

An Introduction to self build

Very many people, at least 60% and probably more than 80% would like to have a home built for them to their own design - this is called self build.

More than 1 in every 8 new houses built in the UK fits this definition, so many are doing this now.

It can take less than a year and is very affordable, with funding available, offering a saving of around 40% or you can get a larger nicer home for the same amount.

Many repeat the self build and after a few home moves have a nice home and are mortgage free. Others just use it to produce a second income, or create a pension, much larger than their regular salary, and its tax free.

In this handout we are going to show you briefly the secrets behind this, the help available and how you can move ahead.

If you decide its for you then we have a large website to help you further and can provide a lot of help, including finding plots. If you do not have access to the internet then our local consultants can help you, and we can print out the tutorial sections and articles as you want or need them, work books are printed in any event.

Who are we

We are the *Self Build Homes Club*, a club for people who want to create their own new homes. Few do any of the construction themselves, their role is in making decisions and commissioning the build.

All of our income comes from membership fees, we take no introductory or other commissions from anyone.

We empower members and others by websites, publications, free public presentations and for members help them to define what they want, help them find a plot, often proactively creating the opportunity, and support them in many other ways. We have standard forms, letters and agreements available and a system to plan and manage the build, as well as a trade card to get materials at trade price.

What's this all about.

The process is quite painless,

You decide with help what it is that you want to build, the layout, style, and area, work out what your budget is, and work out what else you want to read up on.

With help you find a building plot, sometimes with other members, and buy it with a mortgage, of usually up to 95% of the land price.

You decide the design for sure, get drawings made, complete planning and building regulation formalities.

Decide to use a project manager or to manage it yourself.

Materials are sourced, various tradesmen booked.

The build if managed to completion, stage payments coming from the mortgage to 95% of build cost.

You move into your new home, remortgage if you want to, to 95% for the higher completed value.

Time taken from 8 months to 1.5 years in most cases.

Why Bother

You save 40% on average sometimes more, so for example a £200,000 house is obtained for £120,000. We have seen homes built recently for well under £50,000.

Many people have a home larger and nicer than they could normally afford.

Many who could not get a mortgage for a home in their area due to mortgage multiples and salary limits, will be able to with the lower cost.

Some build a series of homes, soon having no mortgage and becoming very wealthy.

You have the home that you like, not something that will sort of do.

You will feel great, what an achievement, and its fun too.

Example.

- House value in area £200,000.
- Self build at 40% less so for £120,000
- Immediate equity £80,000
- You could move in for a while, sell it and pocket the £80,000 tax free, not bad for about a years fun part time.

How much a year do you think you would have to earn working to end up with £80,000 after tax, NI and other costs?

You think its too good to be true.

It may look to good to be true, but there again over 20,000 people a year are doing it every year in Britain, and Britain is behind most other countries in Europe and North America.

Eire, Southern Ireland, has a very small population compared to the UK but about the same number of self built homes.

In the UK there are 3 national magazines, one magazine alone puts on 5 large shows a year, and a whole industry of package companies, suppliers, project managers, loads of books on the subject and of course you also have us to help you.

Not surprising then that magazine subscriptions are going up, the number of self build homes built increases year on year and it is rarely in the news, but then again good news rarely does make it into the national media. All these people benefiting and you never hear of a problem, never even a consumer programme warning of the danger of tripping over all the money people make.

Have you heard the story about self builders having to live in a caravan on site.

They don't.

In distant history some people did, but today the mortgage companies are happy to fund a build, and you can on completion sell the previous home and end up with a single mortgage or convert the previous house mortgage to a 'buy to let' mortgage and rent it out.

Over recent years property has been going up, so the rise in price over the period of the build is a large tax free windfall profit, that has completely furnished some homes and added pools to others.

Availability of plots

One of the most common reasons people think will stop them having their own home built, is a perceived difficulty in finding a building plot.

