

Developing success

Self-made millionaire **Gary McCausland** reveals the secrets behind his achievements, why he's not the valiant risk taker you might assume and how he plans to trump the Trump in the property world

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Atrue Gemini, Gary McCausland is a blend of opposites – as self-assured as he is modest, as frank as he is calculating, as content as he is driven. Born into humble beginnings, it was pure, relentless ambition and a knack for good decisions that drove him to the top of the property ladder.

Therefore it's no surprise that he was pursued by Channel 5, and now the BBC, as a presenter. After a reluctant start on-screen, it's the same sincerity that he brings to the interview that has firmly established him as a national property guru, enthusing amateur property developers all over the country.

You're described in the media as an "expert property developer", is that how you feel?

I do think I'm an expert in that I've got an incredibly wide range of understanding. I've been in property for more or less 20 years, so with the television shows as well I've seen every scenario under the sun.

After school I did an Estate Management degree and a postgraduate in Accountancy, then I managed property in the corporate world for 10 years, towards the end of which I set up my own property company. Now I've written two books and live, breathe and run my company on a daily basis – legal issues, evaluation issues, the banks, everything – so in terms of a rounded across the board expert, yes I think am.

Do you think the training you had in accountancy and the corporate world has helped you manage your portfolio?

Definitely. I think the accountancy and the corporate world has given me prudence, and made me quite risk-averse – accountants are incredibly risk-averse – and also given me an understanding of the numbers. It's a complicated area but understanding the basics is enough for you to do detailed spreadsheets, cash flows and understand tax implications, which again are absolutely fundamental when you're property developing.

Do you think being a successful developer is as much about mindset as it is knowledge?

That's tricky. Being a successful developer for me is being incredibly prudent. There's an old saying, 'Don't let the perfume of the profit mask the odour of the risk'. So you've got to look at everything with the rose-tinted glasses off. The best developers I know who have stayed in the long term are very cautious. In the good times they've stayed steady, and in the bad times they've stayed steady.

Do you ever take risks?

I'm not a risk taker, I'm incredibly risk-averse. There are risks every day of the week, but I'm a very, very prudent person. I will always look at the worst-case scenario rather than the best. I always start with an exit strategy – almost reverse engineering – when I look at deals. I work my way back from, how do I get out and make money? If that stacks up for me then I can go ok, let's look at the upside and decide whether it's worth taking the risk. I take calculated decisions with a small amount of risk.

What advice would you give anyone looking to begin developing now?

I'm not a big fan of saying invest here, invest there, what I will say is go back to the basics in property. Make sure you're getting it for the right price, that the location stacks up, that you can add value, that your timing is right and that you can get finance. If you put all those things together, then you can usually find a good deal.

There are thousands of bargains out there right now, that's for sure, but you need to keep to the basic principles rather than looking for an area that's going up. Right now virtually everywhere is going down. There are one or two anomalies, but on the whole things are moving in a downward cycle. I've just bought one new site, which was unbelievable value but apart from that I've geared things down and it's going to be very steady for the next year or so (see p.38 for more on Gary's golden rules of property developing). ▶



Suit Jacket: £165 Full Circle
Trousers: £95 Full Circle
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Shirt £90 Hugo Boss.
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by Ralph Lauren

When you are looking to develop a property, are there any particular key features you would look for?

You should always be looking for ways to add value and certain things add more than others. Loft extensions for example because you can put in an extra bedroom with an en suite. You can build extensions to the rear, or you can even go underground now. Adding rooms and floor space is a great way to increase the value, as long as the cost doesn't exceed what you can sell it for. For example if you only plan to sell something for £100 per square foot at that location in the current market, there's no point spending £125 per square foot doing a refurbishment. But if you sell it for £500 per square foot, and only spend £125 per square foot, then you're making £375 profit. Basic developing would be just refurbishing the house, making sure it's tidy, not cluttered and as bright and spacious as possible.

Would you recommend buying at auction?

I'm not a huge fan of auctions because they're a place where emotions can run riot. You can lose a fortune like that, but you can pick up bargains as long as you do your homework, your research, don't bid too early, set your price before you go in and don't exceed it. Just keep all the fundamentals in mind – it's all about the five developing rules to make sure you've got the right price, location and you can add value.

Do you think it's important to consider staging a property for sale?

I think the bottom line is the better the house looks, the better chance you have of selling it. We all like to think people have good foresight and vision, but for most people out there if you show them round the house and it's a junk room instead of a bedroom they'll go, 'Well it's a junk room not a bedroom, can I even get a double bed in there?' But if you have a double bed in there, all of a sudden it'll feel bigger, more spacious, and the viewer will go, 'Wow, that's a nice bedroom'.

You've got to make sure the house is looking its best and as pristine as possible, and really consider the front of the house. Kerb appeal can make or break a sale, so make sure there are no dead plants, the rubbish is tidy and consider freshly painting the exterior walls. Always keep your audience in mind too, make the house aspirational for them. People like to see a flat screen TV and champagne bottles in the kitchen, because it becomes a place and a way of life that they covet. It's kitchens, bathrooms and lifestyle that sell houses.

In March you're launching a series with the BBC called *Axe The Agent?*, would you recommend homeowners try marketing their property themselves?

The format of the programme is basically people who are disillusioned with estate agents, have negative equity and need to sell their homes themselves or they'll end up owing money to an estate agent. We go through the whole process with them – telling them how to improve their property, doing mock viewings, marketing their property, helping them with real viewings and then trying to get the offers, while I give them feedback, it's kind of a tough love show.

