

My top tips on being a property developer

Written by: Lorcan Donaldson



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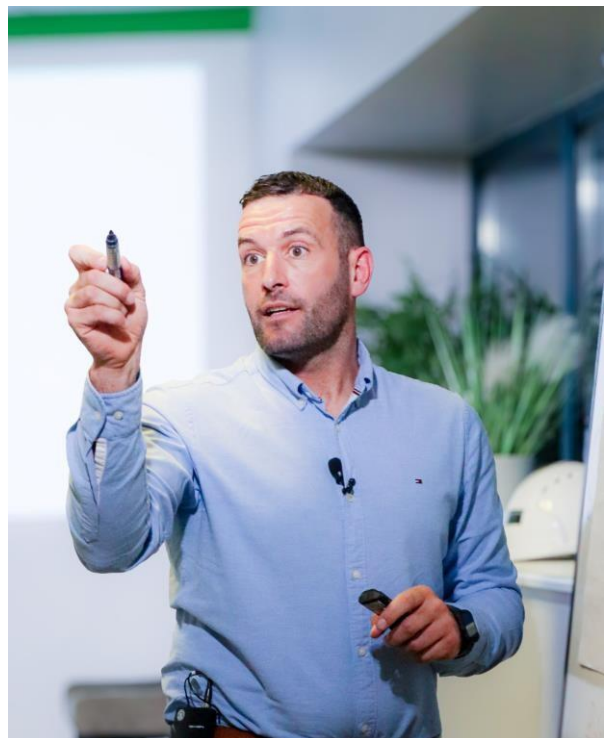


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Hi I'm Lorcan Donaldson and I have over 22 years experience in construction. I've built more houses and apartment blocks than I can remember.

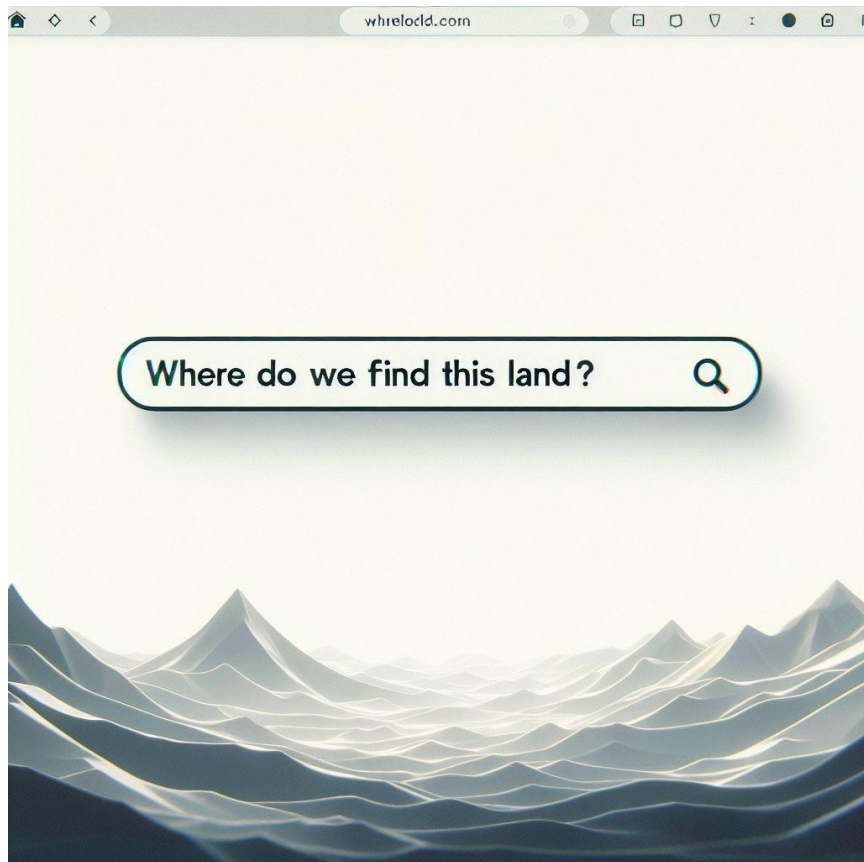
What I want you to see in my top tips is that you can become the developer whether you have a trade or not.