At any time we know of over 14,000 sites available, over half with over 5 plots on, so there are enough plots on the market to cover the current builds at around 20,000 houses a year for 4 or 5 years. More are coming on all the time, and the number available is fairly level.

We can match up requirements of members to find a number of members who can take advantage of sites, often redefining the way the plots are split up to meet the need of members. We also proactively search for new sites for plots.

We also help you to look at other options like knocking down an existing bungalow or house and rebuilding on the site. This at first may appear an expensive solution, but many plots will hold two modern homes so can be a very cost effective solution and gets you exactly where you want to be.

If you want to go it alone, without the club then there are ways to find plots, if you look hard enough, the trick is to start by knowing what you want.

Yes, you will hear of self builders who have taken 8 or 10 years to get a plot.

But on their own they had to find a single plot and they are far scarcer and more expensive. Many are not well prepared, don't know what they want to start and when one does come up they cannot move as fast, as a person who is prepared.

Those who go it alone often spend more on petrol alone, over the years, than it would have cost them to have got help.

Time is money, moving faster lets you get on now. You could build a series of homes and be mortgage free in less time than some take to find a plot.

Right place and price

You might now think that with so many plots about that getting the plot in the right place and at the right price, might be easy, it will not be. There is no standard way to price a plot and you will find them from very cheap to very expensive. You will need therefore not only to know how much a plot is worth to you and others, but to be able to calculate all the extra costs that need to also be covered in the plot price so as to be able to negotiate the price down, or have someone work with you on this. A common mistake is to get an estate agent to do this, few of these have any real idea of how to do this properly, and most work on a percentage of the amount spent, so the more you spend the more they make.

The price you pay is critical to making the full saving, you don't have to get it at an unreasonably low price, but on the same sort of terms as a professional developer would, allowing for the costs involved and true local value of the plot. The club has consultants who look at and negotiate on plots for members.

As plots are not spread evenly, and some locations will be far better than others, getting a plot at the right price is never easy, but within a short time you should be able to get the right one, at the right price for you.

Quick estimate of plot value

To get a very quick estimate of the value of a plot you need to look at the value of a house in the area, that could be built on the plot. Deduct from this all the costs involved in putting a house there and the margin a developer would want to make.

The costs would include the costs of making up the site, architect or drawings, planning and other costs, access, services to the plot, foundations, building the house, heating and other internal services, finishing, bathrooms, kitchens, decoration, different types of overheads, landscaping, finance, insurance and the guarantee.

Members have a work book to help them to do this in detail, plus look at other factors that make a site a good or less than perfect site.

The skills required

The next problem many fear is that their lack of knowledge will either stop them, or make it likely that they will make too many mistakes.

To own and drive a car, you don't need to be able to manufacture the component parts, or even know what each is. Likewise to build a home you don't have to understand all that every craftsman does. What ideally you will know is what role each plays and in what order they are to work on the site, this is easily found out. It helps but is not essential to be able to understand plans, and be good at organizing and buying. The person who does your drawings, or architect, if you use one, will define what is involved in the construction and the building regulations and other specific rules, lay out many of the standards that craftsmen have to stick to.

If you use a project manager you don't need to do anything much at all, as he will be doing as much as you want for you. Your role is in working out what you want, and how it is laid out, the final finish and any other special features you want to include.

Making a difference yourself

It is a common error to think that helping out on site will make the project more profitable, it rarely does, you just slow everyone down and time is money.

You can have the most impact by effective management and buying, plus knowing what you are doing. Make as few changes as possible while the house is being built.

Prices rarely jump up by a single cost, more usually by a series of small ones, and poor budgetary control.

Making decisions

Your role therefore is getting to understand what you want, size, style, area, price, how it is to be achieved, how it is to be funded.

You then select the plot that is right for you taking a lot of things into account, as well as availability and price.

