

When planning a home extension in 2026, one of the key questions homeowners ask is: *how much of the budget will go towards labour costs?* Understanding the typical **labour cost share for an extension** is essential for setting realistic expectations and evaluating builder quotes effectively. As a former estimator and project coordinator who has priced dozens of extensions and conversions across the Midlands, I'll breakdown the typical labour vs materials split, regional cost differences, and key planning considerations.

2026 Extension Costs and Per-Square-Metre Pricing Overview

Extension costs in 2026 vary depending on size, complexity, materials, and location. Typical pricing for single-storey and two-storey extensions currently range approximately as follows:

Extension Type	Typical Cost per m ² *	Typical Total Cost (example 20 m ²)
Single-storey rear extension (basic)	£1,800 - £2,500	£36,000 - £50,000
Single-storey rear extension (high spec)	£2,500 - £3,500	£50,000 - £70,000
Two-storey side/rear extension	£2,200 - £3,200	£44,000 - £64,000

*These costs include labour and materials, excluding VAT.

Note that prices can fluctuate due to regional labour costs, site access challenges common to interwar and postwar semis, and the level of finish. Always ask whether your quote includes VAT upfront — it makes a big difference to your budget.

Labour as a Percentage of an Extension Budget

From my experience and analysis of recent projects, the labour cost typically represents about **35% to 45%** of the total extension budget. This means that when you are quoted £50,000 for an extension, approximately £17,500 to £22,500 of that will be skilled labour charges.

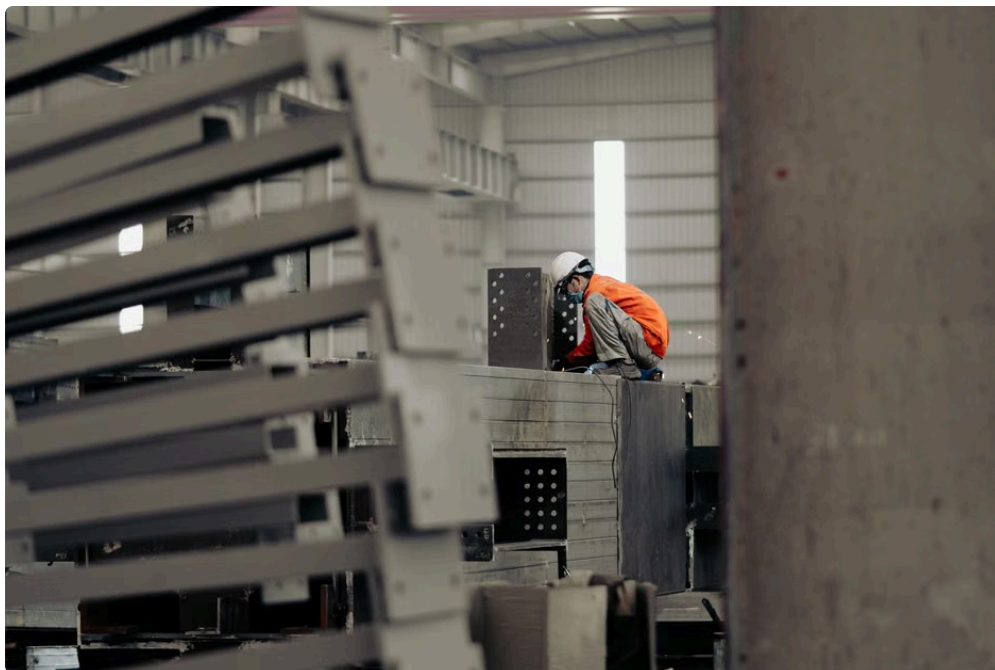
Why does labour take this share? Builders must cover specialist trades (bricklayers, carpenters, electricians, plumbers, plasterers), who command their own rates based on skill level, union rugbyobserver.co.uk rules, and local demand. Labour is also tied up with site preparation, foundation work, and finishing touches that can be labour-intensive, especially in smaller or awkward urban plots.

