

What Will The Project Cost?



By
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Throughout the course of my 27-year career at Myler, when meeting with committees, one of the first questions has been: "What will the project cost?" This is a very good question. What will the project cost? The question is very difficult to answer in the early stages of the project. Many times committees will begin asking around. What is the square footage cost of a recently completed building? A person remembering the bid price may respond. At that point the miscommunication begins and the wrong assumptions are utilized by a Building and Planning committee. This can doom a project.

First of all, utilizing the square footage method as a means of budgetary decision-making is about as accurate as pricing an automobile by the pound. The number of square feet a building has is only one of many factors that will determine what your completed project cost will be. One might think that all church buildings will cost about the same per square foot. This is very wrong. Just as you could have a very large discrepancy in the price of two pickup trucks, this goes for church projects as well. Then factor last year's model to next year's model.

Every year the price goes up. The AGC, Association of General Contractors, forecasts building material inflation for this year to be 6% to 8% with spikes of over 10% on petroleum-based products.

Every project is different and many times the individual components of the building can be very different and have very different costs associated with them. There are also various items which are not the actual "bricks and sticks" of the building that impact the project cost. They include but are by no means limited to:

- Environmental assessments.
- Fire Protection requirements.
- Utility availability.
- Legal fees.
- Real estate costs.
- Zoning requirements and approvals.
- Traffic control,
- Accident mitigation,
- Security requirements,

- Furnishings, fixtures, and equipment,
- Lenders' fees,
- Permits.
- Impact fees.
- Soil conditions.

As an Owner it can be difficult to put all of the parts and pieces together. Get help early. Ask your design professional about Professional Estimating Resources. Pre-construction services from construction professionals are a very wise investment and can put you on the road to success.