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2 BEAUTIFUL HOMES FOR THE PRICE OF ONE!

YPN *exclusive* INTERVIEW WITH CLAIRE HUNTE

Claire Hunte is a property developer at LivingFunky Ltd. in South East London. Claire and her partner specialise in buying and transforming rundown properties into funky, stylish, quality homes, which they sell at a premium for the highest price on the street for that style of property.



Forget about your “paint it magnolia” approach to refurbishment, Claire specialises in creating stylish funky homes for a discerning London market.

They recently completed their first new build house which was successfully sold in 2013. Due to the success of this project they are now actively looking to source and secure land in South East London to build a further 4 LivingFunky stylish, low energy homes.

YPN: Claire how did you get into property? Did you choose property or was it something that you fell into?

Claire: I choose property. I worked for many years in fashion design and styling and I love the design element and fabrics, materials, colours etc. When I fell pregnant with my first child, I realised that I had drifted away from that element of fashion and the creativity. At the same time, approximately 11 years ago, my partner and I purchased our first property together, which was a property to live in. We deliberately bought something that needed work doing to it. I just realised at that point that developing properties is something I would like to concentrate on. And that is essentially how I got into property developing.

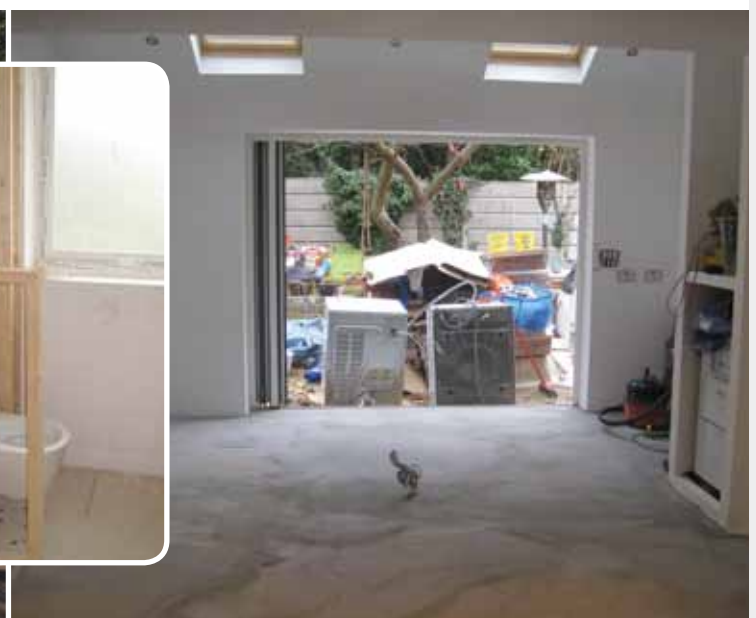
YPN: So we are guessing that the properties you develop are not just your typical ‘magnolia box’?