Builder Labour vs Materials Cost Breakdown

A typical labour versus materials breakdown might look like this:

- **Labour:** 35%–45%
- **Materials:** 50%–60%
- **Other costs:** 5% (waste removal, scaffolding, permits)

Some builders price materials competitively by sourcing in bulk and pass savings onto you, but upcharges on labour are harder to avoid. Beware of lump-sum quotes that don't detail labour and materials separately — they make it difficult to spot padding or inefficiencies.



Single-Storey vs Two-Storey Extensions: Labour Tradeoffs

The decision between single-storey and two-storey extensions is often influenced by site constraints, budget, and planning permissions. Labour costs differ for each:

1. **Single-storey extensions** tend to be quicker to build with simpler foundations and roofing, so labour percentages often run on the lower end (around 35%–40%). However, complex groundworks (e.g., confined side access or tree roots) can push this upward.
2. **Two-storey extensions** require more structural work (load-bearing walls, stairs), scaffolding, and sometimes deeper foundations. Labour often increases both in absolute terms *and* as a percentage of the total cost (over 40%), although material costs escalate too.

Windows and roofing materials for two-storey builds are also generally pricier, further influencing the labour share. When getting quotes, ask builders to break down labour hours/stages so you can see where the effort lies.

The Midlands Labour Cost Advantage vs London

Based near Rugby and covering the Midlands, I've consistently seen that builders here offer a significant labour cost advantage compared to London and the South East. Factors include:

- Lower living costs lead to more competitive trade rates
- Less congestion reduces site access delays
- Material deliveries are often quicker and cheaper

This means you might pay 10% to 20% less for labour alone on a similar scheme than a London homeowner. However, always factor in site specifics; tight drives and side access can still push costs up despite regional savings.

Planning Permission, Permitted Development, and Impact on Labour Costs

Understanding planning rules and permissions is crucial before your builder even starts. The **Rugby Borough Council lawful development certificate** process — a way to confirm if your extension qualifies under permitted

development rights — can save you months and the expense of full planning applications.

If your extension fits permitted development requirements (e.g., no more than 4m beyond rear wall for single-storey, or no more than half the garden for two-storey), you often avoid the planning fees and delays that add to labour cost uncertainty. However, this does not eliminate building regulations approval, which can affect the scope and labour hours needed.

Extensions in conservation areas or on listed properties typically require full planning permission, complicating designs and site access. Builders then often price higher labour costs for the specialist techniques and materials involved.

How Planning Status Affects Labour Cost Share

- **Permitted development extensions:** Labour costs tend to be within the typical 35%–45% range as designs are straightforward.
- **Full planning extensions:** Labour costs may rise as builders account for additional foundation work, scaffolding, or finishes needed to comply with regulations.
- **Conservation area extensions:** Labour can be proportionally higher due to specialist restoration work.

Top Tips to Manage Labour Costs on Your Extension

1. **Request detailed stage breakdowns** of quotes – separate labour hours, specific trade rates, and materials.
2. **Confirm whether VAT is included** before assessing quotes; this can add 20% to costing.
3. **Budget a contingency** but resist spending it all early in the project — surprises in groundwork or structural fixes are common.
4. **Consider site access** early on; cramped Midlands semis with tight drives increase labour time and cost.
5. **Check the lawful development certificate** process with Rugby Borough Council to avoid unnecessary planning delays and cost increases.

Conclusion

For most homeowners extending their property in the Midlands in 2026, expect **labour to account for 35% to 45%** of the total extension budget. This share varies by single-storey or two-storey design, complexity, and regional differences with the Midlands offering labour cost savings over London.

Always get quotes with detailed labour vs materials breakdowns and confirm planning status early — for example, whether a lawful development certificate applies locally under Rugby Borough Council rules. This transparency helps compare builders accurately and avoid surprises.

Proper budgeting and realistic expectations ensure your extension project runs smoothly and delivers the space your family needs without cost shock.

If you are planning an extension in Rugby or the Midlands, keep this guide handy when reviewing quotes and talking shop with builders— and remember to ask upfront: *Does that price include VAT?*

