

RENOVATION

WITH DAVID WESTWOOD

Interview & words: **Phil Saunders**

It was a pleasure to chat with David this month about his incredible development deal that he recently completed in his home county of Surrey. Being new to property, David has achieved great success in just a short space of time. It just goes to show that with the right attitude and a little bit of luck, great strides can be made to change your future for good. It's been a great twelve months for David but as always, I was keen to find out where he came from and what has driven him to get into property in the first place.

David left school at sixteen and went straight into the British Army. A solid career choice for anyone and one that taught him many lessons which would serve him well in his future career. He joined the Grenadier Guards and served for six years in a variety of hotspots including Iraq and Afghanistan. After leaving the army David worked as a prison guard for a short time before moving into much more lucrative security service work. At the time there was a huge opportunity in Iraq for ex-servicemen, helping to protect international contractors trying to rebuild vital infrastructure. Well rewarded for sure but an incredibly risky job to have nonetheless. My time in the middle east was working in maritime security not Iraq. I worked protecting oil tankers from pirates.

In 2014 David's eldest son was born. This prompted him to return to the UK and seek safer employment. He set up a surveillance and investigation company which went from strength to strength. This business grew and in time became very successful providing David and his family with a good lifestyle for many years.

David moved into property almost by accident. He was looking for a new home to live in with his young family and came across this property on right move. Originally the property was part of an old manor estate.



At the time it would have been the stable house or stable cottage, housing the employees of the estate. Like many grand estates, the costs of running such an operation became prohibitively expensive and the estate fell into disrepair eventually closing completely. The grand manor house was sadly levelled to the ground and in its place, five terraced houses were built. However, the old stable house still remains in the grounds of the old estate. The last remnant of a once opulent life. Previous owners had extended and extended the house to the rear creating a long yet comparatively thin building however the older parts of the house still retained its original historical character.

“It had been on the market for over 12 months. Lots of developers had looked at it, the previous owners were quite particular with who they were going to sell to. They took a liking to me and my wife when we went to view it

The property was in a very poor state when David went to view it. The house had been seriously neglected by the owners. It was in a state of disrepair and almost uninhabitable. To make matters worse, the owners had several pets in the house, which added an awful smell to the air.

“It was in a really bad shape, and it had lots of animals, the stench was horrific.”

Despite the condition of the property David and his wife just knew that they could make it their own and really transform it into an amazing family home. They built up great rapport with the owners who wanted to see the house go to someone like David rather than a large development firm which helped to get the deal over the line and an offer of £900,00

Once the property was bought David could see that there was a potential to have a change of plan. Instead of converting the house as a family home perhaps instead he could flip it and make a healthy profit, providing him with a larger deposit for the next project or even a bigger, better family house next time.

“With the state of the economy and the way the property market was going with Covid, we saw an opportunity there to flip it, and upgrade quite rapidly.”

This wasn't David's first renovation project in property, but it was a big step up from the project he had completed before.



David originally planned to develop his business in the midlands where he was originally from and where properties are much more affordable. Therefore, the start-up capital is much less but also he discovered that the profit margins were much tighter.

"We had a property in Dudley that we renovated at the same time, but although the margins were the same, the numbers were very drastically different, and the scope for error in the midlands is almost non-existent. You have one issue, you lose all your profit, whereas, in Surrey, you have a bit more breathing room with what you can do. So, it was a combination of understanding that it was going to be very difficult in the midlands"

David had strong motivation to begin this new venture and to make a successful property business. Not only did he have a young growing family but he also wanted to help his dad.

"My father had been working in a factory since he was 14, and the plan was to take him out the factory, look after him, and just give him something to do within the business as site manager, and we were just going to go to Homes Under the Hammer, buy at auction, do flips, and make loads of money. It was going to be easy."

Unfortunately, property is not an easy business to get into, particularly with no training or experience. A lot of mistakes can and will be made and some of these can be incredibly costly. It's always wise whenever you are exploring a new business or new sector, to get specialist training and advice. It is definitely an investment and best to see it that way. Fortunately for David, that training and advice came just when he needed it in the form of Paul Tinker. Paul runs The Construction Training Academy and specialises in training property investors in correct project management with the aim of reducing risk and costs and increasing profit. After attending Paul's course David felt confident enough to project manage the refurbishment on this house himself. However, he did make a few changes to his plans. Originally, he had planned a full double storey extension to the rear of the house to increase the end valuation. He had even gained planning consent for this. However, on reflection the cost of such an addition was not reflected in the end price he could achieve. It would add risk to the process as well, which is never a good thing. Who knows what issues a large extension like that could throw up. In the end David decided to do a simpler refurbishment and reduce the risk, costs and complexity of the process.

“So, it was a combination of understanding that it was going to be very difficult in the midlands, especially with me being based in Surrey, finding Paul, and knowing that we had a nice new cottage, and the ability to turn it around, and make quite a decent profit on it”

Even with the reduced risk David now had within the project you can never allow for everything. One big unknown was the roof. It was in a poor condition and needed a lot of work. David wisely hired a structural engineer to take a look at what needed to be done to get it back into good shape. Unfortunately, he was told that it needed to be completely replaced. At 100ft long (30m) that would come at quite a cost! It looked like this would extract almost all of the profit in the deal and David's time would be completely wasted. All that hard work and stress for nothing. But he was in luck. The market at the time was still incredibly buoyant.



