

**BECOMING A SMALL
HOUSING DEVELOPER:**
ADVICE AND GUIDANCE
FROM OTHERS IN THE
NEW HOMES INDUSTRY



Webinar: Help for new house builders - your guide to getting started

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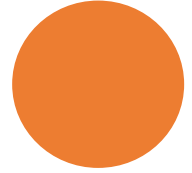


Agenda

1. Introduction
2. The fundamentals:
 - A. Land
 - B. Finance
 - C. Planning
3. Construction and sales
4. Other key issues: sustainability

Purpose of this guide

- Overview of key steps and key considerations
- Tips and advice from experienced people in the industry
- NOT a comprehensive guide or a technical manual
- Signposting to further information



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Who is it for?

Prospective small developers

- First time developers
- Recent start-ups

Typical backgrounds

1. Small builders and tradespeople
2. Professionals from finance, business or planning



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The Fundamentals

1. LAND

1. Land

Sources of info - finding suitable sites:

- Local estate agents
- Local landowners
- Map search
- Local land availability assessments
- Brownfield registers

Advice - key points:

- 1. Look for 'oven-ready' sites*
- 2. Register with local agents - look for the right one*
- 3. Make full use of networks*
- 4. Investigate the site*
- 5. Understand the market*



Qs for any given site:

Q. Will it sell in this location?

Q. How likely to get planning?

Q. Can you viably build?



The Fundamentals

2.

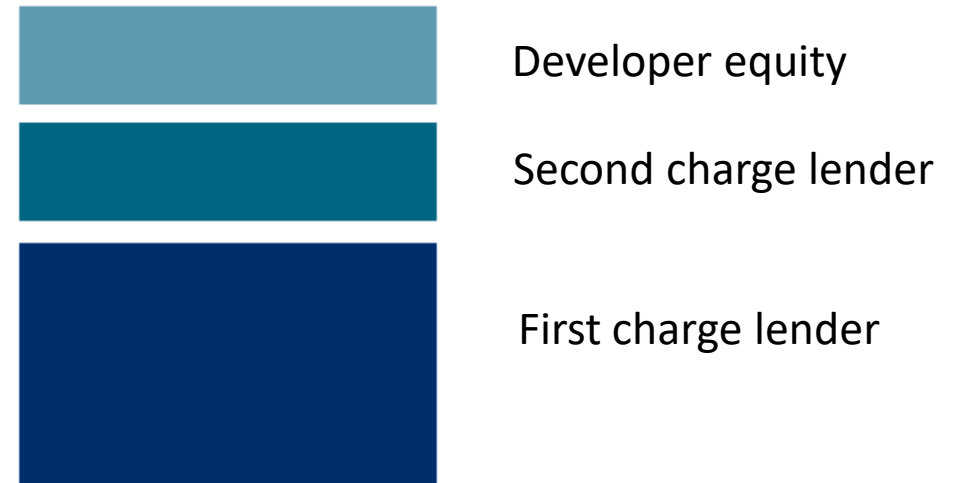
DEVELOPMENT
FINANCE

2. Development finance

Overview – key points:

- Lenders won't lend the whole cost
- Your capital will need to be at risk
- Lenders will only lend once:
 - a) planning is in place
 - b) scheme is fully-funded

Capital stack:





What lenders are looking at:

Q. The developer – what's your track record?

Q. The asset – can it be built and sold?

Q. The finance structure – is it fully funded?

2. Development finance

Sources of finance:

- High street banks
- Smaller and specialist banks
- Lower tier lenders
- Finance brokers
- Private equity
- Sales guarantee lenders
- Government funding schemes
- Crowd-funding

Key pieces of advice:

