

Episode 1

What Makes a Successful Builder of Traditional Homes?

The show notes: www.houseplanninghelp.com/1

Ben: So I'm with Simon Lewis, the managing director of RW Armstrong. Thank you for doing this.

Simon: That's okay. I'm pleased to help you out.

Ben: And it's really finding out a few different things about how your career has gone, how RW Armstrong has achieved the success it has and looking at something that I'm doing as well. My little project to build my own home before I'm 40. So I guess my first question is, how did you get into all of this?

Simon: That's an interesting question actually. My father was an architect and he did a lot of his own building projects as most architects seem to do and I obviously got interested from an early age. I then decided, once I'd finished school, done my GCSEs, rather than going down an A-Level route to go and do a BTEC National Diploma in Construction. So I came to Basingstoke, did a 2-year course, achieved that quite successfully and actually enjoyed what I was doing and then had to make a decision what I was going to do thereafter. As my dad was an architect, I thought let's go for architecture. So I enrolled down at Portsmouth University, did my first three years in a degree in architecture, came out, went to go and do my year out for my first year of my diploma and it was back in the early 90s recession. There weren't many architectural placements, so I ended up actually having to go to a construction developer's office. Having spent a year with them, I realised I actually liked the construction

side probably more than the design side and ended up actually staying with them rather than going back to complete my diploma. I worked my way up from the bottom, really. It's very interesting, you come out as a graduate, as an academic, and actually you know very little about the practical applications of construction and it takes a long time, a lot of years of hard graft of practical work to understand what the industry is about. So I stayed with that developer for about 8 or 9 years and worked my way up from doing little small projects up to bigger developments.

It was at the end of that period when the contractor that I worked for, I think I got a little bit disillusioned with what they were doing. They said that built quality buildings and I differed. I think they built cheap buildings and just badged them to be quality. Despite my best efforts they didn't seem to want to change and then luckily got an offer to come and work for RW Armstrong. So that really is my early part of my career and I've been with Armstrong's now for 13 years almost. Yeah, quite a long time.

Ben: You've already brought up something that to me is very interesting, that you liked to see something built in a very specific way, in a good way, and someone else was doing it in what you considered an inferior way. Is that something that happens a lot as you look around the UK? I must admit I have my own doubts. I don't know anything about the industry really. I'm learning as I go along, but is that common?

Simon: Yes [Ben and Simon laugh]. Unfortunately the industry is driven by cost to a greater extent and as a result of that most contractors are trying to bid for work cheaply. As most people know you can't necessarily produce the best quality work, whatever industry you're in almost, for the minimum amount of money. You've also got to bear in mind that some of the tradespeople, you know the guys, the subcontractors, chaps working out on site have

difficult circumstances and environments to work in. It's very difficult for them sometimes when they're being paid a relatively low salary or wage to actually become that focussed or dedicated in what they're doing. You often find that the subcontractors and tradespeople just don't produce a quality result. They're more interested in earning money for the end of the week's wage packet than they are in producing a fine quality piece of craftsmanship. I think that is an issue across the whole industry. I'm not saying that there aren't individuals who are good out there, there are some very good ones but you just need to know who they are and unfortunately those individuals don't necessarily charge the lowest going rate. So I think it's a case of quite often you get what you pay for.

Ben: Does that mean then that the quality builds only really exist for the higher end of the market. I know that's part of what you specialise in is quality builds but presumably you get that at that end?

Simon: Yes, I would say that is the case. There are some very nice commercial buildings and bigger public sector type projects that go on and you get very good, high quality from that but actually if you look at how those buildings are built, quite often they're pre-fabricated, they're built in an industrial warehouse. They're brought to site, put together. They're simpler forms of construction and therefore it's easier to get them right. The kind of market sector that we work in is very bespoke, it's still very traditional, very labour intensive and actually it's that element of the business where you have to have skilled craftsmen doing hard arduous graft and getting the good results so yes, I think the market sector that we work in is one of the only market sectors that produces really good quality construction.

Ben: So your company here, that you're the managing director, RW Armstrong. What would you say are the key factors that have led you to the success that you have today?