You get detailed planning for the build, get quotes from different people for the work they are to do, commission

those you want to undertake the work for you, issuing agreements, negotiate trade discounts, buy the materials, schedule everything, people, materials and other items, and check that all is as it should be.

Make sure that you keep within the rules, inspections occur at the right points and you keep control of what you spend.

If you don't want to do this yourself you can either get a project manager to do it for you or use a package provider.

You can do all this without joining us within the club, there are good specialist magazines, books, charts and more available to you.

The clubs approach

We help members, by supplying them with work books, these have linked questions, and lead them through the decisions they need to make. You still make all the many decisions, but have information of what you need to decide and the main options available to you, and makes sure you don't overlook things or do anything in the wrong order.

A consultant works with you, helps you identify what else you want to learn, and where information is available from, does most of the work in finding your plot, helps you with negotiations, and is available to help you if you have a problem. We will help you appoint a project manager if you want one.

A system to plan the build and monitor it is provided as are a vast number of standard agreements, forms and letters to make everything easy to do. A trade card gets you trade prices.

We treat every member as an individual, no conveyor belts, or standard solutions, to fit all. We also don't have to meet everyone's needs in an area on a single site, so can match up those it suits and help others to join later group builds or individually as the needs arise.

As the clubs consultant is not involved in building as a part of the group, he can be independent, and has no other agenda than helping you achieve your dreams.

We talk to loads of people, from local planning people to developers who may be interested in joint venture estates. We tell all suppliers in the area about the clubs trade card, and do whatever it takes to make bringing about the situation for your dream to become a reality.

The group advantage

There are a number of advantages of working with other self builders, either by forming your own group or with the Self Build Homes Club.

These include the chance to share larger sites, savings in planning costs, savings on materials that can be bought together, saving on some craftsmen's charges, as most work time out in half day blocks, and several smaller jobs can get done, in sharing the cost of site management and overheads, from portable WC's to secure storage.

A group is more attractive to a retailer, who is more inclined not to want to lose the sales it can offer, and craftsmen less likely to walk off the job if they are overstretched, as they know future jobs may depend upon their performance.

A group can also share the research, look at a wider range of options and provide motivation, and confidence.

Even when the build site is a solitary site, many of the advantages of being a part of a group still exists and can reduce risk, costs and mean that you know you have others available to you, who are informed and interested, without trying to sell you something.

Building a dream holiday home

Perhaps eventually you will want to move on to build a holiday home in the UK or overseas.

Building in another place, presents new challenges and risk to manage, ranging from the travel distance to see what is happening yourself to cultural, language and currency.

The Self Build Homes Club is an international club, we have many web sites, and more coming on line, with a site or collection of websites covering a country, projects and help to move ahead when you are ready.

So when you have built your new home you can also start to think about following it up with a holiday home as well.

Free membership and grants on offer

OK, you may say, great, loads of help, will save me a fortune, and with the help the club can offer I could get a nice home or after several steps be either wealthy as well, or have paid off the mortgage completely, but its got to be expensive.

We have to admit that this is a service you could just not afford as an individual on your own, but by having consultants looking for a number of members at a time in an area and there being quite a lot of overlap in research and negotiating etc, we can do this all on a cost structure that everyone can afford if they want to.

If you don't want to, then we have another solution, a way that people can earn their membership, and go on to earn other benefits from Nikon digital cameras to large grants of up to £200,000 towards their new home build costs. What's more people don't have to become a member to take advantage of this, they can be an affiliate of another member, until the point they want to join, using their points. Alternatively they can join and later use the points to claim back their subscription costs.

Most members will not use this a lot, they are joining to build a dream home and this is what they will want to concentrate on.

Membership costs involve a joining fee and monthly subscription, both at a variety of rates, depending on the type of property you want to build, so very economic for the person who wants an affordable home and where a lot of them are likely to be on a single site, to expensive if you want to build a large palace, in a picturesque location in a far away country.

Free Local Presentations

Part of our role as a club is to provide education about self build to everyone.

