

# TTT... Make sure you pay the right price

TAB's Thursday Tips

17.03.22

**TTT: Property development**  **TAB.**

It may sound obvious, but the price of a property is one of the most important factors when evaluating a successful development. Too often, an incorrectly priced property can become the downfall of a developer.

Don't forget it's not just purchasing price that needs to be considered.

**TAB's Thursday Tips**

[tabhq.com](http://tabhq.com) 

**“The price you pay for the site will depend on these factors, and getting them wrong can have disastrous effects.”**

It may sound obvious, but the price of a property can be argued to be the most important factor when evaluating a successful development. Too often, an incorrectly priced property, i.e. paying over

the property's value can become the downfall of a developer.

As well as purchasing price, there are other costs that need to be considered. When running the initial appraisal, be realistic when calculating construction and development costs and don't be overly optimistic about the sales. The price you pay for the site will depend on these vital factors, and getting them wrong can have disastrous effects, says Eli Korman, head of development finance.

[Read TAB's other tips](#)

If you would like to discover more about [borrowing](#) and development finance, please get in touch with TAB today. Contact our sales team at [enquiries@tabhq.com](mailto:enquiries@tabhq.com) or call 0208 057 9070.

This article is for information only and does not constitute advice or a personal recommendation. When it comes to financing, any property used as security is at risk of repossession if you do not keep up with your payments. If you are unsure of the risks, you are advised to obtain appropriate professional advice. TAB is an unregulated lender so will not lend on your principal property.

**Capital is at risk.** Property values can go down as well as up. Borrowers may default and investments may not perform as expected. Interest and income are not guaranteed. Returns may vary. You should not invest more than you can afford to lose. TAB is not authorised by the Financial Conduct Authority. Investments are not regulated and you will have no access to the Financial Services Compensation Scheme (FSCS) or the Financial Ombudsman Service (FOS). Past performance and forecasts are not reliable indicators of future results and should not be relied on. Forecasts are based on TAB's own internal calculations and opinions and may change. Investments are illiquid. Once invested, you are committed for the full term. Tax treatment depends on individual circumstances and may change.

You are advised to obtain appropriate tax or investment advice where necessary. Understand more about the key risks [here](#).

TAB is a trading name of TAB London Limited. Registered in England and Wales with registration number: 11225821 and whose registered office is at 101 New Cavendish Street, London W1W 6XH.