before you seek finance, since you'll need to know roughly how much it's going to cost in order to decide how much and which type of finance you need. You'll then progress to a more detailed budget at the start of the project.

Phase 1: Breaking down the budget at the outset

Broadly speaking, your development budget will break down into:

- The cost of buying the property or land, including fees and stamp duty (if applicable).
- How much it'll cost to develop the property or land. For now, you need a good ballpark figure in order to sort financing – you'll get detailed quotes and create a full budget later on. As a beginner developer, it's a good idea to take a builder with you on viewings to estimate development costs. But as your experience grows, you'll probably be able to ballpark these figures yourself.
- The estimated value after you have developed the property or land (i.e. sale price or monthly rental income). Here, you'll need to research comparable local properties of a similar spec.

PRO TIP: You'll want to focus your budget (and your time and energy) on those improvements that will add the most value. Unless you're targeting a very high-end audience, forget nice-to-have upgrades or expensive flourishes, especially if you're planning to sell the property. While most buyers don't want to take on major work, they'll still want to put their own stamp on the property in terms of décor and technology.

In my experience, the best value-adding improvements to prioritise are:

- Fitting new kitchen cupboards and worktops, and upgrading the appliances if needed.
- Installing a new bathroom suite – or, if the suite is in good condition, retiling will make the whole room look fresh and new.
- Boosting the property's curb appeal, perhaps by fitting a new front door, painting the exterior (if needed), and adding some attractive plants.
- Creating an off-road parking space, where possible and if one doesn't exist already.
- Improving the back garden – which can mean anything from tidying it up and replacing dead plants, to landscaping the whole area. The best approach will depend on your target audience, but as a bare minimum you'll want a simple seating area, sturdy fencing and some sort of greenery to look at (which could be a few statement plants in pots, not necessarily a lawn).

For a straightforward refurbishment project, these are the items I would focus on when working out your initial development costs. If your project is a more complex renovation or involves building a property from scratch, you'll obviously need to work more closely with your contractor to outline the broader array of costs involved.

Phase 2: Establishing a more detailed development budget

Having committed to the project and secured the purchase of your land or property, now you can start to get formal quotes and create a thorough, line-by-line budget.

PRO TIP: Keeping your costs down means more profit in your pocket, so shop around and get three different quotes for every major element of the project. It takes time, but is by far the best way to ensure you're getting a good deal. I'm also not shy about negotiating discounts…

Obviously, the elements included in your budget will depend on the size and scale of the project and the specification that you're going for (which will, in turn, be informed by your end goal and target audience). The budget for a new build will be considerably more complex than a quick revamp of an existing property, which makes it difficult to give a rule of thumb.

However, let's take a relatively large-scale renovation project as an example. In this case, you would want to get quotes and budget for the following line items (remember to account for materials and labour):

- Mains service connections/upgrades
- Demolition, site prep and strip out
- Enabling works/ground works
- Waste disposal (including skips)
- Drainage installation/upgrades
- Roof repairs, including guttering
- Carpentry, first fix
- Plumbing, first fix
- Electrics, first fix
- Fire alarm, first fix
- Broadband internet/phone line installation (may be included in electrics)
- Plaster boarding
- Plastering
- Insulation of the walls, ceiling and floor (depending on your end goal, you may need to think about acoustic flooring)

- Bathrooms(s) supply and fit
- Kitchen supply and fit
- Carpentry, second fix
- Plumbing, second fix
- Electrics, second fix
- Fire alarm, second fix and fire protection measures (essential if you'll be running the property as an HMO)
- Windows (replacement or refurbishment)
- Painting and decorating
- Fixtures and fittings
- Garden works/landscaping
- Bin storage (and bike storage, depending on your target audience)
- Carpet/flooring supply and fit
- Appliances (oven, dishwasher, and washing machine if you're renting the property)
- Furniture (if the property is being rented, or furniture to dress the property for sale)
- Builders' clean
- Contingency (allow 10–15% of the total costs)

That last item, contingency, should never be overlooked. A 10% contingency is sensible, but you might be able to get away with a little less on simpler projects, once you've built up some experience.

PRO TIP: Consider signing up for trade accounts with key suppliers of materials. Trade customers often get better prices than regular retail customers, and you may get more favourable payment terms.

Managing the project successfully

Having sourced your property, arranged financing and got your budget sorted, you're ready to get underway. Let's look at the basics of seeing your project through to a successful conclusion.

Getting the right professionals on board

Managing a development project well is all about building a great 'dream team' around you – ideally one that will work with you on future development projects. Even if you're a skilled builder or jack-of-all-trades, handling every element of the project is perhaps not the best use of your time. Seeking professional help is essential for ensuring the project is completed on time, on budget, and to a high standard.

