

## Q&A: SME developers could prove key in housing delivery

**Entrepreneur property developers Tex Jones and Shiro Rauniar, both of whom run their own businesses, have set up The Developers Club (TDC) to encourage young, upcoming small and medium-sized housebuilders to gather, network and share ideas.**

Jones tells Property Week about the club's upcoming manifesto and how small and medium-sized enterprises (SMEs) can support housing development.

### Why did you form TDC?

We thought there must be other young SME developers out there. We have been in the industry for a while now, and there were not many spaces where we saw concentrated discussions around areas such as how to raise funding for construction, new-build developments, conversions, building materials, scaling and staff.

We wanted to find somewhere we could network and learn. When you are in a similar age group and on a similar trajectory to other people, there is this nuance and it is not all about property. We are still human beings behind our businesses.



**Teambuilding: members of The Developers Club on a site visit**

We can talk about life experiences, some people having children, getting married, for example.

We set out to find a group but could not find one, so we decided to set up a small group and find some developers online. We wanted it to be a social get-together that could be used to actually address growth challenges in our businesses.

We can start to see some bonds growing. Evidence of how well the group is doing is that we are seeing members meeting outside the group who have started talking about joint ventures.

## How can TDC support SME housebuilders?

The government needs SME housebuilders and developers. Homes England said there were around 12,000 SME housebuilders and developers in 2012, and in 2022 there were only 2,000. We are a dying breed.

Being in a younger generation, we can shine a light on our industry and hopefully there will be 17-, 18-, 19-year-olds who can see us and want to join the industry.

We want to be a voice and this time next year, if a local or government MP wants to do a study on how policy is going to potentially affect SMEs, they could come to TDC. That way they can have a close conversation with up to 100 relevant people immediately and get important feedback. We are in our infancy, but we are having some really interesting conversations.

## What is the primary focus of your manifesto?

There are six key areas we are addressing; one of the largest is the planning system, which we believe is a significant barrier to the success of SMEs in the UK.

As a group, we advocate for streamlining of the planning process, reducing bureaucracy and providing greater clarity and consistency in decision-making to help speed up the development process.

## How can government address the challenges highlighted in your manifesto?

As SMEs, communication would go a long way, as well as having a planning system that uses technology to help improve efficiencies. A lot of it has to do with speed – we cannot absorb the delays that larger companies can. SMEs will simply come and go out of the market. If two deals go wrong,

it could result in SMEs' credit going, and then suddenly they cannot fund anymore.

The government needs to take a real look at capacity – for example, its former plans to deliver 300,000 homes. If you reverse-engineer that, how many cases need to go through? How many people would it need? Can technology be implemented to bolster the resources?

We are not necessarily saying we simply want to click a button and get automatic approval; but the government needs to have a serious look at other industries and private sector organisations that are leveraging technology.

There are also modern methods of construction and potentially some type of funding to support that. Is the government going to back and invest in modular, considering the recent Legal & General factory closure?

The government could potentially back its own modular factory, which social housing delivery partners could put orders through.

You cannot have a food factory if there are not tens of thousands of orders. It does not work without the infrastructure. If L&G cannot get it off the ground, it is questionable.

