

THREE REASONS ‘RESIDENTIAL TCO’ IS SO HARD TO PREDICT... AND WHAT BOLD & REEVES IS DOING ABOUT IT.

Traditionally, the concept of ‘total cost of ownership’ (TCO) has not transferred so easily from boats, cars and planes into homes of commensurate value

At Bold & Reeves, we are on a mission to change this. Here are three reasons why predicting TCO is more complex with residential property, than with the aforementioned asset classes (and more on what we are doing to simplify TCO for prime residential homes):

1. Prime residential homes are often empty

Empty prime residential homes (up until now) have been guaranteed to leave you with an eye-watering insurance premium. Because the owners of these types of properties often live international lifestyles, their various homes can sit empty for up to nine months of the year... or longer in some cases. This means that maintenance issues can take longer to detect, diagnose, diffuse and repair. Traditionally, only permanent staff in each home could ensure swift responses to such matters, which represents further costs to already value-conscious prime residential homeowners.

2. Prime residential homes have unique and individual needs

Unlike boats, cars and planes, high end homes were often constructed several decades, or even centuries, ago. They are not standardised models that roll off the production line. The individual needs of a prime-residential home can differ enormously from door to door, on a street in Mayfair – for instance – on which the houses look by and large identical. Knowing how to navigate this terrain can be treacherous for homeowners, as particularly with newly purchased properties, they strive to build clarity around the true TCO of their home. Whether a flat or a house, listed or unlisted, this can often be a lonely process with precious little resource other than trial and error.



3. Holistic record maintenance of individual properties is typically poor

Point two is reinforced by the rarity of historical data related to costs and interventions on an individual property. This is principally because curating the range of suppliers, quotes, invoices and receipts into some sense of clarity and order over the years of ownership is often complex and, for many prime residential home owners, an inefficient use of time. This makes life tricky not only for buyers of this type of property when budgeting ahead, but also for the surveyors they hire to run due diligence on a property prior to purchase. Added to which, even if the above was carried out correctly and records preserved in a comprehensive fashion, the owner is then confronted with very little access to comparable data from similar properties – rendering whatever information is produced, limited in practical value.

The Bold & Reeves offering is geared towards the precise resolution of the above three issues.

How can we help you predict TCO and build clarity?

1. Our remote monitoring services ensure there is no delay on the diagnosis of

your property’s maintenance issues. Maintenance and repair needs are identified in real time, and our team of experts fields the whole requirement, in our experience, as quickly as it possibly could be – even if residential staff were present.

2. We currently have eighty prime residential homes under our management in and around central London. The data for each property, together with the historical efficiency of the technology and plant-room idiosyncrasies of each, are at our fingertips. This helps us ensure that TCO predictions come down over time, by making it easier for our clients to run their homes with less full time staff, and by making it a matter of principle that they never overpay for services.

3. Our Bold & Reeves app-based software not only curates the entire monthly costs schedule of your property into one easy to read document, it makes it available to you online in real time... and as if that wasn’t enough, allows for the reconciling and analysis of comparable data from similar properties in each class. Through this increasingly precise and accurate approach we are able to provide a clear picture of TCO budgets, in the months and years ahead.

Predicting the future costs involved in owning and running your home is the latest step in fulfilling our core intention as a business on your behalf:

To reduce the total cost of ownership for luxury homes in and around London.

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