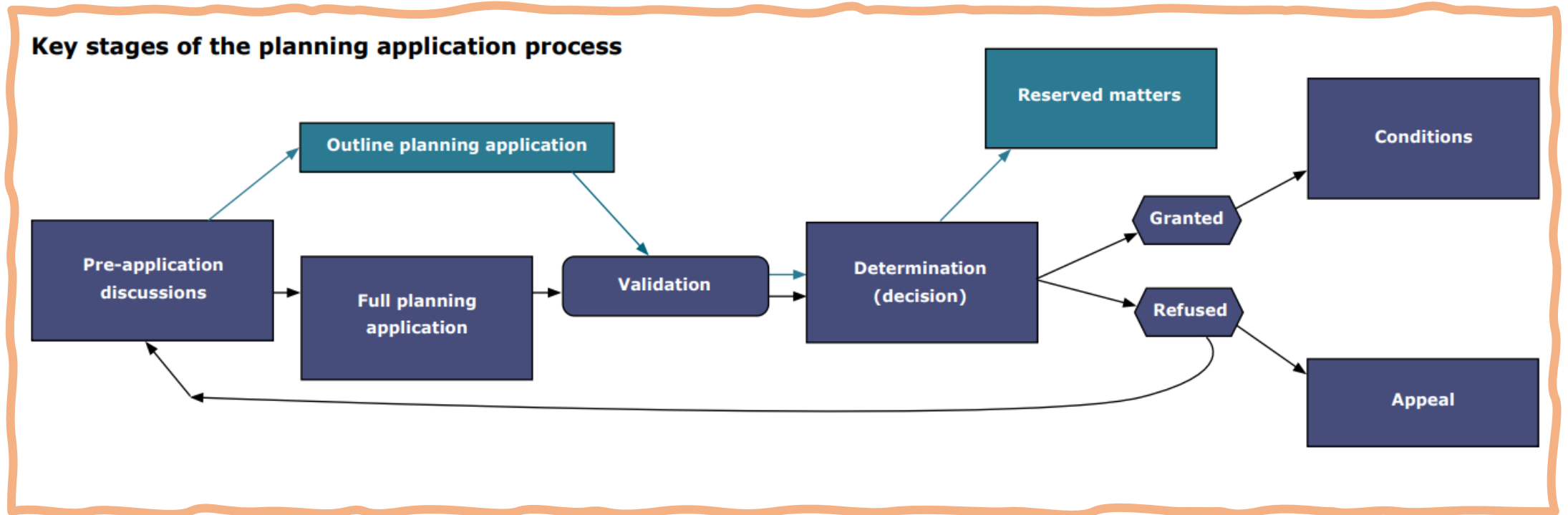
- 1. Be ready to look beyond your high street bank*
- 2. Fully understand the lender's model and the terms of lending*
- 3. Find a good broker*
- 4. Private equity can play an important role*

An aerial photograph of a city model with several white, angular buildings on a grid. A large orange circle is overlaid on the center, containing the text. A dashed yellow line is on the left side of the orange circle, and a solid blue circle is at the bottom right edge of the orange circle.

The Fundamentals

3. PLANNING

3. Planning



3. Planning

Key advice on exploring an application:

- 1. Get a good architect and planning consultant*
- 2. Do some homework – look at other applications*

Key advice on pre-application:

- 1. Hold fire until you've had pre-app discussions*
- 2. Build constructive relationships with planners*

3. Planning

*Key advice on the
application stage:*

- 1. Get the paperwork right*
- 2. Be prepared for delays*
- 3. Be prepared to compromise*



Pre-build to
handover



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Pre-build to handover

4. Core team
and skills

4. Professional team, workforce & skills

Key pieces of advice:

- 1. Assemble your professional 'core team' as early as possible*
- 2. Take the time to find quality tradespeople*
- 3. Consider potential partnerships*

Core team

Planning consultant



Designer



Estate agent



Property solicitor



Surveyor



Structural engineer





Pre-build to handover

5. Sales and
marketing

5. Sales and marketing

Overview – key questions:

- Do you sell off-plan?
- What will be the customers' on-site experience?
- Who does sales?
- How to go the extra mile on customer service?

Sales and marketing tools:

1. Property websites
2. Sales office
3. Social media
4. Open days
5. 3D visualisations
6. Sales incentives



Other key considerations

6. Sustainability

6. Sustainability

Sustainability issues:

- Zero carbon
- Biodiversity net gain
- Water efficiency
- Sustainable drainage
- Electric vehicle charging
- Construction waste

Key pieces of advice:

1. You don't need to sweat all the details
2. You need to know enough to ask the right questions

Key questions:

- What are the cost implications?
- What implications for design and construction?
- What is your business strategy re sustainability?

Thank you

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