HOW TO GET
YOUR PROPERTY
DEVELOPMENT
COMPLETED USING AN
ARCHITECT'S SIMPLE 5
STEP FORMULA

Block Architects Ltd

the ARCHITECT's GUIDE to PROPERTY DEVELOPMENT

BLOCK
ARCHITECTS

How NOT To Do Your Development #1: Start Now and Get Better Later

Ever felt the panic of buying a piece of land without knowing if it's a good profitable deal?

Ever started a Development and then looked at the diminishing profit margins with tears in your eyes wondering how you're going to keep the development afloat?

Ever stayed up at night unable to sleep because the Development has delivered you unforeseen challenges that you just don't know how to resolve, who to turn to for advice or whether or not you should have actually predicted them in the first place?

Ever just got started and then wished that you hadn't? All that work undertaken for the big development opportunity…for so little of a reward…or sometimes…*no reward.*

Without understanding the process to deliver a Development, 99.9% of Developers will never make the rewards from the Development that they anticipated… **how would you make money from your Developments?**

If you want to consistently develop and make profit repeatedly, then driving yourself crazy sourcing a development, paying £1000's of pounds in professional fees, crossing your fingers that your 1page development appraisal is actually accurate, is **NOT** the way to do it.

Newsflash: **starting a development with no knowledge or experience is going the way of the Dodo bird, yep, extinct.**

The reason for this is simple: professionals, local authorities and lenders have become jaded and immune to the 'Property Developer' with little or NO experience.

They are exhausted with the relentless, unnecessary additional efforts required to inform inexperienced Developers on the intricacies of the Development Process. 'If only the inexperienced Developer had some knowledge before getting started…'

The fancy way to say this is to talk about Sophisticated Developers.

Kruger J & Dunnig D, two social psychologists brought is the Kruger Dunning Effect 1999 (great bias; highly recommended that you look this up). In short, they established that Individuals who are least competent at a task often incorrectly rate themselves as high-performing even when they lack particular knowledge or expertise.ules of the stock exchange involved).
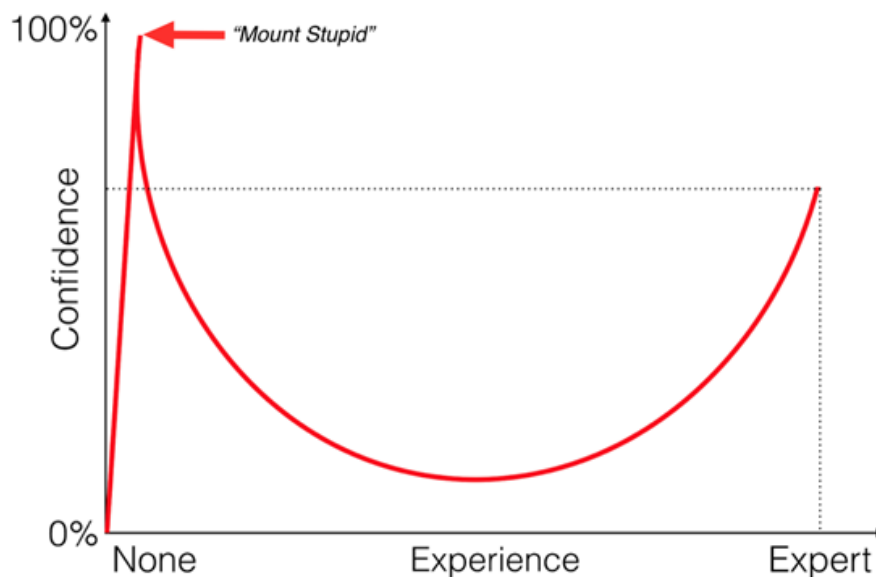
Here's a chart courtesy of Kruger Dunning:

Where Does Your Experience Sit Relative To The Market?

Right now in 2020 most people getting started in property development have little or no experience but loads of confidence. This means that the market is being flooded with super energised individuals who think that just because a development is for sale that it's 100% a no brainer to make money...

They KNOW exactly how much profit is in the deal before they have even picked up a calculator...

They KNOW that as soon as they have purchased the development that the profit is a sure thing...

They KNOW that they will squeeze 20 units into the site when it can only take 10 units...

They KNOW that they will categorically NOT have any surprises when they start on site...

