

TTT... Ensure you have sufficient contingency built into your plan

TAB's Thursday Tips

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TTT: Property development



Ensure you have sufficient contingency built into your plan for unexpected scenarios.

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“Covid and to some extent Brexit both have caused huge delays to the procurement of materials, something that wasn’t necessarily forethought” - Eli Korman, Head of Development Finance and Chief Investment Officer.

Always have a contingency plan. However experienced you are, there are always matters outside of your control that could influence your development. Covid and Brexit both caused huge delays to the procurement of materials, something that was out of control and wasn’t necessarily forethought. Unpredictable storms and weather can also cause health and safety concerns and costs, so ensure you have a sufficient contingency for unexpected scenarios. For ground up or larger developments, this should be at least 10%. This can be lower for refurbishment or PD schemes. Of course, there are scenarios that simply cannot be predicted, macro level economic events or natural disasters can happen spontaneously, nevertheless, a strong contingency plan should look to account for as many unforeseeable futures as possible.

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

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