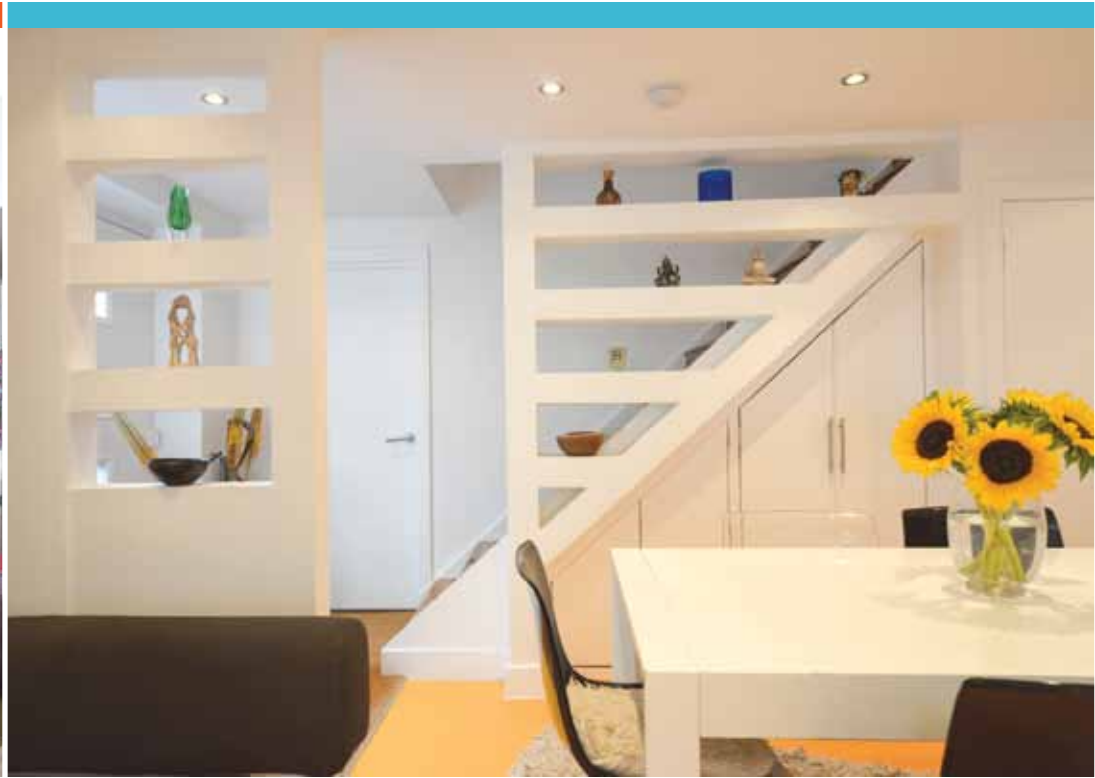


Claire: No, it’s my personal belief that developers play it far too safe. I am not driven solely by profit but instead want to develop a **home** for people. Whether it is a home for them to buy or rent. Obviously you have to make sure you get a good return on your investment but I think it’s important that you get a balance and aren’t just chasing the figures the whole time!

YPN: So, we got in touch today via our mutual friend Susie Cole and we now believe you are part of a group mentoring program. Tell us about that?

Claire: Yes, I went to a property investors show at the excel centre and arrived just in time to catch the last 10 minutes of Susie’s talk. I instantly warmed to her and went over and met her team. I have visited her in Bristol and at that point signed up to join a group mentoring programme which has been great and given me the opportunity to focus on what we want to get out of LivingFunky.





YPN: We have known Susie a while here at YPN and you talk in a similar way to her focusing and feeling passionately about creating a 'beautiful' place to live. Is that the thing that you have in common?

Claire: Yes, absolutely! In fact I looked at a couple of her case studies and thought how good she is at design. I can remember thinking to myself, 'oh, there is something there with this Susie Cole!'

YPN: So what was your strategy up until this point?

Claire: Buying, living in and developing and then moving on.

Probably on a part time basis as we ran another two businesses. One being a plastering and building business and the other being an e-commerce made to measure interiors business. We definitely have the 'home' bug although the plastering was commercial and residential.

YPN: So taking on a refurbishment project seems to be something that terrifies most people with the possibility of over spending and such like. Is this how it felt for you? Or with your business background is this something that didn't worry you?

Claire: You always cost out a project but it is really important for anyone to have a contingency fund in place as you never can tell what is going to happen and things will go wrong. I would always advise anyone that whatever time frame you have in mind, double it and with a budget, you need to add on 50% more because you can't see behind brick walls, or under the floor boards or what the wiring is like.

So you really must expand your budget and be realistic with new builds, it would be advisable to engage a QS at design stage.

YPN: And, you live and operate in South East London which is an area which is not the BMV capital, properties are expensive and you have lots of people looking to do the same thing. How do you get a step ahead and find your deals?

Claire: We have always gone down the traditional route and gone through estate agents. We are constantly looking out for properties on the market wherever we go, even on the school run for example. We like end of terrace or semi detached houses with some land on the side to extend. We also know we could go into the loft. So we look to make money by extending or through general development and improvement.