(note: the 0.01% of Professional and Sophisticated Developers are already aware, systemised and in full control of their Property Development Businesses because they operate tried and tested systems that they have gleaned from others and honed to suit their own needs . Call us now on 01698 652630 on how we can help you become a Sophisticated Developer and join the 0.01%)

The other scary fact is that if you don't have knowledge and systems consistent with delivering a profitable development (majority don't) then you're stuck in the relentless cycle of constantly appraising sites and NEVER getting one out of the ground.

It costs time and money to appraise a site properly and to get started. Not getting started is unsustainable and is counter-productive to building a Development Business. Let's face it: it's also NOT fun and super stressful!

There's a reason why the titans of the Property Development Industry are leaving others in their dust. They have developed their mindset, knowledge, skills and expertise to the Expert Level. No longer do they have restless nights worrying about what they don't know or haven't done. They have the edge because they have followed a system.

To ensure that your Property Development Business will survive and to get started in becoming a Sophisticated Developer, book a time to talk to us _b_y calling 01698 652630

How _NOT_ _To Do Your Development #2: Attend Free Networking Events_

A popular, but misguided method of obtaining knowledge is to attend FREE networking events 'just to get some _free_ knowledge but this is another way **NOT** to get started in Development.

Have you ever stopped and wondered just how many inexperienced developers might be in a room seeking the same knowledge and experience as you. Seeking this knowledge for free with no financial risk!

There's always one or two super energised individuals in the room who have NO experience but are bursting to divulge all of their theoretical knowledge that they have gleaned from years of free networking events. Knowledge that they have never implemented because they don't actually have the courage or mindset which allows them to take that leap of faith and actually get started... **but they are happy to tell you how to do it...**

We call these people networking junkies. Yes they are happy to attend free networking events but NEVER actually take the plunge and build a successful Property Development Business. Their fears stand in their way of getting started.

Using the advice from 'the man in the pub' to get started is a sure fire way to ensure that your property development business will amount to no more than a flash in the pan, unlike the educated and Sophisticated Developer who will grow a sustainable predictable and profitable Property Development Business.

How NOT To Do Your Development #3: Get Started And Let The Finances Sort Themselves

Ever noticed that those who don't know their number never master their finances?

In Property Development those who don't know their numbers get so far into the development, often with serious money at risk (their own money), only then to fail at the first funding hurdle....when the bank says NO.

There's also the Joint Venture (JV) model where Property Developers solicit JV Funding. The FCA (Financial Conduct Authority) has strict rules on how Property Developers can legally 'attract' JV Funding. If you don't do it right you are on the hook for potentially hefty fines for something you just didn't do right, even when you thought you did! Raising JV finance may be well intentioned, but it won't matter and it'll be too late.

Then comes the event when the Development is funded but the funders are seeking your Personal Guarantee (PG). Yes that's right you need to risk ALL of your worldly goods and guarantee these to the funder....and you got started based on the advise from the 'man in the pub'.

Getting started without the financial knowledge or systems in place to manage the Development Finances is the fastest way to sleepless nights and higher risk Developments, even if the numbers stack up at the outset.

 To make sure that your financial knowledge will not let you down, call 01698 652630 to talk to us.

How NOT To Do Your Development #4: Wait For The Result Without The Sweat Equity

Let's be real... Did you really think that you can just buy the deal and then swan off with your lap top and leave it for the professionals to deliver? Perhaps only meet the team once or twice a month and answer a few emails and the profit 'lands' on your lap at the end of the development? Of course not.

1. Development is intensive and guess what...It isn't hands off

2. It's not scalable IF you are NOT learning the processes

3. Because you are NOT learning the processes, you are not leveraging your time which means....it's exhausting.

At a certain point you will hit a ceiling with how many Developments you can handle at one time. **It may even be your first!** Not to mention that you might be doing this with a full time job, burning the midnight oil and driving yourself into the ground with exhaustion.

Frustrated with being stuck in your development? We can help you by calling 01698 652630

How NOT To Do Your Development #5: Without a Professional Team

This is perhaps the biggest one that most barely profitable Developers subscribe to. 'If I just project manage this myself, I'll save loads of money on professional fees… and I'll learn much quicker'

Incorrect.

How many developments have you done to date and how much profit have you made?

You have probably met more successful developers than unsuccessful developers. That's because the unsuccessful developers get one maybe two developments past them before they realise that it's not all it's cracked up to be and then they disappear back to the day job.