Depending on the scale of your project, it's likely you'll need to work with several key professionals:

Architect

On a simple project with no structural or footprint changes, you probably don't need an architect. But on more complex projects, and certainly on new builds, an architect will help turn your vision into detailed, accurate drawings. These drawings are essential for getting accurate quotes and giving the builders the information they need to complete the work. The types of plans you might need include:

- Existing and proposed floorplans for the interior.
- Mechanical and electrical drawings for the installation of main services, like electrics and plumbing (right down to how many sockets and light

fittings in each room).

- Existing and proposed exterior elevations, showing the features and design of the property's exterior.

Planning consultant

If you're making changes that require planning permission, changing the use of a property, or building something from scratch, you'll need to work with a planning consultant to seek planning permission. On simpler planning applications, an architect may be willing to handle this aspect.

Project manager

This is the person responsible for overseeing the project as a whole, booking tradespeople, managing people on site, and generally keeping the project moving on track. For my first few developments, I chose to act as my own project manager because I wanted that hands-on experience, and the knowledge I gained has served me really well. Nowadays, I prefer to hire a professional project manager, so I can focus my time on growing my portfolio. You may well want to do a similar thing and act as your own project manager at first. Just be aware that managing a big project can be a full-time job. You'll have to weigh up whether the cons (time pressures, stress, inexperience potentially leading to mistakes) are too great versus the pros (saving money, learning property development from the inside).

Building contractor and tradespeople

You may want to complete some of the work yourself (say, if you're a qualified plumber or have a passion for decorating and landscape gardening). But there'll undoubtedly be many areas where you'll need professional help – particularly when it comes to things like plumbing, electrics and structural work. You'll have worked out the areas where you need professional help when seeking quotes for your detailed budget, but let's look at what's involved in a little more detail.

You have two main options when it comes to working with builders and tradespeople. Firstly, you (or your project manager) can source and hire separate builders and tradespeople for every element of the project, and oversee the work yourself. This is a great way to learn about property development from the inside, and save money, but it'll take up a lot of your time and energy. Secondly, you can hire a building contractor to handle the build from start to finish, which includes hiring and managing all the subcontractors (tradespeople). This obviously saves you time and hassle, but you'll pay more for the privilege (perhaps as much as 10–20% more than managing tradespeople yourself). You'll also miss out on some hands-on knowledge and experience, but on the plus side, you'll benefit from your contractor's experience and knowledge.

In terms of sourcing reputable builders and tradespeople, you can't beat word-of-mouth recommendations (although I would still check out their reviews online and ask to see some of their previous projects). If you're working with an architect, they may be able to recommend good contractors. Or if you're hiring a project manager, they can manage this whole process for you.

PRO TIP: As your experience grows, aim to accumulate a proven team of project managers, contractors and tradespeople. That's what I've been able to do. Sure, it's taken me a while to get there, and I've had my fair share of poor-quality people along the way, but it's been well worth it as I now have a wide team of different people to call upon depending on the scale and specifics of each new project.

Creating a realistic project schedule

For every project, you'll need to create a detailed, realistic schedule that shows:

- The different stages of the project
- The trades involved in each stage
- How long each stage will take
- When each stage is supposed to take place

PRO TIP: If you're working with a project manager, they'll be able to help you with this. If not, Microsoft Project is a really useful software tool for planning a project schedule.

There's a natural flow to the order of work on a project, so as you get quotes from builders and tradespeople, make sure you clarify what work needs to have been completed before they can start their bit of the project. Learning how the different trades work together and overlap is a key part of managing a development project.

As for how long each stage will take, again, you should ask your builders and contractors about this when seeking quotes. Personally, I like to pad out each stage a little, just to build a little bit of contingency into my schedules.

Making sure the project stays on track

If you're working with a project manager, they'll be responsible for keeping a close eye on the project and making sure everything is progressing as it should. If you're acting as project manager, this falls to you.

Even with the most carefully thought out schedule, it's not uncommon for timings to shift slightly as a project progresses. And this means communication is key. In other words, if one part of the project is running behind, you need to keep future tradespeople informed that they may have to delay their start date. Failure to communicate delays or schedule changes can result in you losing good tradespeople. Keep your people in the loop, get in the habit of regular communication, and you'll be better placed to manage schedule changes.

Likewise, if anything changes in terms of project specifications (which isn't ideal when you're already knee-deep in a project, but it does happen sometimes), you need to be informing everyone who needs to know as soon as you can.

Presenting the finished product to your target audience

Bringing your project to a successful conclusion (whether that's selling the property or renting it out) means presenting an attractive finished product to your target audience. Whether you intend to sell or rent, this is all about ensuring your property makes a great impression and stands out from the many other properties on the market.

How can you do this? If you're selling the property, it's well worth 'dressing' the property for viewings. Empty properties put buyers off (because they find it hard to gauge the size of rooms and visualise how to use them), so you should temporarily furnish the property to make it look like a home. This is a cost you should have factored into your budget and believe me it's money well spent. (You could consider renting furniture to keep your costs down.)

