

TTT... Beware of what you can't see

TAB's Thursday Tips

24.03.22

TTT: Property development

 **TAB.**

Beware of what you can't see...

"I once came across an old, reinforced concrete second world war bunker that was only discovered five metres underground. It was missed in the ground survey."

Eli Korman
Head of Development Finance and CIO, TAB

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When judging costs we often only account for the obvious. Its clear construction costs and development costs need to be accounted for. However, do we take time to consider unexpected costs and the costs that aren't clear to the eye? If hidden costs, including what might be below ground are not included in the first appraisal then this can cause real issues for developers.

Always be considerate towards the fact that there might be hidden issues. If you're planning to dig a basement, there are elements underground that you may not have originally accounted for. Joint Contracts Tribunal (JCT) contracts are usually made between an 'employer' and a 'contractor' to facilitate the process of delivering a building project. They set out all of the relevant terms and conditions, including the obligations of the parties, the costs involved and the specification of the project, these unknown additional costs are unlikely to be covered in your JCT. Ensure that you factor in all potential costs and you've assessed vigorously to not be surprised by what's lurking under your site...

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