

Planning for a Project

BUDGETING TIME & MONEY

Tuvia Poliskin A.I.A.

First time engaging in a design project for either your home or a commercial property then an exciting, yet unfamiliar, world awaits. If you have already hired an architect, then one of their first responsibilities will be to educate you about the design process (*see: Working with your Architect*).

If you haven't hired an architect, the following should assist you in determining your initial soft costs, as well as the amount of time that the design and municipal approval process may take.

HOW MUCH WILL IT COST?

A primary concern is always money. Costs will vary depending on your needs, objectives and locale; however, there are some rules of thumb that are useful in estimating the initial upfront costs. As you define your scope of work with its associated construction budget, the project soft costs will be directly related to the construction budget.

SOFT COSTS

The first costs or upfront costs to account for are called '*soft costs*'. These are the fees you need to budget for separate from the purchase of the property and the building construction budget. Below is a list of potential soft costs with their associated fees that are typical for most remodels, renovations, additions and new construction. Depending on the scope of work, the percentages may vary slightly and some of the professional services may not be required.

Typical soft costs including professional and municipal fees for remodel, renovations, additions and new construction range from 15% - 20% of construction cost and can be as high as 30%. This 15% range is the result of the combination of: the scope of work, required and/or needed

professionals, as well as the quantity and quality of services. In the case of a higher percentage fee, more time will be allotted to the design and thus more drawings, details and specifications will be provided. Once you meet with your architect, the architect will develop a list of the additional professionals necessary for your project, along with a concise estimate of your soft costs based on your scope of work and objectives.

It is important to mention, beyond what is required to secure a building permit, *you* are in control of the amount of service you want from your professionals. The building permit drawings only need to include the required drawings and documents established by the planning and building departments. These drawings and documents demonstrate that all planning ordinances and building codes relevant to your project scope have been satisfied. This is called a '*permit set*'.

Typically, most finish details with finish and fixture specifications are not required for the permit set and may be excluded. If you determine that you only need this level of professional service, it will keep your professional fees to the lower end of the percentage of construction. However, keep in mind, the lack of this type of information will affect the accuracy of construction estimates and potentially the quality of the finished product.

STANDARD PROFESSIONAL FEES: 13 - 20%

The fees below are based on a percentage of a \$250,000 construction budget.

Note: as the construction costs go up, the professional fee percentage can move toward the lower end of the percentage range.

- Architect: 10 - 15%
(Depending on scope of work)
- Structural Engineer: 2 - 3%
- Civil Engineer: 1/2 - 1%
(May not be required)
- Geotechnical Engineer: 1/2 - 1%
(May not be required)
- Electrical Engineer: 1 - 2%
(Typically required for commercial projects)
- Plumbing & Mechanical Engineer: 2 - 3%
(Typically required for commercial projects)

ADDITIONAL PROFESSIONAL FEES

Note: Depending on your scope of work, additional professionals may be required.

- Landscape Architect: 2- 4%
(Depending on scope of work)
- Interior Designer: 2- 4%
(Depending on scope of work)
- Lighting Designer: 1/2 - 1%
(Not standard)
- Acoustic Engineer: 1/2 - 1%
(Not standard)
- Audio/Visual Engineer: 1/2 - 1%
(Not standard)

MUNICIPAL PERMIT FEES: 2 - 4%

- Building Permit: 1 - 2%
(Standard)
- Planning Entitlement Permit: 1 - 2%
(Check with local municipality if required.)

TIME

We have established a baseline for potential soft costs; now let's look at the amount of time associated with developing the design and then securing building permission from your local municipality. The time associated with preparing the design documents will vary depending on the size and complexity of the scope of work. However, there are some general timeframes you can begin to plan for.

DESIGN PROCESS TIMEFRAME

A project that has a construction budget between \$150,000 - \$250,000 will take 2 - 3 months on average in order to produce the design and complete the building permit drawings. After this threshold, you can plan on an additional month for every \$200,000 of construction cost. So a million dollar project would take approximately 6 - 7 months to prepare. The design documentation process can require more or less time depending on the quantity and quality of service you require from your architect. However, this is a reasonable baseline to start planning for.

SECURING PERMISSION TO BUILD

Once the drawing documents have been completed, it is time to submit to the local municipality for what is called "*plan review*". In order to receive permission to build, the drawings and supporting documents need to be reviewed and approved by the municipal plan examiner(s). Each municipal process varies slightly, however there are some basic timeframes that seem to be consistent.

BUILDING DEPARTMENT PLAN REVIEW TIMEFRAME

- Once all required drawings and supporting documents are submitted to the responsible governing agency(s), the first round of plan review takes between 4-6 weeks.
- After the first review, if there are any comments that require corrections to be made to the drawings and supporting documents, the second round of review takes between 2-4 weeks. (On average every round after the second round of review takes 2 weeks.)
- Therefore, the earliest you may receive permission to build would be 4-6 weeks with an average timeframe of 8-10 weeks.

Note: Check with your local municipality for their exact plan review timeframes. Also you need to take into account the additional time necessary for your professionals to make the required corrections to the drawings and documents before resubmitting.

The above timeframe does not include either a *Planning Entitlement Permit* or *Design Review*, which would precede the building permit review. Typically, planning entitlement permits are not required for moderate remodels, renovations and additions, however if your project is new construction, change of use or a significant remodel/addition, you may require a planning entitlement permit, which could take between 2-4 months depending on scope of work and the local municipality.

Note: Check with your local municipality for guidelines and timeframes.

GENERAL PLANNING

So now you have an overview of the potential soft costs and timeframes you should plan for. Again, I want to emphasize, these are rules of thumb and do not take into account your specific project parameters. The information provided is to assist you in your general planning only. The exact soft costs and timeframes will be prepared by your architect after a thorough analysis of your specific project requirements and locale.