YPN: Is there any way that you best represent yourself to an agent in terms of proceedability etc?

Claire: The best thing is knowing you are not in a chain but you need to have the funds in place. It is also important to have a good relationship with the agent.



THE FOUNDATIONS

YPN: If you are operating in more expensive areas, it's really hard to finance deals. How do you go about financing your deals?

Claire: You are right; it is really tough out there at the moment. And getting formal lending is really tricky so often it is better to work with private investors. This is something Susie has really educated me on and the way we plan to move forward with financing new deals.



YPN: How do you plan to move forward?

Claire: Moving forward, I would definitely like to build a portfolio to generate an income. This type of security is something that now I have children I feel I need. The other areas, as always are our transformation flips which I love and our strong desire to do more new builds.

YPN: Ok, so let's talk about new builds.

Claire: The appealing thing with new builds for us is realising that in South East London there is a sliver of land that we could build a home for someone on. And this gives us a real sense of achievement. The fact you are creating something from scratch.

YPN: So talk us through your new build property?

Claire: Well it started when I was trolling the internet for properties and found an end of terraced house that I thought would make a good home for someone. It had been rented out for a couple of years and then we bought it.

It had a really large garden, the largest in the street and we initially thought about extending the property and making it an even bigger family home. We even got planning permission to extend to the side and the back. However we then had a light bulb moment and thought let's just see if we can split the title and build another property in keeping with the others on the street. And that is exactly what we did.

YPN: So this wasn't your initial intention at all to create a new build, it just came from a light bulb moment?

Claire: Yes, definitely, it was just one of those moments. We decided to have a go and see if we could do it and make

some money as well. It did take a couple of attempts to get it through planning due to parking issues and we had to put the front door on the side and work with people to demonstrate how creating a driveway would work but we got through in the end.

YPN: So what new contacts did you develop and what new learning happened? Did you have any contacts in place?

Claire: We used an agent who wasn't officially an architect but who has worked on lots of extensions. He can draw up plans and he originally did this for the extension we had planned. We then offered him the chance to work on the new build with us and he did, he then put us in contact with structural engineers and so forth. We then used my partners contacts from the plastering business and got at least 5 quotes for each trades and project managed the build ourselves.

My advice would be to wait and not start until all the plans have been drawn up and completed. Also, like I said before to have a contingency in place. We had an idea that the ground was not going to be as secure as necessary and our hunch was right and putting the correct foundations in place costed significantly more money.

YPN: So let's talk about your end vision for this property. Who did you envisage living in it?

Claire: A family, probably a couple with children or planning to have children and probably a family that were moving from outside of the area. Lots of people are moving into the area from South West London, places like Clapham. You can buy a house here for the same price as a flat in those areas which makes buyers feel like they are getting a lot for their money. We really targeted those types of buyers and went for high specification.



WORK BEGINS

We achieved over £135k more than we were expecting for the property.

YPN: Let's talk finances. What happened to the existing property?

Claire: We had to refurbish the existing property. So we lived in a building site for a while. That is what happens with us, we live on a building site and then in a show home.

We developed it and extended it and then re-financed it which is how we funded the new build.

YPN: What was your estimated budget for the new build including kitchen fitting, dressing it for selling etc.

Claire: About £250k and it came in at about £260k. So there was a bit of an extra spend but we sold it for a lot more than we planned.

YPN: So once it was completed did you get lots of interest?

Claire: Yes, that is my most exciting part when estate agents come in and they are blown away. We had a fair amount of interest but the estate agent that we worked with was very

specific about who they showed it to because it was a town house with two flights of stairs so it was a very targeted campaign as opposed to loads of numbers coming through.

YPN: So this is the bit when we are really noseey. What did you sell it for?

Claire: We sold it in the end for £585k and when we originally drew up the plans we envisaged getting £450 for it. We sold the original property for £430k and thought we would get a little more for the new build, hence the £450K.

