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BUILDINGS THAT MEAN BUSINESS.

WHAT WILL MY CONSTRUCTION PROJECT COST?

You probably want to know what your construction project will cost long before you break ground. We can help you estimate cost from the beginning of the *Design* phase. These estimates become progressively more accurate the more complete the *construction documents* (CDs) are. It's important to know that construction projects adhere to the *project management triangle model*, which states that a project cannot be simultaneously completed fast, of good quality, and at low cost. If any two of the three goals (schedule, quality and cost) are prioritized, the third will suffer.

> Note: industry jargon that you are likely to hear often is included in italics. Throw around these terms to impress your friends!

Here are the methods we used to determine cost:

Area costs. This type of estimate is useful early in the construction process. Based on the proposed construction materials, general quality of the finish work and type of building (height and complexity), we estimate a dollars per square foot figure (cost/SF). This number is multiplied by the estimated *gross building area* (SF) to give a total estimated construction cost.

$$\$/SF \times SF_{Gross} = \$_{Total}$$

Unit costs. This type of estimate is useful after the CDs are relatively well developed, when quantities of specific materials and systems can be analyzed. A cost is assigned to one unit of each material or system (cost/unit) and multiplied by the total number of units. The total cost of each material and system is added up to give a total estimated construction cost.

$$(\$/Q_1 \times Q_1) + (\$/Q_2 \times Q_2) + (\$/Q_3 \times Q_3) + \ldots = \$_{Total}$$

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GC/CM estimating. An architect's estimates are approximate and rarely binding. A *general contractor* (GC) or *construction manager* (CM) can provide a more accurate cost estimate based on their intimate knowledge of the *bidding climate* (more on that below); relationships with subcontractors, suppliers and manufacturers; and more detailed history of actual costs for similar building types, materials and/or systems. GCs and CMs often provide preliminary cost estimates as a courtesy, without requiring a contract for the construction work. This type of estimate supplements the architect's estimates.

Bidding. This is the most accurate type of cost estimate. A true bid or *guaranteed maximum price* (GMP) is usually a binding number that represents a GC or CM's best prediction for the total construction cost, often based on completed CDs. The bidding climate—whether costs are high or low at a point in time—is affected by many factors. These include the overall micro- and macro-economy, abundance or lack of current work, seasonal adjustments, and supply and demand for materials and systems.

Building information modeling (BIM). This technology may supplement all types of cost estimates to improve accuracy. Clarkitecture designs exclusively in a BIM platform, and to be most effective, BIM should also be embraced by the GC or CM.

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