

Key Factors That Affect Building Costs



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"How much does it cost per square foot to build?" If only I had a nickel for every time I was asked that question. Of all the questions that could or should be asked when entering into a building project, this remains not only the most asked but also the most vague.

There are many factors that affect the per foot cost. Following are five of the top factors to consider.

Location - If you were to build the same building in Chicago, IL as you did in Jacksonville, FL, the price could vary by 35% to 40%. Building in a more rural area could increase the spread even more.

Total Square Footage - There are economies of scale in building bigger buildings. It's sort of like buying bulk at your local warehouse-style retailer. You can buy a package of 72 hamburger patties for \$32.00 or \$0.44 each. Now if you were to buy a box of only eight for \$7.99, you would be paying \$0.99 each for a difference of \$0.55 per patty.

Style, Finishes, and Amenities - Stunning architectural features, elaborate finishes, and lavish amenities can substantially drive up costs without adding to square footage or functionality.

Total Mass - High walls and cathedral ceilings, steep pitched roofs, etc. add to the overall volume of the building without changing the amount of square footage. This can add considerably to the cost.

Special Considerations - Site work, utilities, legal fees, impact fees, landscaping, parking requirements, soil types, all of these factors and more can affect the project cost. One of the most seldom considered items is site work. This is a big and extremely variable cost. One church may have \$75,000 of site work and another church across the street, with a similar-sized building and land parcel, may require \$200,000 of site work.

So before you base decisions on cost per square foot, take into consideration the above factors. Make sure you are comparing apples to apples. Always look at *total project cost*, not just building cost.