PRO TIP: Remember, you're trying to sell a lifestyle, not just a property, so furnish and dress the property in a way that paints a picture of what it's like to live there. Naturally, you really need to know your target audience and what is likely to appeal to them. If this is all way outside of your comfort zone, consider working with an interior designer or a friend with a flair for design.
For new build projects, you may be looking to sell off-plan (i.e. before the project is completed). If that's the case, consider having high-quality computer-generated imagery created to help prospective buyers visualise the end result. And if you're building multiple units, such as a block of apartments or residential estate, it's a good idea to fully complete and dress one unit first so that you can present it as a show home.

What about if you're planning to rent out the property? In this case, you have the option of renting it furnished or unfurnished. It depends on who you're catering to, but in my experience many tenants prefer the simplicity of a furnished property, especially if it's an HMO. You should obviously factor this into the amount of rent you charge (a furnished property that's ready to move into will earn more in rental income than an unfurnished property).

One solution might be to furnish the property for viewings, but offer tenants the option to rent it unfurnished if they prefer. This ensures you're presenting the property in its most attractive light (because, like buyers, renters prefer to see how others use the space), without putting off tenants who have their own furniture.

Final thoughts

Although this is only an introduction to property development, I hope it's given you enough of a grounding to gauge whether property development is right for you as an investor. Personally, the experience I've gained on my development projects has added to my success in other strategies too, such as creating HMOs. I have no doubt you'll find the same thing.

That said, development projects can be all-consuming and stressful for the uninitiated. For that reason, it's probably better to focus on areas where you have a sound knowledge of the local market, and aim at a target audience that you know well. In the early days, these sorts of projects deliver your best chance to be competitive and really add value.

ABOUT THE AUTHOR: NICHOLAS WALLWORK

Nicholas Wallwork is a multi-millionaire property investor, developer, International For Dummies book author, property market commentator, entrepreneur and mentor. He also owns the largest international property forum in the world (which is an incredible free resource for property education), www.propertyforum.com.

Nicholas fell into property in 2002 when he realised turning his first house into a small HMO (rather than living in it himself) made complete financial sense. HMOs and development were to form the key strategy of his property career. Aged just 24 he had no mortgage or bills to pay and could effectively retire (all be it modestly), teaching him a very early lesson that passive income from property was the way to build long term wealth and a flexible and comfortable lifestyle. Today, Nicholas controls a property portfolio of over £20million and runs and owns a group of successful property businesses including a property investment consultancy, several property development companies, a lettings & management business and not to forget www.propertyforum.com.

Any journey through property (or indeed life) is never all plain sailing and Nicholas definitely faced his share of challenges. Surviving the credit crunch was one of the biggest, teaching him many important lessons which he shares with you in his educational   on Property Forum. To be successful in any business including property you need to stay at the top of your game. This means continually educating yourself and improving your skills and knowledge to further your business and personal success. This is where forums give such incredible value. Nicholas has big plans to help educate the 65,000+ community members of www.propertyforum.com with helpful ebooks, training, seminars and much more. Property Forum is already the largest international online property community and aims to become the largest and most useful property training and education resource available in the world.

MENTORSHIP HELP FROM NICHOLAS

Nicholas is passionate about helping others success in property, and offers 'bite-sized' 1-2-1 mentorship session to help people fast-track their property investment goals, and make real progress. The sessions are completely tailored to individual circumstances. Nicholas can help you make key decisions, maximise your profits, overcome issues with planning or layout, set up a property business with the correct structure, choose the right investment strategy to enable you to scale up, and get the right finance in place for your next project. He also gives you access to his trusted network of professionals within the property industry. Whatever your individual circumstances, the value that Nicholas can offer will far exceed the cost of a mentorship session. Infact, this is the guarantee that Nicholas offers to all his mentorship clients.

To find out more, you can register for more information on nicholaswallwork.com/mentorship/ or you can book a FREE 'taster' call to find out exactly how Nicholas can add value to your specific circumstances here.

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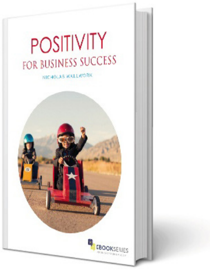

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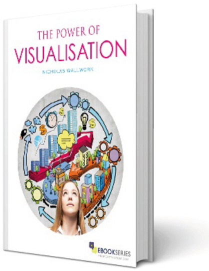

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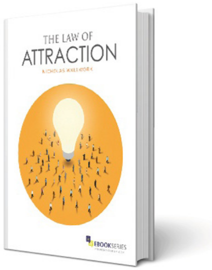

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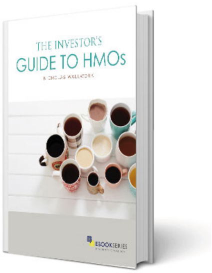

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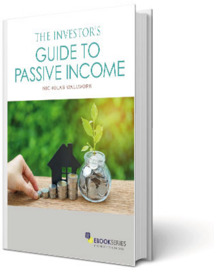

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