

SKILLS AND MINDSET



THE FUTURE OF DEVELOPMENT CONFERENCE BY THE DEVELOPERS CLUB



Written by Julie Whitmore

YPN REPORTS:





YPN were recently invited to attend *The Future of Development Conference, held in London on the 20th November.*

The Developers Club, which is a group of young upcoming property developers on a collective mission to deliver 10,000 New Homes by 2030, invited YPN's Julie Whitmore to their very first annual conference. As the title suggests, the conference focused on all topics which will influence or impact development for SMEs in the future. The aim was to provide a platform for discussion with the next generation of SME developers, house builders, and students who are looking to be the future leaders of the UK real estate industry.

Following an early start on a very wet and windy morning, I let the train take the strain as I headed off to the city. My first observation was the practicality and ease of the venue in W1 – two tube stops and a short walk to the location.

I checked in at the desk for guests and was greeted by one of the organisers, Shiro Rauniar, before grabbing refreshments in advance of the 9am start – looking at the agenda there was a lot to get through!

The day was structured into numerous presentations and panels involving many industry leading experts, business owners, and TDC members. It was a well-organised and considered event full of thoughtprovoking discussion and information. I have shared below what I considered to be some of the key messages and golden nuggets.

A NEW GENERATION OF DEVELOPERS

SMEs have an important integral part to play in the development space although in 2020, 10% of new homes were developed by SMEs falling from 39% in 1988 (according to a report from House of Lords Built Environment Committee in Jan 2022).

The event was organised by The Developers Club. TDC was founded in 2022 by Shiro Rauniar and Tex Jones (previously featured in YPN) because of their passion to bring together a community for young entrepreneurial developers in the UK.

TDC currently has 70+ members with an average age of 33. Between the members they are on site with 661 housing units and their past, current and pipeline projects has a GDV of £2.1bn. The community mantra is 'learn, share, inspire, collaborate, and celebrate' with each other along their journey to deliver 10,000 new homes by 2030.

FUTURE OF PROPERTY SALES & MARKETING

Instead of the usual approach used by many estate agents (EAs), one of the leading agents operating in the prime residential EA space shared their sales strategy which utilises AI, and is based on collaborative relationships across the globe. The uniqueness of their approach allows their partners to share property details with their own target audience/contacts. The partners are allowed to share and market information utilising their own style and approach, and commission fees are shared (a concept not traditionally embraced by EAs).





IMPROVING THE PLANNING SYSTEM PANEL DISCUSSION

An interesting discussion!

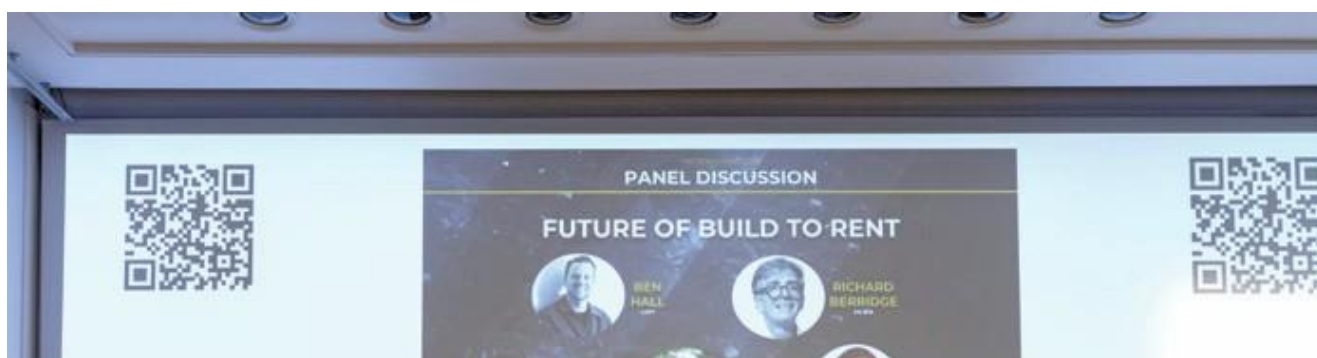
The key messages from the panel were that the current system is too complicated and typically represents the voice of the blue rinse and silver fox brigade! There was a view that SMEs experience more issues with the system than the larger developers.

Top tips for applications were to:

- *Familiarise yourself with your authority's objectives*
- *Complete some analysis of the area to understand the political and community requirements*
- *Check the National Planning Framework to understand if the 75% sustainable development requirement is being achieved in the area*









MMC – MODERN METHODS OF CONSTRUCTION

Panel discussion

There are seven tiers of MCC and whilst in mainland Europe the most advanced offsite practices in Tier 1 and 2 are widely adopted, in the UK it is still viewed as a relatively unfavourable construction method. However with the growing constraints in labour and rising materials costs, there is increasing discussion on how this can become a solution for countering these trends whilst improving the quality of builds..

It was noted that the availability of accreditation, BOPAS (Build Offsite Property Assurance Scheme) and build warranty provision has improved within the industry, easing some of the challenges of financing for MCC properties. These factors combined with rising costs of traditional builds will influence the wider use of MCC in the future.

UNIVERSITY ADDRESS

Representatives from real estate societies at King's College London, LSE, and UCL shared their concerns on the affordability of housing to them as a generation. What was surprising was the difficulties they faced about the current lack of career advice and availability of information for students interested in real estate careers outside of traditional corporates.

The conference was a great opportunity for them to network with young company founders and gain more insights into the alternative routes into property.

BIODIVERSITY NET GAIN

Including biodiversity schemes to sustain the environment and land (plants, wildlife, insects, lakes etc) is a requirement under current planning policies, although doesn't currently apply to Permitted Development (PD). Councils require a minimum of 10% BNG within schemes which is another cost to the developer.

FUTURE OF BUILD TO RENT

Panel discussion

This sector of the industry is currently dominated by first division developers because of the size of the schemes, which typically consist of a minimum of 100 units with a focus on facilitating community elements within the schemes. A common view was that BTR is very financialised with developers looking at how to push the upper quartile rents for such schemes, which can be difficult to stack financially.

Tips for SMEs doing BTR

- *Link the effect of mind and body in the design*
- *Use kitchens as a focal point in shared areas*
- *Use of laundry rooms in developments*

SOCIAL HOUSING – BRIDGING THE GAP

Panel discussion

Social housing is a rapidly growing market with a million people in England on housing waiting lists, and with the provision of delivery against targets being incredibly slow.

Housing associations are having to become more entrepreneurial, and for developers operating in this space there is a need to consider how to minimise S106 payments through creative thinking and alternative approaches to funding. Plus, developers/ landlords need to work with councils and registered providers to understand the needs of the area.

WORKING WITH THE PLANNING SYSTEM

Presentation from the Royal Town Planning Institute

The RTPI reported that in 2019 LHA spending on planning was less than 1% of the authorities' spend and the collapse in planning resources is associated with changes to planning policy and councils having to take on additional responsibilities within planning.

Clearly this is a difficult challenge and one which isn't going to be fixed overnight!

FURTHER DETAILS

If you would like further details about the conference or details on TDC please use contact details below:

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