Please enjoy what you are about to read and remember learn from our past developments, so you have a better career as a developer.





1. Where do we find this land?

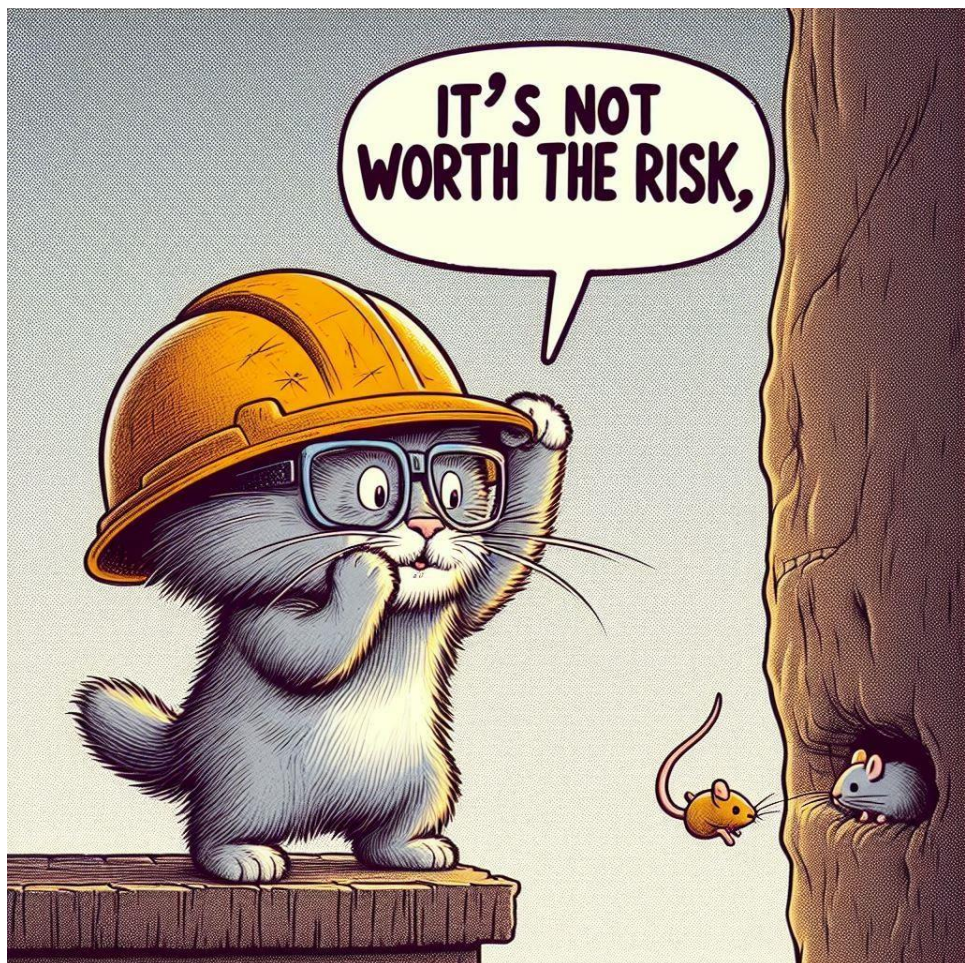


So looking for land to develop is just like looking for a house to buy. It will be on all the same portals - Rightmove, Zoopla, On the Market etc. Just pop land into the search bar and your area and away you go.



Top tip:

Buy with planning approved as buying land without planning is just not worth the risk.





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There is also a way of buying land subject to planning therefore minimizing the risk. But this is still not a game I'd advise getting into, as time has no limit in the planning world.

The planners say you will have a decision in 8-12 weeks, but with further information being sought and the complete archaic order in which it is decided, hold onto your seat.

It's a guaranteed long ride not to mention stressful.



2. Getting our comparables to the sqm



Coming to an accurate GDV [gross development value] is much the same as obtaining comparables for your BTL [buy to let]. I like to have 3 comparables. Although simply saying a 3 bedroom property is worth X, so therefore my 3 bedroom property is worth the same isn't necessarily true. To get the real value we must find the sale PPSM [price per square meter] in our chosen area.

