

# The Student Perspective



Welcome, In this edition of 'The Student Perspective', we welcome Stefan Surbek into the guest room. Stefan is a young project manager at Chiltern Contracts, involved in market leading projects across the real estate sectors.

If, like me, you are beginning a career in Real Estate, I hope that this newsletter contains food for thought about the wider Real Estate context for interviews and conversations.

## What I am following

### Broadening student perspectives

In line with this edition's theme, I find it pertinent to highlight the importance of comprehending the roles and viewpoints of all stakeholders in your work chain. Understanding the desires and needs of each participant is essential for strategic positioning and risk reduction, especially in the realm of negotiations and enhancing collaborative efficiencies.

### Developers' Insight

For instance, enhancing the output of developers could potentially resolve numerous current industry issues, making it crucial to confront and navigate their challenges effectively.

The Home Builders Federation (HBF) indicates that the rising costs and complexities of securing planning permission present the most significant obstacle to growth for SMEs. These expenses have increased by 30% over the past three years, a situation worsened by recent fee increments. Consequently, surveys reveal that the difficulty in obtaining planning permission, along with the lack of resources for planning authorities, are the foremost concerns for SMEs in this sector.

### Contractors

Understanding the priorities and intricacies of different business models is also critical. For instance, it's common for large contractors to experience margins



Get around the table

below 3% Return of Sales (ROS), highlighting the crucial role of cash flow management (CFM) in avoiding financial instability. Poor CFM can lead to liquidity issues and resorting to "suicide bidding" to secure contracts, subsequently inflating hidden costs. The repercussions of this approach are evident in recent residential development trends (refer to trends section).

Therefore, ensuring timely payments is crucial for maintaining a positive client-contractor relationship. However, a deeper understanding of a contractor's business model enables more informed decisions. Although contractors may highlight their low ROS during negotiations, the Return on Capital Employed (ROCE) offers a more accurate reflection of their financial health, with a healthy company possibly operating at a 2% ROS and a 15-20% ROCE.

In summary, while these examples are general, they underscore the value of researching and interacting with various stakeholders to get a better understanding of their perspectives.



## Trends to watch

**London Housing Halts** construction of 600 homes across 61 developments have halted, the highest number in over a decade. Largely attributed to collapsing prominent middle tier contractors.

## Big News

### Boosts on Brownfield

In a significant overhaul of planning regulations aimed at accelerating housebuilding while safeguarding the Green Belt, the government has announced a decisive shift towards brownfield site development. Effective from 13 February 2024, councils across England are mandated to prioritize brownfield projects, with a directive to streamline the application process and minimize bureaucratic barriers. This initiative particularly targets major cities failing to meet housing quotas, introducing a 'brownfield presumption' to simplify building permissions on previously developed sites. This move is expected to boost urban housing availability, aligning with the government's strategic housing plan that emphasizes development in high-demand areas with sufficient infrastructure.

### Permitted Development Rights

Legislation introduced expands permitted development rights, allowing commercial buildings to be converted into homes without standard planning permissions. This change aims to significantly increase the housing supply by 2030 and includes a consultation to simplify extensions and loft conversions for homeowners.

## The Guest Room

The Student Perspective is delighted to welcome Stefan Surbek into our guest room to provide another viewpoint on forging successful early careers in the built environment. Stefan has rapidly ascended through the ranks to become a Project Manager at Chiltern Contracts at a remarkably young age. I've been eagerly anticipating his insights, so without further ado, over to you.

### Exposure to Excellence



Stefan Surbek,  
Project Manager at  
Chiltern Contracts

To excel in any field, some key attributes are critical thinking, handling pressure, and experience. While the first two can be developed and enhanced, experience can only be gained. The construction industry is a vast and complex entity that may seem daunting initially; however, it provides the perfect chaos for exposing yourself to many different facets and environments early on.

The lifecycle of a project from tender to conception, and ultimately completion, encompasses a variety of roles. Each role demands unique skills and characteristics for excellence, presenting a vital opportunity for professional growth and a deeper understanding of the industry's full scope.

Initially, you may secure a job with a specific role. Yet, the best and fastest way to gain more experience and understanding of the industry is by exposing yourself to the work that occurs before your role begins and what it evolves into after your role is complete. Observing how a project is tendered and how financial decisions are made reveals how these decisions directly impact areas such as design and procurement. This, in turn, influences the construction and completion phases. Each new sector provides key lessons that you can directly transfer to your next project. It is these lessons, learned by applying yourself in different areas, that form the basis of the experience you can bring to your next project.

Therefore, always seek to discover the work undertaken before your involvement and the work that continues after your departure.

**“[Skills] can be developed and enhanced, experience can only be gained”**



To get to the top, first take time to learn the industry.

### Projects to watch

#### Commercial

**1 Triton Square, London.** British Land's Refurbishment into life science hub.



#### Residential

**Park Hyatt, London.** The tallest Residential building in London. Chiltern Contracts provided the marbling for this high end project.