Simon: A dedication to producing high quality construction, providing a good level of personal service. A lot of what we're about as a business isn't just construction but it's also supporting our clients, making sure that we can understand their expectations and being able to deliver the construction project to meet that. You know, that ethos runs throughout the whole company, from myself and Nigel Armstrong at the top right through to the trades guys that we've got working on site. It's a dedicated team. We're all in it to achieve the right end result.

Ben: How easy is it to get a reliable team or perhaps to build up a reliable team?

Simon: That's really where the skill is. RW Armstrong's been going for 57 years. Over those years we've got a lot of contacts in the industry. Obviously some of them come and go, but we have built up a big direct workforce. We've got in excess of 60 guys working on site as tradespeople and then we've got a much larger database of specialist subcontractors that we use who we know can produce the right quality result. That takes a long time. These people quite often are squirreled away in the back end of some of the counties and you find them over time. They don't necessarily advertise. You put that into your database and you use them as and when required.

Ben: So I imagine it's a big managerial project that you have to do. As I arrived here today I saw all the vans being loaded up. You're dealing with a lot of people, aren't you, as you send them out to sites? That must be quite a complex procedure?

Simon: It is. Yeah, the logistics of managing people, given that they aren't all in a fixed position. You know they're not in a warehouse or office every day. They go out to different sites. The logistics of finding the right subcontractors mixed in with their own direct tradespeople and also managed by our own direct management force is one of

the hardest parts of the job. If you don't get that right, you find that you become inefficient. Therefore, you can't then provide the service that clients are expecting. You appear to be inefficient, you know, guys not turning up at the right time and there's nothing more that drives clients mad than being told that someone is arriving and then nobody does.

Ben: Another aspect that I'm particularly interested in and I would hope that when I come to build my own house is energy efficiency. So I'm just interested how is this developing and what sort of technologies do you use on some projects, all projects, I don't know.

Simon: Energy efficiency, there's a huge drive on it at the moment. Obviously the cost of raw fuel is going up and people want to try and reduce their expenditure for hot water and heating. It's an interesting concept because you have to try and work out what energy efficiency is, whether it's just the heat loss of a building or are you actually looking at the life cycle costing of buildings as well. In energy efficiency alone, obviously there's a set standard that you have to meet in terms of new buildings under the UK building regulations and they are ever increasing. They set a very high benchmark whether you're relating to insulation, energy efficiency of light fittings, central heating systems, of glazing units, those sorts of things. So everything that we build is energy efficient to a point and that's obviously to meet building regulations and it's up to clients then how much extra money they want to spend to increase or get above that threshold. We also include a lot of renewable energy sources in our buildings: ground source heat pumps, air source heat pumps, solar thermal, solar photovoltaic. Those sorts of products are very apparent at the moment and it's the big thing to have solar photovoltaic. Whether you actually get any money back from that, I think, is yet to be fully understood. It works on paper, but it is quite a big capital outlay for a lot of those systems. They're expensive to put in and as long as you have the money upfront to invest in ground source heat pumps for

instance, you might spend £40,000 or £50,000 and if you're going to stay in a building, maybe 10 years or more, then it will pay itself back. What we haven't quite got to the bottom of yet is we haven't seen these systems go through a whole 10-year life cycle and see what kind of maintenance issues they have. Obviously the on going cost of that, but as I said on paper they do seem to be worth installing.

Ben: Are they easy to incorporate in the designs or are some things trickier than others?

Simon: Some things are easier to do than others. A lot of the bigger systems to do with mechanical and electrical, you know, so energy saving renewable mechanical systems, if you don't design them into the project from the outset you'll find it very difficult to fit them retrospectively. If you do, it certainly won't be a full integration in the building. You'll have lots of things on show. They need certain types of pipe work being plumbed in, you need certain amount of space in plant rooms to put all the kit so I would say that they do definitely need to be thought about at the design stage.

Ben: And you mentioned retrospective. I know that that's an element sometimes we look back at what's already here. You do restoration as well. That must be a whole new ball game, trying to go back and restore something at the same time as making it more efficient.

