



EMERALD CITY
CONSTRUCTION

2024 Custom Home Construction

ROM (Rough Order of Magnitude) Cost Guide



Building a custom home in the Greater Seattle area can vary widely in cost depending on the project's complexity, the level of quality desired, and the characteristics of the lot. Given the variability in land costs, which are not included in this ROM (Rough Order of Magnitude), we categorize the average per square foot cost of building a custom home into three grades: Mid-Grade, High-Grade, and Luxury Custom Home.



Mid-Grade:

Averaging around \$375 per square foot, mid-grade custom homes are designed with quality, durability, and cost-efficiency in mind. They typically include standard finishes, off-the-shelf fixtures, and moderate architectural details.



High-Grade:

With an average cost between \$450 and \$500 per square foot, high-grade homes offer higher-end finishes, custom architectural features, and more personalized design options, along with premium construction materials.

Luxury Homes:

Ranging from \$500 to \$750 per square foot, luxury custom homes are built with no expense spared. These homes feature top-of-the-line materials, bespoke design and architectural services, advanced technology integrations, and unique amenities tailored to the homeowner's exact specifications.

Land Cost In the Greater Seattle area, including sought-after neighborhoods on the Eastside such as Bellevue, Mercer Island, Kirkland, and Redmond, land costs can vary significantly. Urban areas and desirable neighborhoods typically command higher prices per square foot compared to suburban or rural areas. However, due to the scarcity of undeveloped land in these prime locations, we often recommend considering the teardown of an old home as a more feasible option than purchasing raw land. This approach can provide a more cost-effective entry into high-demand areas while also offering the opportunity to rebuild to modern standards and preferences. Proximity to amenities, schools, transportation hubs, and scenic views continue to be key factors influencing land prices. Working with a real estate agent familiar with the local market is crucial to find suitable land or properties for teardown within your budget.



1

Building Permits and Fees

For the Seattle region, building permit costs indeed vary widely. For a standard single-family home, we're looking at an average range of \$35,000 to \$60,000, aligning with your estimates. This variability accounts for the project's complexity and local jurisdiction requirements. Impact and utility connection fees add approximately another \$10,000 to \$20,000 on average, though this can increase based on the specific needs of the project.



2

Material Costs

The volatile nature of material costs continues to challenge budgeting efforts. As of the latest data, lumber prices are fluctuating between \$350 to \$600 per thousand board feet. Concrete and steel have seen a 5-10% increase over the past year. Emphasizing sustainable and high-quality materials, while initially more costly, has proven to reduce long-term maintenance and energy costs, providing substantial value to homeowners.

3

Labor Costs

The labor market in our region has indeed tightened, leading to increased costs. Skilled labor rates have risen by approximately 10% over the past years. For general construction labor, homeowners should budget for \$55 to \$75 per hour, with specialized professionals like electricians and plumbers commanding higher rates.



4

Design and Architectural Fees

Our experience with architectural design costs in Seattle can range from \$8 to \$15 per square foot, and our experience is influenced by the project's complexity and customization level. Interior design fees can vary widely but often fall within the \$7 to \$9 per square foot range you mentioned.

5

Utilities and Infrastructure

For new constructions, especially in undeveloped areas, utility connection costs can be significant. On average, connecting to city utilities can range from \$30,000 to \$50,000, depending on the distance and terrain. Landscaping, driveways, and fencing can add another \$30,000 to \$50,000 to the project.

6

Contingency Fund

We recommend a contingency fund of 10% of the total project cost to more safely account for unforeseen expenses and project scope adjustments. The unpredictability of construction, especially in our region, which has unique environmental considerations, justifies this precaution.

7

Financing Costs and Insurance

We suggest omitting insurance and financing from the direct cost guide but providing a note on its importance. Financing costs vary widely but should be carefully considered in the overall budget planning.

8

Taxes

Including local sales tax is crucial for a comprehensive budget. In King County, the sales tax ranges from 8.7% to 10.25%, significantly impacting the total cost of materials and, consequently, the overall project budget. Many homeowners tend to look past this consideration.

We believe addressing these points will provide our clients with a realistic and comprehensive understanding of what to expect when embarking on new construction projects in the Greater Seattle area. We're looking forward to refining this guide further with your expertise.



EMERALD CITY
CONSTRUCTION

emeraldcitybuild.com

