



Cost Per Square Foot Estimate is a Wild Guess

If you're new to home building, you will hear terminology thrown around. It might seem like a good idea to calculate the cost of building a home by breaking it down to the square foot. Unfortunately, this can be horribly confusing. This is because there is no standard of what a square foot is.

Sure, we all accept the mathematical understanding of a square foot. However, when it comes to how many square feet are in a home, it becomes a bit like quantum physics. Some builders use calculations that appear to treat parts of the home as if they don't exist.

The Sum of the Parts

It comes down to "*countable space*". A **1500** square foot house with a full basement has a total of **3000** square feet of area to "*construct*". But some builders do not count the basement as "*full price*" because it is not a "finished" living area.

The same inconsistent price per square foot depending on the part of the home is not limited to basements. It happens with decks, porches, and garages. All those areas might have a value ranging from full value, to half value, and even one-third value.

This is why two builders given the exact same house plans to estimate can come up with vastly different costs per square feet. The thing that will really confuse people is that these vastly different costs per square feet can have almost identical total costs. For example, one builder can have a cost of **\$120** per sq. ft. While another has the cost at **\$137** per sq. ft. But **BOTH** builders say the total price will be **\$400,000**.

Not Everything is Always Included

To complicate things even further, some builders do not include things you might assume they would. I have seen builders leave out things like:

- Well & Septic Site preparation Driveway Running Power to the house
- Landscaping Appliances Exterior lighting

The cost of those things must be factored into a budget, yet not all builders factor those things into their costs per square foot. Sometimes they have allowances, but often their allowance is woefully inadequate to do the job.

This is why it is critically important to have a long conversation with your builder. A phone call and some "average" price per square feet thrown around is not really helpful. You need to sit down and get details.

Why Even Use Price Per Square Foot?

That's a good question. In reality, a cost per square foot is pointless without knowing a lot more detailed information. But it is a quick handle a novice can understand. It is a good jumping off point for people without experience with building homes.

What you really want to know is the total cost to build a home. Knowing what you are going to pay, for everything, is far more important. If the conversation with your builder starts with asking the cost per square foot, then it is a useful tool.

So, What is The Cost Per Square Foot?

The short answer is, who knows, it depends. Beyond the physical characteristics of the home, size, floors, garages, there is the materials. The basic materials like wood, cement, nails, and roofing all have different costs depending on where you live. Then there is the finish materials like paint, flooring and cabinets. These things can be cheap or enormously expensive depending on the quality and quantity used. And finally there is labor, the cost of which will be determined by your local economy.

This doesn't mean you are totally lost when it comes to looking at home plans and guesstimating a cost to build. Back in **2016**, the average cost per square foot was **\$125**. You can use that figure as a starting point. But that number is just a guess. If it seems way over your budget, or way under your budget, it is best to have your builder look at the plan.

The bottom line is, the cost of building a home is not something that can be easily broken down into one simple calculation. There are too many variables for one calculation to cover every possible combination. Online building calculators and quick phone calls to builders are really insufficient and should not be counted on to be accurate.

I know that is not the answer you were looking for, but it is the honest answer. It is the best we can do. It would be wrong to throw numbers around that might mislead you one way or the other. But we are always here to help in whatever way we can. If you have any questions please let us know and we will do our best to get you the information you need.

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