In the UK currently five per cent of people are selling their home themselves, and that's targeted to grow to 25 per cent in 2020, so it's a huge growth area. I'm actually pro-agent because I think estate agents are incredibly important. People don't realise how hard a lot of estate agents work. If you're a good agent then *'Axe The Agent?'* is a question, they've nothing to fear. A lot of people in the show go back to using estate agents, but if you are a bad agent, well I'd want to get rid of you anyway so this show will help sort out the wheat from the chaff. ▶

Do you think the credit crunch will do that too?

Yes I do. I think the strongest agents and developers will survive the credit crunch. The fly-by-night guys, the amateur developers, the amateur estate agents are going to go to the wall, there's absolutely no way that they'll come through this. You'll even get new development companies and new estate agents being able to come up with new concepts. For example why not sell a service to the people who want to sell themselves? For a small fee they can help you sell the property. You need to embrace the changes rather than fight against them.

Last year you launched an environmentally friendly development, are you still considerate of the environment?

Absolutely, the environment is way up my agenda because I want to make sustainable homes. A lot of people laugh when I say this, but I don't do it for the money, I don't do anything for the money. I do things in my life that I enjoy doing and creating homes that are environmentally friendly, sustainable, are a pleasure to live in, that add value to people's lives and help them, that's what I want to do. Creating light and space and basically making sure they're happy living there. The biggest compliments I get are when I go back to my developments to the

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people living there and they say, "Have you got any more developments coming up? I want to buy into them." I want to give as much as I can back, because when I got all the material things, I realised that they actually don't mean that much, it's people that matter to me.

What would you say are the secrets to your success if you could sum them up?

I would say tenacity, perseverance, being smart and being adaptable. It could easily have gone horrifically wrong in the credit crunch, but I took big decisions early on when I saw the writing on the wall. I started doing joint ventures with other companies, slashing prices and coming up with strategies to make sure things go the right way. So being able to adapt and come up with good ideas is another thing. Out of all those I'd say perseverance is the most important, I know a lot of very, very rich guys, and their number one key trait is they never, ever give up.

I think a lot of people don't understand that a lot of aspects of property developing are a total pain, there's an untold number of hurdles to get over, neighbours, landlords, legal issues, planners, it's constant hassle. But if you think about it as a complex lock in the door with riches on the other side, you just have to be patient and keep picking at the lock to find a way through. ▶





Suit: \$195, Massimo Dutti. Shirt: \$39, Chestnut by Chester Barrie at John Lewis. Tie: \$45, Ted Baker. Cufflinks: \$25, Tyler & Tyler.

Have you ever thought about giving up developing?

Never. I love property developing. I grew up on a council estate and I used to look at people who owned their own houses outside of the estate and be fascinated. I really fell in love with property, this is my calling, this is where I want to be.

You've become one of the country's best loved home presenters, are you still enjoying being in the media?

Yes I am, though I was dragged into TV kicking and screaming. I honestly didn't want to do it! They called me up for Channel 5 to present *How To Be A Property Developer* and I said no twice before they persuaded me to let them do a screen test at my office, then they came back again with a bigger camera, and next thing I knew they offered me the presenter role. I decided to do the first series as a life experience and then it just kept snowballing. I'm not really sure why they like me so much, but I really enjoy it and I would like to keep it going for sure. It's become an important part of what I do, though it's a tricky skill to work in front of the camera. I'd like to get more into the Simon Cowell scenario where I'd develop my own shows and work with production companies. I've got a couple of ideas, so I'll see where they go. No matter what I do I'm always looking to add value.

Have you ever thought about working in America?

I'm actually filming a show now for Discovery called *House Wreck Rescue*, which is going to be shown in the US and Europe. We've got people doing up boats, big colleges, windmills, you name it, and we're following their journeys. They are doing it more as an investment than for themselves and it's very interesting in the current climate. I'd like to get out to the States one day, and TLC, the company that own all the Discovery channels, were keen for me to do something with them out there, but we'll see.

You're always juggling a multitude of projects, how do you relax?

I like to spend time with friends and family, who are the most important things to me, and I like to stay fit and healthy. I've got really into cycling in the last year or two, it's amazingly therapeutic, you're away from everyone spinning along, and you can just feel really relaxed as well as working out. The social side of things is really important to me too, though I'm not doing it as much as I'd like to. But then again you see, I love work, work is not work, it's like fun. It really, really is fun, and I always wake up with a smile on my face, feeling quite blessed about my life.

Do you feel successful?

Ultimately I'd like to get to Donald Trump's level of success, and before the credit crunch I was on a sort of fast track to that, but now I'm not sure what the future for developing is and when property will kick back in. I've only got so many resources, and a lot of the big funders and investors that were there have gone now. You can look at this economic situation in two ways, one, it's the biggest opportunity of your life right now as a developer, but on the other hand it's the hardest time ever to develop. Somewhere in the middle is the right place to be, I would like to really increase my company and at least try and get to the Trump level, but if don't reach it, then I don't care, I've had a brilliant time so far. I'm actually shocked at how well I've done in life, considering where I grew up, it's been great. I had a really good childhood, but when I look at what I've got now, I feel really blessed and grateful. If it ends tomorrow I'll still be very, very happy, if it keeps going I'll be even happier. ■