

PRIVATE
CLIENT SIDE
RB CONSULT

The Hidden Costs in Luxury New-Builds

A private client's guide to what most budgets miss – and how to protect yours.



NOT FOR GENERAL CIRCULATION

OVERVIEW

Why Luxury Builds Exceed Their Budgets

Luxury residential projects have a reputation for exceeding budgets. But the largest overruns rarely come from obvious line items – **they hide in the gaps between design intent and practical delivery.**

The seven cost categories outlined in this guide are consistently underestimated or absent from initial budgets. Understanding them before works begin is the difference between a project that delivers your vision and one that compromises it.

£1.4m

On a typical £m new-build reviewed last year, the final account exceeded the original tender by £1.4 million. Less than £300,000 was visible "extras." The remainder originated in the seven categories below.

01

Design Development & Buildability Gaps

Design drawings frequently omit the level of detail required for accurate pricing. As the project develops, gaps between what was designed and what can practically be built generate significant cost – often disguised as contractor variations.

02

Specialist Package Interfaces

Where specialist subcontractors meet – AV, mechanical, structural, bespoke joinery – the interfaces between packages are rarely priced by any single contractor. These gaps become expensive, change orders once works are underway.

03

Ground Conditions & Site-Specific Risks

Unexpected ground conditions – contamination, insufficient bearing capacity, high water tables – can add hundreds of thousands to a project. Most tenders carry a provisional sum that substantially underestimates true exposure.

04

Inflation & Supply Chain Volatility

Material costs and lead times continue to fluctuate. Without proactive procurement strategy and fixed-price supply agreements, clients absorb market risk in real time throughout the build programme.

05

Programme Slip & Associated Costs

Delays compound. Extended site preliminaries, continued rental or hotel costs, delayed mortgage drawdown, and client disruption all carry financial consequences that rarely feature in original budget projections.

06

Final Account & Variations

Without rigorous change control, variations accumulate unnoticed. The final account negotiation – often happening after practical completion – is where unrepresented clients consistently lose ground.

07

Professional Fees & Insurance

As scope evolves, professional fee arrangements tied to construction value increase accordingly. Insurance requirements – particularly for listed buildings or complex structures – are frequently underbudgeted at outset.

HOW RB CONSULT PROTECTS YOU

Independent Advice. From Day One.

Each of the seven cost categories above is manageable – when identified and addressed before work begins. The challenge is that most private clients encounter them for the first time during construction, when options are limited and costs are escalating.

The Private Client Advantage

When a single, experienced advisor acts solely in your interest from day one – from procurement strategy through to final account – these risks are identified and mitigated before they become expensive problems.

RB Consult works exclusively for private clients. We have no relationship with contractors, no incentive to minimise problems, and no interest other than yours. That independence is the foundation of everything we do.

Discreet • Independent • On Your Side

RB Consult provides pre-construction advisory, cost consultancy and project management exclusively for private clients across the Midlands. We act solely in your interest – from inception **through** to completion