Properties were selling quickly and above asking price. A very different market to the one we wake up to today!

"So we made a decision, looking at the way the market was going with everything just going up and up, rather than pull back on costs, we went very high end with the finish, both in terms of the quality of products, but also with the tradesmen quality for that finish".

This was a bold move. If his plan didn't work out, he would spend even more money on the project and still not get the returns he was expecting. However, after Paul's training and advice David had confidence in his ability to deliver a high-end finish and that his numbers were correct. The demand in the area was high for the right property in the right location and this was a sellers' market. It was the perfect time for such a strategy.

The rest of the refurbishment went smoothly without major incident. David project managed from start to finish and his principal contractor completed the rest of the works on time and on budget. From start to finish the whole process took just six months.

The house sold just seven days after being listed on the open market! A sign of the conditions in the property industry at the time but also a testament to the product that David had delivered. David walked away with a cool £220,000 profit after just an eight-week conveyancing process!

“Because of the whispers in the world at the time, we were very pushy with the sale, and we managed to do the whole conveyancing in eight weeks, which was fantastic”



So, what next for David and his blooming property company. Well, he's put his family move on hold for now and is focussed instead on growing his own portfolio of property investments. He's currently converting a three-bedroom house to a five-bedroom property, again close to his home in Surrey. He's also in the process of purchasing two further properties in Esher which is just twenty minutes by train to the centre of London. Those two are expected to complete in November. David has now reached the point that most investors do where in spite of his large profits, he is doing more deals than he can fund on his own. He has used the experience and expertise he has shown to attract investors. David's success has therefore solved a common problem amongst newer investors.

Credibility. It's difficult to attract new investors towards you if you have little credibility in the industry or very little track record. David's first great success has provided him with just that. Evidence that he can add value to a deal with his time and expertise. This has helped make the transition much easier for him. In fact, one of the investors for his latest project is none other than Paul Tinker himself. His first property mentor. Another one is the main building contractor for the project. If the main building contractor has so much faith in your project management skills, that he is willing to partly fund the deal for you, then I can only imagine how good the training David received must have been. Like I said, you need to see your property education as an investment, and this is one that has clearly paid off for David.



David is now looking at doing developments more sustainably. His future projects will be looking more into greener energy solutions with emphasis on higher standards of insulation than we are required to work towards in the UK. In effect future proofing the house for generations to come. Making them more affordable to own which is highlighted with the current fuel crisis we are struggling through at the moment. Also, his projects will work towards protecting the environment as much as possible. David is open minded when looking at the options available in the current market to meet these objectives. For example, we spoke at length about a new infrared underfloor heating system he is installing. The house will have no radiators or boiler at all and will be entirely heated using this system. An innovative approach to developing like this is much need if we are to meet our current environmental obligations so I applaud David's approach.



David is on course to achieve great things over the next few years. He has used his current business knowledge well, received great training and advice which has allowed him to transition quickly into a new and growing property business. With several great projects already completed and underway I am sure that he will go from strength to strength over the coming years and I am really looking forward to seeing what environmentally friendly solutions he comes up with in his future projects. If anyone would like any help or advice in this aspect of development reach out to David and he will be happy to help you.

Case Study

An old manor stable house, this property had been neglected for many years by previous owners. It was dirty and smelly when David viewed it with his wife. However, David could see the great potential of the property in spite of its problems. He paid close to the market value of the property at the time with an offer accepted of £900,000. However, with a fairly simple refurbishment he was able to dramatically lift the value of the property to £1.5m just six months later.

Property investing can be lucrative, but does come with risk - especially when investing in somebody else's project. **Check out our due diligence article on page 4.**

Get in touch

TWMH Developments Limited

Website www.thesustainabledeveloper.co.uk

Instagram [@twmhdevelopments](https://www.instagram.com/twmhdevelopments)

Now listen to the full conversation with David

<https://bit.ly/3EeCxpF>



A comment from Paul Tinker ...

I can't think of anything as rewarding for a trainer to see something like this.

A student that has been trained from scratch to plan, manage and execute a profitable refurbishment project with limited construction or project management background or experience, featured in arguably one of the widest reaching property publications available in this way.

I have been training David using the Profitable Refurbishment System for around 18 months after watching him go through my entire training suite of courses to reach the 1-2-1 Select level of support; and to see him showcasing his results through his efforts in this magazine has to be up there as one of my proudest moments in the time I have been in the field of professional education.

I have watched David go from strength to strength in confidence, growth and resilience in project delivery over this time, and having the discipline to stick to the use of the system even when it appeared that there might be an easier way to do something by "winging it" or taking a short cut. He stuck to his guns, his system and trusted in the process.

Massive well done and I am sure both he and his family are immensely proud!

Paul Tinker



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