Simon: Yes it is. There's a certain amount of limitations, obviously with the listed buildings about what you can and what you can't do. If you're not doing a full strip out and refit of a listed building then you are restricted about how much insulation you can put in a building. Some of the conservation issues you have to do with... whether the listed building officer will let you change single glazing to double-glazing. If you do, what kind of double-glazing is it? You can get a special thing, module units, which if you're putting it into a sash window for instance, you can

make it look traditional with a narrow module double glazed unit, but you've also got to think about the fact that you've got to re-weight the windows, to counteract the weight of two panes of glass in it instead of one, and whether the existing box sashes will accommodate that. So there's lots of things you need to think about throughout a listed building when you're trying to fit energy saving materials retrospectively.

Ben: Is there anything in the market that you think is lacking and sometimes you think I wish there was this?

Simon: I almost think there's an over abundance of materials, different products and it's a baffling array and lots of them have BBA agreements or agreement certificates so they appear to work but to be honest a lot of them are similar and you do argue whether or not actually people just get confused by what they're supposed to be doing, what is the best product to use, how are you supposed to use it. It isn't just the case of putting insulation on a wall, applying it to an old building, you can line an existing solid masonry wall internally with insulation and plasterboard, but actually you have to think of things like condensation dew point, how that will affect the building operation and how it affects existing detailing and interfacing. There's plenty of products out there to do various installations but I don't think we need any more at the moment! I think there's more than enough.

Ben: I am looking to undertake this project whereby I build my own before I'm 40, so I'm starting from a point of someone with little knowledge. I've always had an interest and I've always loved great designs but I would like to construct something. I'm not saying it's going to be extravagant first time around. For someone in my position, what would you say with all your knowledge that you have, what should I be doing?

Simon: The first thing is control your budget carefully. Spending your money in the right way is absolutely critical and it's

very easy to appoint an architect, tell him what your budget is, that architect goes away, designs the biggest house he possibly can for the amount of money you've got and then you'll find that actually the build cost will increase. You'll start going over your budget and the only way to get back is to reduce the actual floor area of the building you are putting up, so you can afford to put in there the right products and build it the right way. It's understandable most people want the maximum amount of floor space for their money and therefore they have to compromise on something and it's normally the fit-out or the quality of the products that go into the building. Therefore that jeopardises the aesthetics of it and how well it is built and perhaps how well insulated it is as well, so my first thing, get your budget and actually be very careful about how big you build your house.

Ben: Okay, that sounds ominous. So, I know that this is a big issue, land, at the moment, and looking for land. It's almost not going to happen that I'm going to buy a nice field somewhere. What would you suggest, buying a bungalow that's run down or a very small patch because that will obviously cost, too. I will be working on quite a low-ish budget, but I'm trying to maximise it as you say, really thinking it through, making sure everything is done well.

Simon: Regeneration of existing plots, I think, is always a good idea whether you find the right one at the right price is your dilemma. You do have to bear in mind that there is a VAT issue. If you are refurbishing a building then you will have to pay VAT. If you build from new, i.e. you're not refurbishing anything, you're starting on a green field site or a demolished building you will not have to pay VAT. There are a few loopholes in that. Obviously the government has just changed the VAT rating on the conversion of listed buildings, but that's a big factor. 20% of your budget could go if you're doing a refurbishment whereas if you're doing a new build, obviously you get it VAT free. I personally like refurbishment. New builds are

straight forward and you should end up with exactly what you want but arguably you have to spend more money to design and build in the character into a new house, whereas if you're refurbishing an old one you've automatically got it. If I'm thinking about your project where you're looking for maximum in energy efficiency then perhaps new is the way to go. You can design it to be exactly to your specification and you can integrate as much energy saving materials and products into it as possible. You haven't got limitations of refurbishment issues.

Ben: I'm taking that all on board. Would you give me any tips about how I go about finding a builder? I would like to learn myself but I think that's quite a tall ask to begin with. Maybe go alongside someone, but how do I know it's going to be a good builder? I know about you guys through reputation, but if I'm in a different area, I don't know where I've got my plot of land yet, I'm looking for a builder, what do you suggest?

