

Understanding the cost of a new custom home

While navigating the design of a custom home is exciting, determining the exact cost of it poses its own challenges. Having the right team in place will certainly aid with this task. We often get asked how much our services will cost and how much the home will cost before a single line has been drawn. There is no exact science to this request. It is our goal to set the right expectation based on the established client program (size, wants, needs), site conditions and constraints, current market rates for materials and labor, as well as the level of expected details, selections and finishes.

The first step to estimating overall costs of a custom home starts with the architecture and engineering professionals. Most firms track the hours spent on each project. Of course, they will vary depending on the size, complexity, location, site conditions, architectural style and budget. Typically, a range of costs is developed by each firm to assist the client with understanding where the fees may end up. Industry standards have architectural fees ranging from 5-10 percent of turn-key costs of the project. Turnkey is the total cost to build the home, excluding the cost of the property, design professionals, interior furnishings and landscaping. Firms will vary with the services they offer and clients will also dictate what services they require from each firm.

During the course of developing the design of the home, it is always wise for the design professional to get a verification of pricing prior to the completion of the construction documents. At this time either the general contractor the client has selected or one of the core partners the design professional would recommend get pulled into the process to review the design. Many different conversations start to take place in order to get an understanding of the structural building systems that will be used, as well as the mechanical requirements. The contractor may choose to use his project cost history and provide an estimate based on square foot costs or get a few bids from a select group of subcontractors. Windows and doors may be bid at this point since they are typically one of the largest line item costs in a home. The more specific the client and design professional can be with selections and finishes, the more accurate the estimate to build the home will be at this point in time. One must keep in mind the documents are not complete to provide an exact cost but it will provide the client with enough information to either move forward with the current design or make adjustments in order to meet their budget.



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Once the design is set, then the design professionals complete the construction documents and then firm bids and accurate allowances are established for the client to enter into a contract with the general contractor they have decided to work with. More often than not, this determination isn't just about price. It is based on who they feel most comfortable with and who will ensure the home will get delivered per their expectations. As the client's advocate, the design professional will be involved to ensure the design is interpreted correctly and the details are followed per the plans and specifications. It is a team effort with many decisions that need to be made along the way. It really does take a village to build a custom home.

The design of a home is not complete without enlisting the services of a landscape architect or professional. Proper landscape and exterior lighting will only enhance the beauty of the house. Not only does landscape add color and texture but it helps with erosion, defines exterior living spaces, defines means of travel and gives the appearance that the home wasn't just built but has been there for years. The budget for exterior landscape design work and then actual plantings and hardscape is also estimated and established for the client's approval. This will vary greatly depending on the size of the property and how elaborate the outdoor living spaces will be. Many times this feature is designed in full but implemented in phases to aid with the budget.

The interior design of the home can either be completed by the client or they may hire a design professional for assistance. The wall finishes, floor finishes, electrical and plumbing fixtures, furniture, window treatments and accessories provide a feeling of warmth and when done properly display the personality of the client. The design professional's time is estimated for the client's approval and the budget for finishes is clearly defined prior to execution.

It is the goal of every professional involved with a custom home to satisfy their client and provide the best services that meet their budget. There is no magic formula to provide that exact cost number prior to getting a design started. It is not difficult to get carried away with ideas, options and wants. Having checks and balances in place, along with the right team, will help lead you through this design and build journey.

Stephanie Baldwin is the owner/president of Edgewater Design Group, LLC, an architecture and structural engineering firm in Petoskey. Edgewater has been in business for 5 1/2 years and Baldwin has been working in the industry for nearly 24 years. She has a bachelor of science degree in architecture from Lawrence Technological University. Edgewater's licensed architect is Michael Karr and licensed structural engineer is Bryan Lindfors.