

## Construction Costs

Write a presentation of the following table (1)

<b>Table 1. Single Family Price and Cost Breakdowns</b>		
<b>2011 National Results</b>		
	Average Lot Size:	20,614 sq ft
	Average Finished Area:	2,311 sq ft
<b>I. Sale Price Breakdown</b>	<b>Average</b>	<b>Share of Price</b>
A. Finished Lot Cost (including financing cost)	\$67,551	21.7%
B. Total Construction Cost	\$184,125	59.3%
C. Financing Cost	\$6,669	2.1%
D. Overhead and General Expenses	\$16,306	5.2%
E. Marketing Cost	\$4,645	1.5%
F. Sales Commission	\$10,174	3.3%
G. Profit	\$21,148	6.8%
<b>Total Sales Price</b>	<b>\$310,619</b>	<b>100.0%</b>
<b>II. Construction Cost Breakdown</b>	<b>Average</b>	<b>Share of Construction Cost</b>
Building Permit Fees	\$3,107	1.7%
Impact Fee	\$2,850	1.5%
Water and Sewer Inspection	\$2,952	1.6%
Excavation, Foundation, and Backfill	\$17,034	9.3%
Steel	\$1,012	0.5%
Framing and Trusses	\$24,904	13.5%
Sheathing	\$2,142	1.2%
Windows	\$6,148	3.3%
Exterior Doors	\$2,150	1.2%
Interior Doors and Hardware	\$2,883	1.6%
Stairs	\$1,052	0.6%
Roof Shingles	\$5,256	2.9%
Siding	\$8,739	4.7%
Gutters and Downspouts	\$870	0.5%
Plumbing	\$10,990	6.0%
Electrical Wiring	\$8,034	4.4%
Lighting Fixtures	\$2,193	1.2%
HVAC	\$8,760	4.8%
Insulation	\$3,399	1.8%
Drywall	\$8,125	4.4%
Painting	\$6,005	3.3%
Cabinets and Countertops	\$10,395	5.6%
Appliances	\$3,619	2.0%
Tiles and Carpet	\$8,363	4.5%
Trim Material	\$3,736	2.0%
Landscaping and Sodding	\$6,491	3.5%
Wood Deck or Patio	\$1,918	1.0%
Asphalt Driveway	\$2,729	1.5%
Other	\$19,487	10.6%
<b>Total</b>	<b>\$184,125</b>	<b>100.0%</b>

Sample answer.

*Presentation of table (1): Construction cost breakdown*

**It is evident that** the sale price is **a product of many factors**: Definitely the **main bulk** (59,3%) is **attributed to** the Construction Cost and second in order comes the finished Lot Cost with 21,7%.

Apart from these major factors we must always **take into account a profit margin** -of about 6.8%- along with some **general expenses** that should not exceed a maximum of 10%.

Regarding the construction **cost breakdown** we will approach it in 6 rough stages:

A) Building permit and inspection fees at around 4,5%

B) Excavation, framing and sheathing approximately 25%

C/ Exterior finishes: Windows, doors and roof shingles nearly 10%

D/ Major systems: Plumbing, electrical wiring and HVAC about 15%

E/ Interior finishes: insulation, drywall, painting, cabinets and appliances no more than 20%

F/ Landscaping of available plot close to 8%

On the whole, foundation & framing account for  $\frac{1}{4}$  of the total cost, while interior finishes rank second with 20%.