This stings I know, but there is a better way…

Doing the following is NOT the way to Develop:

- Become the Project Manager where you have NO experience (MOST people shouldn't even attempt this)
- Pick up the tool belt (you cannot replace the quality of skilled tradesmen)
- Manage the Planning Process (It's a language that ONLY Planners Understand)
- Work out ALL of the costs (Let's be real. You probably don't know your personal monthly bills. Why do you think you can work out the development costs?)
- Change Specifications because there's a cheaper way (A recipe for disaster. Legal Standards must be maintained)

Remember, you are trying to complete 1 or 2 successful projects on the way to building an actual **Property Development Business** that makes real money; not play money that's barely enough to take the entire family out to eat and definitely not at a 'fancy' restaurant.

On the 'high end' a simple house refurbishment might make UP to £40K profit. Don't start clapping yet. It's taken you a year to source, purchase, build out, sell and after **TAX** you have circa £3K a month.

To put that into perspective… That's hovering around the UK average salary so why RISK all of your time effort and worldly possessions for nothing more than the average…right?

Let's think BIGGER my friend…

Another scary fact is that some development projects don't make profits…

In short developments are a great way to make profit but you need to ensure that you have enough profit in the deal otherwise you are just working to pay professional fees, bank interest, labour and material costs and TAX.

How do you feel about taking a year out of your life to do a development, throwing yourself into the mix to then realise you lost money because you didn't know what to do or who to ask? How do we know?

Because we have a system that allows the developer to get prepared in the marketplace. We know the game that's not geared towards helping the TAX man.

To really get proficient at Property Development and to reap the rewards for your time you need to have a system that puts your Development on the right footing.

A system YOU control 100%, getting 100% of the profits and not trading time for no reward.

A system that allows you to proficiently get through all of the tasks, get BETTER results, and get you to the profit quicker!

A Proven System for Getting Developments Completed Profitably and Professionally Using An Architect's Simple 5 Step Formula

Have you ever started to appraise a development (usually takes a while) only to discover <u>some 2-3 months</u> later that the **sums don't stack up** or perhaps you've even started a development to discover too late that there is NO money in the development?

It's heartbreaking.

This is a common mistake that newby and sometime more experienced Property Developers make that leaves them discouraged and giving up on their financial goals and lifetime dreams.

There's a few steps before you even embark on a Development that ensures you're actually considering a Development worthy of pursuing.

Step 1. Unknown Costs – The 'Needle In The Haystack'

These abnormal costs are too often flushed out during the course of getting a project to site.

To avoid this, the trick is knowing what these abnormals are likely to be before you get to far down the line. With the right Knowledge and Experience you'll get to know what these are **BUT** until you have acquired this experience it will feel like you are looking for a 'Needle in The Haystack'.

With Block Architects we teach our clients exactly how to structure their Development throughout several key stages so that you can forecast the abnormals simply because you then know what you are looking for.

We can help you too and we await your call 01698 652630

Step 2. Getting The Legal's Sorted – The Black Art

It's 'easy' to purchase any building or piece of development land but it's not every solicitor who knows the right questions to ask before you buy…It's all about your experience in being able to work with your solicitor to ensure you are buying it with all the legal servitudes and access rights that you will need to get to completion.

Step 3. Can't See It? Forget About It Attitude – The White Elephant

Without a doubt every property you will buy or every piece of land that you buy will have its own gremlin. That pesky little monster that you can't see. Just because you can't see it you tend not to think about it but hey, it's still there!

If people can easily pretend that it isn't there then…..ahh. It's not important. There's no real commitment worries and they'll probably pick a few white elephants.

The best way to ensure that you are actually getting the development you are worthy of is to get serious about the results you are seeking.

This all leads to:

You being a happy Property Developer who is super excited to get started real results, realistic opportunities, much higher profits for you and increased satisfaction knowing you are delivering projects that inspire you and your bank balance.

What's next?

There are 5 steps we use in our system to predictably deliver a Profitable and Professional Development AND to turn you into a Sophisticated Developer.

It is our hope that this Guidebook will provide clarity and help you get a better idea of what really works to get a Predictable and Profitably delivered Development Project.

This system eliminates all of the guesswork in getting and generating risk free profit for years to come. If you would like to speak with us on how we can help you incorporate this system into your Development Projects, we'd love to talk to you. There is never any pressure on our Discovery Calls. Our objective is to figure out where you're having the most difficulty in your Property Development Journey and then help you figure out what the best plan of action is.

If you'd like to set up Discovery Call with us, follow the link below to do that:
call 01698 652630

Feel free to send us an email (if you need anything) or if you just want to say 'thanks for the guide'.
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