YPN: So what did you buy the original property for? And how much were the refurbishments?

Claire: We bought the original property for £275k and spent about £60k on the refurbishment and sold at £430k.

YPN: so when you consider both properties this was a pretty successful project?

Claire: Yes, and not just in terms of money but from what we learnt and gained from the experience as well. We also keep in contact with the people who now own the properties and one of the ladies actually babysits for us sometimes. it's worked out really well.

YPN: It must be really satisfying?

Claire: Yes, it really is. It's been great and really rewarding.

YPN: How labour intensive is it for you? Considering you have two other businesses and a family.

Claire: It is really hard but it is possible so it's manageable. I now have someone in the office to help me, but it's just planning, managing and remembering why you do it. If you want to do something which is a bit 'different' and not 'the norm' then you need to make sacrifices for a while.

YPN: So you wanted to create something quite unique and different. Do you have to speak to your builders and trades people about your visions because lots of them must be used to doing that 'vanilla' type of work that we talked about.

Claire: Yes, it is much more time consuming when you are working in more of a design focussed way as when you get someone in to do the windows for example they will come in and talk about the sizes and what they have. I will then start talking about colours and saying things like 'I don't like that bit around the edge can we make something more simple' and 'can we have a different colour outside to remain in keeping with the rest of the street. So it's very time consuming. But in the end it pays off both financially and for the home owner.



YPN: So what is your next project?

Claire: It is in the same area as the two previous houses, just up the road. We are essentially doubling the size of the property as we are putting a double story extension on the side and a 3m single story extension on the back. It had 3 beds and one bathroom and the new property will have 5 beds and 3 and a half bathrooms. There will also be a 'green roofed' low energy building in the garden which can be used as an energy efficient home office.

YPN: It seems to us that you don't really look at ceiling prices as you are offering something quite unique. Is that fair to say?

Claire: Well we do look at the ceiling price but with the view to smashing through them, which can be nerve racking. It can also be tricky to try and prove how you are going to do this. We do aim to work within the market value, which in London is very different to other areas of the country.

South East London has been cheaper than other areas of London but there has been significant growth in our area in the last few years. So there is that element of a rising market. But we have to beware of what our initial target is.

YPN: Do you think that all investors would be suited to creating these well designed new builds? Or did you benefit from your design background?

Claire: I have noticed that some of the investors out there are really taking a lot more notice of design now. In some of the groups I am in on Facebook, I have really noticed this. Some of the HMO's that are coming through at the moment have been developed with design and comfort for the end user at the forefront of the project. So whatever strategy you are using you need to be aware of your market. We are not talking changing rooms. For us we always have a vision of making a low energy highly insulated property, with all accompanying appliances, boiler etc having A ratings (or as close to A), so our end vision would be a funky stylish home that ticked all the visual boxes that

were in keeping with our brand and making sure we were using our experience to create a low energy home that benefited the new buyer/tenant and the environment.

YPN: So Claire, tell us about 2015 and what it holds for you.

Claire: Due to the success of our new build project we are actively looking to source and secure land in South East London to build a further 4 LivingFunky stylish low energy homes. We are also looking to work with investment lending partners on a fixed rate return or JV partners on a profit share basis. We may also seek to expand our portfolio and look for our first investments outside London. We also love flipping so we will continue doing that.

YPN: You sound so passionate about what you do Claire. Is it possible to do this without the passion?

Claire: I have to be passionate about what I do and I love working in property. I love the entrepreneurial aspect of it and meeting other entrepreneurs, talking about deals. The passion is there and I love learning. Plan, do and review as Susie says. It's great and I love it.

Claire, it has been an absolute pleasure, thank you for sharing your journey. I am sure this will have been a huge inspiration for people.

If people would like to get in touch with Claire then her brilliant website is www.livingfunky.co.uk or her phone number is 0800 8497 420.

LISTEN TO THE FULL INTERVIEW WITH CLAIRE HERE
<http://bit.ly/YPNClaireH>

