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*J. Dishner*

LET'S CREATE SOMETHING BEAUTIFUL

# THE ARCHITECT'S ADVANTAGE

Great Homes Don't Happen by Accident

by Jeffrey L. Dishner, AIA, NCARB

Guidebook: Chapter 11

## Chapter 11: Estimating, Your Early Warning System

There is a moment in every custom home project that carries more weight than almost any other, a moment that can either confirm everything the client has been hoping for or introduce a reality check that, if it arrives too late, becomes genuinely painful.

That moment is the estimate.

I have structured my practice to ensure that it arrives early enough to be useful, early enough that the response to it, whatever that response requires, costs time and conversation rather than money and regret. The two-round estimating process I described briefly in Chapter 1 is worth examining in full here, because understanding how it works and why it is structured the way it is will help you navigate one of the most consequential phases of your project with clarity rather than anxiety.

### The First Estimate, A Threshold

After schematic design is complete, after the floor plans are settled and the exterior character of the house has been established by the renderings, I bring a builder into the process for the first time. Not to build. Not yet. To price.

The builder I select for this preliminary estimate is chosen with the same care I described in the matchmaking chapter. Their overhead, their subcontractor relationships, their experience on similar projects in similar locations, all of these factors affect the number they will produce, and a number produced by the wrong builder tells me very little about what the right builder will eventually charge. Matching the builder to the project matters even at the estimating stage.

What this builder receives at the preliminary estimate is not a complete set of construction documents. It is the schematic design, floor plans, site plan, exterior elevations, and enough information about the intended materials and systems to produce a meaningful ballpark. Window brand and material. Roofing type. General exterior finish approach. Structural system. These are the variables that move the per-square-foot cost most significantly, and getting them into the conversation early means the preliminary number is genuinely informative rather than merely approximate.

The builder provides this estimate as a courtesy, a professional investment in a relationship that may lead to a construction contract. I respect that investment enormously. I would never engage a builder through the time-consuming work of producing an estimate and then discard their participation in favor of someone else without cause. The preliminary estimate is the beginning of the builder's involvement in the project, not a competitive exercise. My intention, when I invite a builder to estimate, is to continue working with that person through construction documents and ultimately to award them the project.

I think of this first estimate as a gateway that the project must pass through before proceeding. If the number comes back at a level the client's budget can accommodate, we proceed with confidence. If it does not, we have decisions to make, and we have the time and the design flexibility to make them well.

### When the Numbers Don't Line Up

I do this work often enough to have a well-calibrated sense of what things cost in the markets where I practice. By the time a preliminary estimate arrives, I have already been communicating my own expectations to the client, factoring the square footage, the complexity of the exterior, the quality of the intended materials, and the site conditions into a running conversation about what the project is likely to cost. The preliminary estimate should, in most cases, confirm rather than surprise.

When it does not, when the number comes back higher than the budget supports, we have options, and we have the time to exercise them thoughtfully.

Sometimes the path back to budget runs through the design itself. A simpler roofline reduces framing complexity and cost. Moving the house on the lot can decrease the amount of site preparation, retaining walls, and foundation work required by a challenging topography. A material substitution, a less expensive cladding, a different roofing system, can recover meaningful dollars without altering the character of the design in ways that matter to the client. These are not compromises in any painful sense. They are the kind of intelligent trade-offs that good design thinking makes possible.

Sometimes the path back to budget runs through expectations. If a client has come to me wanting five thousand square feet for a budget that the market will not support at that scale, I tell them so directly and I tell them early. Managing expectations is not a failure of service. It is the most important service I provide. A client who understands from the very first conversation what their budget will and will not buy is a client who can make informed decisions throughout the process. A client who discovers the mismatch after months of design work has been invested is a client who has been failed by the people they trusted.

I would rather have a difficult conversation in the first meeting than a devastating one in the last.

### Staying Connected Between Estimates

The months between the preliminary estimate and the final one are not a period of silence between me and the builder. They are a period of ongoing communication, a quiet but continuous calibration that keeps the project on course.

As design development and construction documentation proceed, I watch for the things that move costs. When a client falls in love with imported stone for a floor system, I flag it, not to discourage the choice, but to make sure the builder is aware that the structural implications and the material cost both need to be factored into the final number. When a room grows slightly in the course of documentation, or when a ceiling treatment adds complexity to the framing, I note it. The builder is a running consultant throughout this phase, and keeping them informed means the final estimate arrives without the element of surprise.

My expectation, when the complete construction documents go out for final pricing, is that the number produced will be reasonably consistent with the preliminary one. Not identical, the level of detail in a finished document set allows for much more precise pricing than a schematic design, but not dramatically different either. When the two numbers are far apart, it usually

means something changed significantly between them, and understanding what changed and why is the first order of business.

#### The Final Estimate, A Contract in Waiting

The final estimate is produced based on the completed set of construction documents. The builder sends the drawings to their subcontractors, the framer, the roofer, the mechanical trades, the finish carpenter, the tile installer, and assembles their individual bids into a comprehensive project cost model. This is the number that will form the basis of the construction contract. To that assembled cost, the builder adds their fee, typically expressed as a percentage of the total construction cost, covering project management, general conditions, overhead, and profit. This addition surprises some clients when they see it for the first time. Each line item in a construction budget seems manageable in isolation. Prices for windows, plumbing fixtures, lighting, stone, all are expected and understood. But when every line item is assembled and the builder's fee is applied on top of the total, the number is larger than the sum of its parts. That premium, typically in the range of fifteen to twenty percent of the construction cost where I practice, is the price of having a professional manage the hundreds of moving pieces of a custom home project. It is real money. It is also real value, when the right builder is delivering it.

This is one of the reasons I am so careful about which builders I recommend and why I maintain long-term relationships with the ones who have proven themselves. An honest builder produces an honest estimate, one that reflects actual costs and a fair return, without the padding that protects against problems the builder anticipates but has not disclosed. I have worked with builders brought to the table by others who produced preliminary estimates that seemed attractive and final estimates that bore little resemblance to them. The gap, by that point, arrives too late for graceful resolution. Either the project is cancelled, or it proceeds under duress, or we begin the painful process of value engineering and editing a design that was not conceived with those constraints in mind.

None of those outcomes serves the client. My job is to prevent them, by controlling the builder relationship from the beginning, by maintaining transparency about costs throughout the design process, and by never allowing a client to reach the final estimate without already having a clear and honest picture of what it is likely to state.

#### What Things Actually Cost

There is one more thing worth saying plainly, because it is something almost every first-time custom home client discovers with some degree of shock regardless of how carefully I have prepared them.

Building a custom home costs more than most people expect.

Not because anyone is being dishonest. Not because the industry is inefficient, though it has its inefficiencies. But because the individual components of a custom home, each of which seems, in isolation, like a manageable expense, combine into a whole that reflects the true complexity of what is being built. Quality windows for a well-designed house are expensive. Hand-laid natural stone is expensive. A custom cabinetry package is expensive. Copper gutters are expensive. Each of these decisions is defensible on its own merits, and I have spent much of this

book making that case. But when every defensible decision is added to every other defensible decision, the total is a number that requires the client to have been prepared for it from the very beginning of the process.

That preparation is my responsibility. It begins at the Exploration Meeting and continues through every phase of the design. By the time the final estimate arrives, a well-informed client should be able to look at the number and say, not without feeling it, but without genuine surprise, that this is what we always said it would cost.

That is the goal. It is achievable. It begins with an early warning system through prudent estimating that is honest, consistent, and built on deep relationships both parties appreciate.