To do this you find your sold house comparable price and divide it by the size of the house, for example - a 100sqm house was sold for £500k, the sold price PSM is £5k per square meter. Now we can work out the GDV



3. No way you can build for that price

To ask me or any other developer what our build cost is PSM is not the right thing to ask, unless you are building like for like with a developer who has the same level of experience and knowledge as you, you won't be able to arrive at the same end figure.





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The correct question to ask is how do you build for the cost you do?

What can I learn from you [or any other developer] to reduce my costs?

Where do you source your materials from to get the best prices?

These are better questions to ask, as you will be able to apply the answers better to your own circumstances.





4. Wait! have I calculated everything?

So you've done your comps, you've arrived at a GDV. After all costs are taken into account, you have 25% profit. Super go go go - buy that deal.....

But wait have you included your exit cost, selling costs or holding to sell costs? These are costs that are often forgotten about but are extremely important.

Always allow 6 months minimum for your sale.





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Top tip:

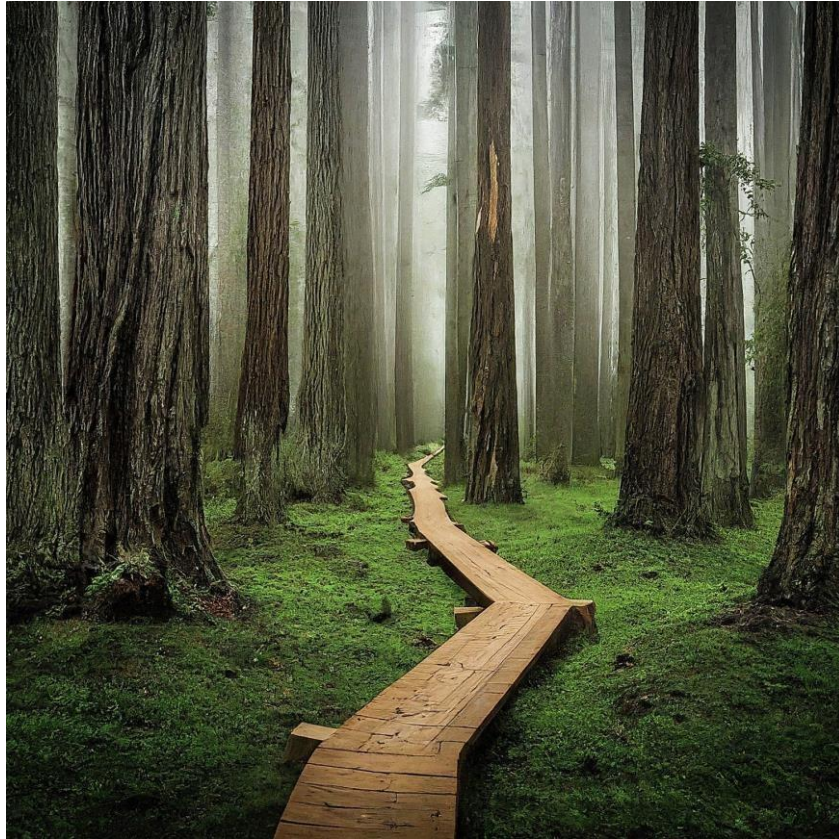
Employ a really great architect to compile an effective CGI [computer generated image], so that you can start appealing to prospective buyers even before the spade goes in the ground.

And hold on to the fact that the market can change during the build. Your exit may also switch to hold and rent, just make sure your broker is on the ball to get you off a bridge or a private loan that could incur hefty fees, if you need to extend it.





5. Where do we go now?



So let's say all the previous is signed, sealed and delivered, what do we start with?

For me, the first thing is services - drainage, water, gas, electric. Although, I don't opt for gas anymore, it's one less cost and one less delay plus electric is the way forward, right????

I'll use a utilities provider when in the UK, but when building in Ireland I'll deal direct with the providers and don't forget your wifi. The lead times on this can be as long as the main four mentioned above.



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Top tip:

I'll always allow £5k for each service to be connected. This should cover any traffic management / licences you may need to open / close a road.

