

How Much Does it Cost?

Lot sizes are shrinking for new home construction, while overall costs continue their climb to nearly unprecedented heights.

The National Association of Home Builders' construction cost survey shows that the average home is being built on about one-third of an acre. While this is less than the NAHB's last survey, costs have not fallen.

The survey identified the average construction cost of a single-family home as \$245,453. This average is significantly higher than the 2011 cost of \$184,125 and the highest it has been since the organization's 1998 survey.

SIZE OF HOME

Size is one of the primary

reasons new home costs are rising. While homeowners are opting for smaller yards, the 2013 average size for a new home was 2,607 square feet.

More square feet means more flooring, walls and finishing touches, all of which are factors in driving total costs up.

SALES PRICES

These larger homes, coupled with the features of a new build, helped fetch an average of \$399,532 as a sale price on newly constructed units, according to the NAHB, which factors in costs over and above the construction of a home — including sales commissions, overhead and financing costs. This figure is still considerably lower than the \$454,906 high in 2007 — shortly before the

real estate downturn.

COST BREAKDOWN

The NAHB survey broke down new home costs into all of the various construction categories required to complete the build. Ranging from site work and foundation construction to major systems and final steps, the cost of building adds up in a hurry.

Here are a few of the costs from the survey:

- Framing, including the roof: \$47,000.
- Exterior finishes, including windows and doors: \$35,400.
- Plumbing, except fixtures: \$11,800.

- Interior finishes: \$72,200.
- Landscaping: \$5,700.
- Driveway: \$3,700.
- Clean-up: \$2,200.

Here are some of the behind-the-scene costs that some homeowners may overlook when building their budgets:

- Architecture and engineering: \$3,700.
- Building permit Fees: \$3,600.
- Water and sewer inspections: \$4,300.