We achieve this by the web sites, PR and organizing free local presentations. These are put on in new areas we are planning to concentrate on and often when some members have joined in an area and expanding the number of members would be helpful. We don't push membership, but of course many will see how much we can help them.

The two most common presentations are:-

An introduction to self build

Covers why people build their own homes and have them built for them, including cost savings, able to choose layout and getting a better finish. It looks at the economics, example costs, and the stages involved and who undertakes them, we look briefly at green issues, and state of the art additions and more, and it also covers what help is available and of course what we as a club do. Running time is 2 hours including Q&A time. Handouts are provided. We do not do any hard sell on club services, and point out other ways to achieve their dreams without joining.

How to get an affordable home

Covering most of the same material above but looking in greater detail at how the most savings can be made, and with working examples that are all far lower in cost. Other means of raising funds and paying for a home are explored. Less time is spent on state of the art homes, and expensive additions. We cover the Affordable Homes Project. Handouts again are provided that are relevant. Running time is 2 hours including Q&A but can also be compressed to 1.5 hours if needed.

Risk management

A home is often the largest single expenditure a person has, and while there are considerable savings to be made by having a home built for you, taking advantage of these fully means not incurring unnecessary risk. The savings are so large that few, if any, would lose money, whatever they did.

You reduce risk by a combination of things that might include

- Having the club or someone to help you, this costs you something, but is recovered many times over in cost savings on the plot, in speeding things up and knowing what has to be done.
- Controlling lost time and controlling your budget well.
- Getting an architect to design your house, its a cost but usually an architect designed home is worth at least that much more.
- Using a builder as a main contractor or package company to build the home for you. This is likely to cost 20% more, but you still have 20% of the discount left.
- Using a project manager, costs probably around 15% of build cost, but should also save as much by trimming contracts and managing material loss and time on site, so little net cost.
- Knowing what you want to do and making decisions and sticking to them.

Introducing Bpoints

The clubs Bpoints program, rewards those members who tell others about membership and this results in more members signing up. There is no selling as people like you, will love the chance to see how the club can help them to get a dream home of their own.

The points add up to gain deals like wine and top digital cameras or collected up to qualify for a range of large grants.

You can also use them to reclaim subscription costs and more deals are planned for the future.

Have we got you interested ?

If so, its time to look to at our main website for the UK.

Its large, contains a lot and is as independent and informative as we can make it. Once you take a look you will see why it was a good idea to have got the basic introduction here first.

Please don't try to read it all at once, look at what you need to know now, to decide if you want to become involved, at the benefits club membership offers and if you want to become a member.

The website is open to everyone to use, if you can't get it to work then please try later, as its probably just the load giving problems. We have it shared across a number of servers, and in one of the largest centers in Europe to give maximum internet capacity. Most of the time its just fine.

As well as this, members benefit from the group effects, the use of work books, a planning and monitoring system, standard letters, forms and agreements, and of course the help of a consultant in defining their needs, in finding them a plot and in sorting out other needs or problems.

If you don't have access to the internet ask for our printed pack.

What is on our main UK website

Over 200 pages of information, some are articles the size of a book chapter. You don't have to read it all at once.

There is a main section covering self build, membership, the Bpoints program, club rules, large selection of questions and answers, and selected articles.

An articles section explains far more, various project sections cover affordable homes, landmark properties and futuristic concepts, things that are at this time just a possible dream, but may stimulate you.

There is a tutorial section taking you through a build in stages, and a section on overseas properties. Links take you to many other sites, some ours, some magazines or other peoples.

Anyone can use this website, you don't have to become a member to use it. No banners or advertising and remember we take no commissions from anyone, we are funded just by members subscriptions.

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Email:- clubadmin @ Self-build-uk.org Remove spaces before and after @ we added them to stop robots picking up our email address from the online version of this document and emailing us loads of rubbish. Please always put something meaningful in the subject line of your email.