I will have engaged with the service provider when doing the due diligence. Word of warning, getting this cost of works can have a cost implication in obtaining the quote and sometimes it might not be back quickly enough before you have to offer / complete on the property





6. To use a contractor or not?



Easy for me to say as I don't have contractor costs, as I am the contractor / conductor and with emphasis on the conductor part. Yes I have a trade, yes I can do more of the works than say a doctor, but I know I can't do it all nor do I want to.

Remember we want to be a developer.

To keep on developing, if we try to do everything

1. We will be on one development for years
2. You will spend a lifetime doing all the apprenticeships



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So let's leave the trades to the professionals and do what we are good at - finding deals, funding deals and conducting our orchestra of trades

But with that said you want to keep the contractor's profit in your pocket as that adds another 20% to your costs





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You might choose to use a contractor for your first or second development, if the numbers will allow, but ultimately you need to know when

- to call off the materials
- when to have what trade on site
- when to have the clerk / building control around

This is your baby and it's best to know your baby is being well looked after

When we get to 5+ units, then we start talking about PMs [project managers], but for now we are in the best form of learning and that's on the job



7. Where to bring the schedule back and streamline the process?

We start at the ground works stage, I always opt for a poly block insulated block and beam floor. It's quicker and there's less bulky material on site

I leave all my drainage under the floor and connect out to the manholes. These are brought out to the point of connection in the road. When the scaffold comes down, we are not getting diggers back in to dig around the house again. Plus it's more aesthetically pleasing than having pipes running up the side of our masterpiece.





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Top tip:

I use window formers, so the brick / block / stonemasons build to a true measurement. I can pre-order my windows saving on time waiting on openings to be built to then measure the openings.

I use truss roofs, pre made off site, boomed on to the roof. The roofer then space them out and fixes them in place. A much quicker fix than cutting a roof traditionally.

These are just a couple of tips to shave time off a program



8. Will I paint it myself?

For the love of god don't. This master piece needs to be finished like a picture done by Michelangelo himself.

It's so easy to get caught up in the idea that anyone can paint. Please put down the brush.

Like the painting, the second fix carpentry is a work of art and needs the hands of angels to apply all of the finishing touches, that will help sell your development

Ideally I'd splash out and stage your home. There is a lot to be said for a well dressed house and giving it that wow factor.





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Top tip:

Stage the rooms with smaller pieces of furniture to give the feeling of more space to the prospective buyers





9. Just give it your best

Give
YOUR
Best

So you've sold the house. Hopefully you lived in it as your PPR [personal private residence] and haven't paid any CGT [capital gains tax]

Now you're off again with a nice chunk of profit and, more importantly, a bag full of lessons, learnings and a better understanding of how the whole process of being a developer is put together. I told you it's not that scary. It's the most rewarding feeling to build a house you can call a home. And even more rewarding is that someone else can call a house you built home.



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It's you, the SME developers, that will help to solve the housing crisis.

Shovels at the ready.....no no no Itold you you. You can't do it all. You are the conductor. Now go out there and conduct





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WHO IS LORCAN DONALDSON:

With 21 years in property development, he owns a diverse portfolio spanning Ireland, the UK, and Australia. He specializes in commercial to residential conversions, leveraging his groundwork construction company in the UK. Lorcan offers valuable insights from his journey to help others navigate the property investment landscape.



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Community is our driving force.

Property investment & development is personally and financially rewarding. By tapping into the right community, you can connect, learn, and accelerate your professional success. That's what we do: bring people together.

If you have an interest in property, you can join our ever-growing community. We host online and in person events to help investors or developers exchange ideas, learn from one another, and share business opportunities.



About Us

Partners In Property is a community of like-minded property investors who are passionate about property. We bring people together in an environment where they can learn from each other, do business together and connect.

We are the property community you've been looking for...

Join us virtually or in person for our community events. Grow your skills, network, and access a vast online library of past event videos. Wherever you are, PIP offers prime opportunities for learning and networking in London, Birmingham, and Bristol. Dive in and discover!

Our Mission

We exist to bring like-minded property investment and development experts together and build long-lasting professional bonds. Our community-driven approach and property networking events offer value beyond swapping numbers or sharing business cards: we bring people together to swap ideas, share wisdom, and create rewarding business opportunities. At PIP, everybody wins.

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