

Bricks & Mortar

Forget flipping a wreck bought at auction or doing up a French farmhouse. Newbies Jo Balston and Michelle Lucas took property development to a new level with their first project: converting two adjoining office buildings in Southampton into 11 flats valued at over £2 million in total. They are on track for a £400,000 profit.

Both Balston and Lucas had individually bought and renovated a handful of buy-to-let properties, but joined forces to develop new homes on a year-long PropertyCEO mentorship course (£14,000 plus VAT) from 2019. Their company, JMBH Developments, is named for their own initials and those of their respective children, Brooke, 18, and Harris, 12. It is very much a family affair.

For the two single mothers, the switch to property development was a lifestyle change after their respective marriages ended. Lucas, 50, had previously transformed a run-down seafront pub into one with a busy restaurant and a £1 million turnover. She says: “Evenings, weekends, Christmas, Mother’s Day were all really busy. I didn’t have any of that time to spend with my daughter.” Now she can work remotely and has been able to travel with Brooke, an amateur ski racer, when she trains in the Alps.

As Britain went into its first lockdown, Balston, formerly a commercial interior designer, started hunting for their first development site. They wanted a small office building in Southampton — halfway between their homes in Petersfield and Lymington — that they could turn into flats under permitted development rights. This fast-track route automatically allows conversions that meet set criteria without a full planning application.

Balston spotted one half of their eventual College Place site, near Southampton city centre, on Rightmove. She checked via the Valuation Office Agency that its business rates were indeed for offices, and that the building was not listed, in a conservation area or flood zone, so they “could have the greatest confidence possible” to use permitted development.

Their architect, who had gained consent for similar projects from the local council, checked Balston’s proposed layout for five new flats. Based on her research of what the flats would sell for, minus the estimated costs, the pair put in an offer. Yet they were outbid.

After telling the commercial agent marketing the site that they were “actively looking”, Lucas says, the agent came back to say that the office next door was also for sale. This time, their bid won.

Two weeks later, Balston asked the agent how it was going with the neighbouring sale. It had fallen through: the buyer’s plan for six flats had not factored in new rules requiring one-bedroom flats to be at least 39 square metres. It meant you could fit in five flats, not six. “We said our offer [based on five flats] still stands,” Lucas says. Finally, it was accepted.

“Initially we thought we were

COVER: PHILIP HARTLEY FOR THE TIMES



New lease of life

Meet the two single mums on track for a £400,000 profit with their first joint property development. They share their tips with [Martina Lees](#)

COVER STORY



The 11 flats created by Jo Balston and Michelle Lucas are on sale from £172,500 with Savills

doing one building and converting it into five flats,” Lucas says. But they could fit five further one-bedroom flats into the building next door, plus a two-bedroom flat in a mansard roof extension joining the two blocks. “We didn’t expect [our first project] to be quite that big,” Jo says.

Funding — a major barrier for smaller developers — came from an old friend of Lucas, who bought both the premises for £660,000 in total. For the £803,000 construction and £168,000 consultancy fees, they secured development funding at about 9 per cent interest from a family office via a PropertyCEO broker.

They submitted the permitted development applications as soon as they exchanged contracts and, within five months, planning was in place. Construction started in January — only interrupted by a

case of Covid in the contractor’s team.

Were there any “oh no” moments? “They pulled off some plaster and there was a crack all the way from the cellar to the roof,” Lucas recalls. A structural engineer found it was a “historical crack that hadn’t moved in years — possible [Second World War] bomb damage. They stitched it and he was happy with that.”

Due for completion in October, with 20 per cent Help to Buy equity loans available for buyers, the 11 flats went on sale last week for between £172,500 and £260,000 through Savills. Three have been reserved.

“Every day is a learning day, always throwing curveballs at you. I love that,” Jo says. “I’ve never had that feeling that I’m excited to get up every day, but I am. It’s the creativity of it.” For Balston, “even just writing on your LinkedIn profile ‘property developer’ instead of ‘interior designer’ was scary. Because you have to live up to it.” They both had to change their mindset to “yes, you can do this”, Michelle adds. “You break it down in chunks in a step-by-step process. We already had crossover skills from previous careers — working with people, co-ordinating.”

As the builders started to fit bathrooms this month, Balston took her son to the site for a hard-hat tour. “He’s really excited about it.” In a video to mark his class leaving primary school, Harris said: “I want to be a property developer like my mummy,” Balston recalls. jmbh.co.uk; propertyceo.co.uk