CLARKITECTURE
BUILDINGS THAT MEAN BUSINESS.

WHAT DETERMINES DESIGN FEES (ARCHITECT AND ENGINEERS)?

Like most professional services (physicians, attorneys, accountants, etc.), architects and engineers provide a highly specialized service and are compensated for their time involved in a project.

Traditionally, design fees are approximately 5-10% of the construction cost. Up to one-half of that amount goes to the architect and the rest is divided between the engineers and specialized consultants. However, the traditional model begs a few questions (*answer key on next page*):

Q1: What's the connection between design labor (time) and construction cost?

Q2: Does the architect stand to increase profit by designing a more expensive building (which I'm paying for)?

Q3: If the construction cost is only an estimate until it's bid (or completed), how do I budget the design fees?

(Traditional Model)

5-10% Construction Cost

Architect

Engineers

Consultants

CLARKITECTURE.NET
(316) 302-4472
7701 E KELLOGG DR, SUITE 630
WICHITA, KS 67207

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At Clarkitecture, our fees are transparent and they make sense. They aren't based on an archaic formula or percentage just because 'that's the way every other architect does it.' First, we listen carefully to your needs so we understand the nature of the project. Next, we estimate the design labor (time) required to complete the project. Then, we propose a fixed *guaranteed maximum fee* (GMF) for our services, which may not be exceeded. This is your budget number. Finally, because construction shouldn't involve gambling, we set a target for cost savings that will be returned to you at the conclusion of our services if we over-estimated the GMF. Want to verify our billings? All direct and indirect costs for your project are open book; ask anytime to view them.

Answers to questions:

A1: A lot or very little; it depends on the nature of your unique project.
A2: Yes, this was often a point of conflict between owners and architects.
A3: Trick question--you can't accurately budget a moving target.

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