

# 10 EASY WAYS TO MANAGE YOUR BUDGET

Careful planning at the start will help you make long-term savings

**T**he \$64m question – although hopefully it will be less – is this: how much will the project cost? The answer is never straightforward for two reasons. Firstly, you have to decide how much you want to spend, and that's a matter of resources, aspirations and reality checks. Secondly, you have to stick to the budget, but every project yields nasty surprises and a frequent temptation to upscale everything.

A robust budget needs detail, which means making a long list of decisions about the nature of the project, from who carries out the work to the individual materials used throughout the build. Here are our top 10 tips for setting – and sticking to – a budget.

## 1 Set a realistic benchmark

Research is critical at the beginning of a project, and that means making lots of enquiries. 'Asking around about costs is important when setting a budget,' says Fiona Kirkwood, director of London-based architecture and design firm Kirkwood McCarthy (020 7249 8361; [kirkwoodmccarthy.com](http://kirkwoodmccarthy.com)). 'Whether this involves speaking with industry professionals or suppliers, or chatting with friends who have undertaken similar work, ascertaining a realistic benchmark will help ensure your budget is practical and realistic to the scope you have in mind.'

## 2 Create a breakdown of costs

List each element of the project and give it a figure. The biggest expense will be for the building work, but don't

forget to cover all other costs – legal fees for obtaining planning permission, an amount for key appliances and materials, decorating and landscaping the garden. It can be complicated. Can you afford the pricey marble floor tiles? And if so, have you factored in the cost of the grout, adhesive and sealant, as well as the cost of laying them?

'Be realistic,' says Simon Graham, director of Yard Architects (020 7407 8303; [yardarchitects.co.uk](http://yardarchitects.co.uk)). 'Put together a spreadsheet before starting, and include all the fittings you want. Set concrete budgets for big things like kitchens and bathrooms. Carry out detailed research about building costs for the type of project you are doing – there are helpful calculators online.'

## 3 Think to the future

You love that beautiful bathroom suite complete with digital shower that connects to the internet of things for total bathroom luxury. But to trim the budget you decide to go for a low-cost, pared-back version instead. Will this

be a huge regret? Or a false economy you later rectify at great expense?

Think carefully about the space you are creating, how you want to use it and where the money is best spent. Be brave and focus the budget, where possible, on areas that will make a difference. Tiles are expensive, so choose the exclusive range in restricted quantities for a splashback, or an accent colour on a bathroom wall.

## 4 Make sure the quote includes VAT

It sounds too obvious to mention, but some costs you are given will exclude VAT, and an extra 20 per cent added to a bill is a very nasty surprise. 'Don't forget to add VAT if applicable – this is often overlooked but it's a big proportion of the cost. Include fees for professionals, Building Control charges, etc,' adds Graham.

## 5 Request a contract

Once you have a detailed list of requirements and have turned it into



**↑ COST: £300K**

A Victorian townhouse that had fallen into disrepair was renovated, refurbished and remodelled into a large modern family home by Studio 30 Architects. Work included a loft conversion used as a studio, a double-height glazed extension at the rear with sedum roof, and children's playhouse in the garden. (07701 061 109; [studio30architects.co.uk](http://studio30architects.co.uk))





↑ **COST:**  
**£190K**

The heart of this Georgian home in Crouch End was moved to the back, overlooking the garden. Created by Erbar Mattes, the facade is made from masonry and precast concrete. (020 8123 8192; erbarmattes.com)

the brief and drawing for the job, it's time to get a contract. To help, there are standard contracts designed for domestic projects available from RIBA – the Royal Institute of British Architects (020 7580 5533; architecture.com). 'Get competitive builders quotes and ensure they have priced for everything you want. It is easy to overspend quickly if the builder doesn't have detailed drawings or a specification of everything that should be included,' says Graham. 'Ensure these are part of the contract between you and your builder.'

## 6 Establish a contingency

Like other laws of nature, the law of a construction project is that nasty surprises happen, so be prepared. 'Don't forget to include a contingency,' advises Graham. 'A recommended minimum is 10 per cent. Don't be tempted to omit this to reduce the overall cost, because you will be glad to have a buffer when you start work.'

Start with 15-20 per cent and then reduce the fund as you go through the process phases. As construction proceeds you'll be able to decrease it further. You don't have to spend that contingency, so if it isn't used, consider it found money you can save. This is a great way to feel good about staying on track and coming in under budget.

## 7 Work out a plan

The builder has started and suddenly starts asking you about

details and specific materials. If you aren't prepared, you may find yourself tearing out work or having to live with something you don't like. Luckily, you have your list and a plan for the timing of each phase of the build. You know what is needed and when, which means no expensive delays or remedial work.

## 8 Trust your own instincts

Throughout the build, there will be a number of important decisions to be made. If nothing else, you may need to confirm that your plan is robust. However, you may face the temptation to suddenly alter the layout or add more wow factor. 'Keeping to a budget takes rigour and decisiveness,' says Kirkwood. 'Trust the decisions you have made and try to avoid impulsive



↑ **COST:**  
**£100K**

A badly built 1960s kitchen has been transformed into a light and airy space, featuring a timber-clad extension that contains a porch area and hidden bathroom (07967 011 124; pamphilon architects.com)



last-minute changes to prevent costs creeping up.'

## 9 Stick to the plan

Every budget is challenged by the desire to do more, and seeing changes occur to your home is addictive. While the builders are here, why don't we just do the second bathroom, knock down that wall, build a summerhouse and rehang lovely radiators throughout. You've made a plan, so stick to it unless you have very good reason to upgrade.

## 10 Consider trade-offs

If you do find you want to increase the budget by including the latest Aga or some artisan floor tiles, then review your costings and see where you can make changes. Quite often, economies can be made without any damage to the overall project. **GD**

↑ **COST:**  
**£90K**

The owner of this small cottage wanted a separate kitchen and living room, and to open up the downstairs. Turner Architects designed and built a piece of furniture that can be moved when the family uses the open-plan space. (020 7207 0835; turner architects.co.uk)