Simon: I think the first thing to do is have a look around, if you look in specific magazines, you can go to the CIOB, Institute of Builders and they should give you a list of chartered companies in the area so that's a good place to start. You can often drive around and look at signboards. If you're looking in a local geographic area you can quite gauge how efficient a contractor is by looking at their site, so you can drive by the site and if it's well organised, there are nice sign boards and neatly presented then that's a good indication that they're at least well organised. Then produce a list. Contact those contractors and then actually go and have a look at some of the work they're doing, get references from clients they've worked for, talk to the architects they work with and actually do some homework. It'll take you a lot of time but I think it's money well spent and certainly looking at projects, if you get taken around projects that they're currently completing or have recently completed will give you a proper view on how well they perform. If you go onto a

site, it's well organised and the guys that you are talking to are telling you the right story and you can see what they're saying is true, plus the fact that you get good references from past clients, it's normally a good indication that they're a pretty sound business.

Another key consideration in the current market is check out their financial status. There's a lot of contractors, although they're good, go out of business through cash flow issues and what you don't want to happen is get halfway through your building and find a contractor goes bust on you because that leaves you with all sorts of problems. So financial standing in the current market is pretty critical as well.

Ben: Are there any characteristics that I need to adopt, as well, as I go about this project that will help me get through it?

Simon: Don't believe everything that everyone tells you in the construction industry. Listen to what people do have to say and then you have to go and evaluate that, make your own mind up. There's a lot of people that tell you what they think you want to hear and aren't totally truthful, be it budgets, timescales, quality, that sort of thing. Really, it's a case of feeling your way round and if you don't think somebody's told you the truth, go and ask someone else the same question and see what the result is. I think that's a big failing in the industry actually. There's a lot of untrustworthy people or a lot of people who tell you what you want to hear and that isn't very helpful when you're a little bit green. You could do with some good honest advice from people. It is out there but you just have to be selective as to where you take it from.

Ben: Are there any other issues in the industry, of the construction world, that I should know about just as I head in, if that's not opening up a can of worms?

Simon: You have to bear in mind the people you're dealing with, you deal with all aspects, particularly in our market, from

high net worth individuals down to tradespeople, down to labourers on site and everybody in between, including all the professional teams. You also have to deal with variable workplaces. Different sites bring different conditions. You have to deal with the weather through the winter and the summer, and that certainly brings complications to projects. If you look at the last couple of winters that we've had, the last one has been reasonably dry, the two before that have been exceptionally cold. Depending on your build type and at what stage you're building throughout the winter, it can cause you delays and delays generally cost you money. So thinking about when you're going to start your project can be quite key, but apart from that, I think, once you've found yourself a good builder and a good professional team to design your project out, then there's no reason why it shouldn't succeed.

Ben: Is there anyone else you think I should be speaking to? Or having had this chat with me you're suddenly thinking, I think another person that could advise you would be...

Simon: Yeah, there's a renewables consultant. If you're looking at an energy efficient house, before you even put pen to paper you want to talk to somebody that can give you proper advice about insulation, air handling systems, energy efficient systems whether it's on the electrical or the mechanical side and you also need to think about the life cycle costing of materials. Now you could buy very energy efficient materials but actually they've taken an awful lot of energy to produce them and they're coming from abroad so there's a lot of shipping cost, fuel cost, transportation, that sort of thing. You've got to work out whether you're bothered by that or you want to build your house cheaply with locally produced and procurable materials and then make it as energy efficient as possible using those local resources or whether you want to go further afield, buy more elaborate, expensive materials but actually they've taken a lot of oil and production costs and therefore aren't that good for the planet, albeit they're

energy efficient. So you need to think about the overall thing, but talking to somebody who can give you proper advice about the whole complex part of energy efficiency in a building, it isn't just to do with insulation it's to do with how you deal with air, how you heat products, where your energy comes from, those sorts of things. So there is a consult that we use, particularly, that's very very good on that side and I would suggest that that's a very worthwhile visit.

Ben: Simon, thank you very much.

Simon: Okay, no problem at all.