



How Much Does Building a House Cost? Start With a Ballpark Figure

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Imagine you're shopping for a new stove. You know the size and the features you want. You've done your research, looked online, and have a pretty solid idea of what you can expect to spend. When you go to the store to actually make your purchase, you'll be totally comfortable with the price tag, because you already have a price range in mind.

Of course, designing and building a new home is a much bigger purchase than a stove, but the same principal applies here. You know what features you want your new home to have and where you are thinking of building. Knowing a ballpark figure for how much it will cost to get your home means fewer unpleasant surprises during the design-build.

What is a ballpark figure?

To answer this question, it may be simpler to tell you what a ballpark figure *is not*—it's not granular and it's not complicated. It is general, based purely on what you tell us about your needs, wants and wishes for your new home.

As the home builder, our goal for providing a ballpark figure is to answer this question: *"Can we deliver most of what you want inside your budget?"* Simply put, a ballpark figure is an estimation of how much it will cost to build the home you want, in the location you want. Often a ballpark is comparing what you want to a **predesigned and predefined model** that is similar. It could also involve comparing what you want to a recently completed project.

To provide the ballpark estimate, we take you through a guided conversation with a series of questions designed to get a sense of what kind of home you want: the location, the size, the layout, and any special features. From there, we'll be able to give you a ballpark range for how much it would cost to build what you described.

Why determine a ballpark figure for a new home?

The ballpark figure does more than just give you an idea of price. It actually helps you take some of the first steps toward making your vision a reality. At Sterling Homes, we discuss a ballpark figure with our clients prior to signing a Design Build agreement to ensure that we are all on the same page. If you describe your dream home to us and think it will cost \$150,000, but we hear \$450,000, then we now



have an opportunity to investigate before either of us invests a ton of time and effort in a project that may not be feasible.

Here are some of the things the ballpark figure does for you—*and* for your builder.

Provides a reality check on budget

Sometimes, the dream home you envisioned doesn't exactly align with your budget. Once you hear the ballpark figure for building your house—and the reasoning behind it—chances are that reality may set in. Talking to a builder will help you get a better understanding of the possibilities within your price range. We have seen this ballpark surprise people both by how high and by how low.

Sets expectations

The ballpark price range helps you set and manage your expectations about what your project will look like moving forward, and what your budget can *actually* buy.

Paves the way to move forward quickly

During our process at Sterling Homes, both the customer and we need to agree on the ballpark price before moving forward—and we need to agree in writing. Having everyone on the same page as early as possible allows us all to move forward quickly, meaning you're that much closer to living in and loving your new home.

What's included in the ballpark figure?

The answer to this question may not be satisfying, but it's true—we really don't know exactly what the ballpark figure includes. That's because, during our initial conversations, we can't know all of the factors that will eventually determine your final price—the conditions of the land, the fixtures and finishes you'll select, and more.

A ballpark figure can be easy to reach, if there are many known factors, or more challenging if the project includes a lot of variables. For instance, if your land is on a large lot that needs an extensive amount of site work—well, septic, power, long driveway, etc.—this will have a big influence on the ballpark range.

Your ballpark figure is reached through our years of experience building hundreds of homes, and knowing what it will take to make a certain type of home a reality. The best part about the ballpark pricing method is that you know what to expect well in advance, so you can make decisions about priorities and think through your needs wants and wishes lists.

Ballpark pricing for building a home is a straightforward way to determine if a Design Build project makes sense. It helps your building team get aligned with your vision and ensures that you're completely comfortable with the cost range of your new home. Start planning today!