

Strategies that Work



Pricing Strategies for Home Builders The Quick A-Z of Pricing Million Dollar Homes



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Introduction

Few construction companies proactively manage their businesses to create the conditions that foster more profitable pricing strategies.

The most common method of pricing is a cost plus approach. However this approach often results in mediocre financial performance. Experienced contractors try to adapt when they realize that a cost plus approach does not work well by using flexible markups.

The difficulty with flexible markups is it still does not provide more profitable pricing. The only way a contractor can develop a more profitable pricing structure is to start with the customers needs, budget constraints and then work to offer solutions within those constraints.

For example: When a contractor goes to purchase a new vehicle the first question the car sales person usually asks is what is your budget range then shows the customer the range of vehicles and options within that budget range.

However this method only works for experienced customers who understand the value they can receive and typical costs to provide this value.

For the first time customer, the art is in asking the right questions and educating the customer on the various options and trade offs that can be achieved.

For a contractor that wants a profitable pricing strategy the first step is to focus on **helping a customer create a home versus selling a house**. To do this a contractor can benefit from identifying all the elements of what constitutes “creating a home” and deciding which elements a customer values and will pay someone to provide that service.

In this booklet we outline 26 ways that contractors can add additional value to the total customer experience and be paid for providing this service. The examples used are all for creating million dollar residential homes but many of the same principles can be used by contractors in other situations.

We would welcome your feedback and suggestions on how we can improve this booklet to provide great customer value and help contractors develop more profitable pricing strategies.

Please email us with suggestions at stuart@morleyspeaks.com or call us at 1.888.687.3181

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Artistic (Renderings) Pricing.

What is it?

Artistic pricing is to earn fees while customers decide on what kind of building they want. It involves more than drawing plans – it helps the buyer to see what the final product can or will look like.

When is it appropriate?

When the customer has a hard time visualizing what their future home will look like from the plans.



What are the advantages?

The benefit of this strategy is it allows the construction company to show what the finished home will look like from the outside. These renderings can be done to a standard that the customer may want to buy a print to hang in their new home or send to friends. By offering this service the construction company can help clarify what the customer will get and also get the emotional buy in from the customer when the rendering matches their dream for their home.

What are some examples?

Some companies, like Lindal Cedar Homes, offer books of home plans for about \$15 that potential customers can purchase. These books can also contain tips for buyers on selecting a suitable building site as well as sample artistic renderings.

Some construction companies offer the use of computer software and staff to adapt standard house plans. It is also helpful to offer to photograph the property before and during construction for the customers to keep and provide proof of progress. For some customers who are building a recreational property, offering a webcam service to take a “shot a day” of progress on the construction site that the can see by visiting a website is a great service.



Budget Pricing

What is it?

Most customers have a budget in mind when they start the process of finding or building a home. However the budget is often less than the ideal home they desire. These customers need help to think through the various trade-offs of costs to build versus expected final appraisal value of the property as well as how big a mortgage or debt they can incur to finance their dream home.

When is it appropriate?

When customers are having trouble matching what they want in a home with what they can afford.

What are the advantages?

By starting with an overall budget, the contractor can work backwards to help the customer decide how big a home they can afford. Home owners can spend 1,000 hours or more planning their home and the budget tool can save them time working through the trade-offs they will ultimately have to make before they ask the contractor for a fixed quote.



What are some examples?

When a contractor offers customers a pre-designed worksheet and works through some rules of thumb for the customer, they can charge a “budgeting fee” as a professional service.

For example if the owner has a budget of \$500,000. The contractor may have a rule of thumb that the land may cost \$100,000 and the other development costs may cost \$50,000 which would leave \$350,000 for construction. Applying another rule of thumb of say \$200 a square foot then the budgeting process would allow for a 1,750 sq foot home.

The customer can now decide whether the home size is about right or whether they need to rethink their approach or then work on ways to reduce the costs of expensive rooms like removing upscale bathrooms, upscale kitchens, or delay installing entertainment areas, or adding a deck.

Clean Up Pricing

What is it?

Clean up pricing is a separate itemized cost to the customer to deal with the clean up issues like: frequency of removing debris, draping plastic over doorways to reduce dust, covering gardens with temporary walk ways, keeping pets out of the way, arranging storage and parking areas

When is it appropriate?

When the owners are living on site during construction or the property needs to be kept clean to impress financiers or potential buyers who are visiting on a regular basis.

What are the advantages?

The contractor has an opportunity to discuss what the customer's expectations are around clean up and to help the customer understand the costs if the contractor is required to undertake extensive clean up during the construction process. By itemizing the clean up costs separately from the rest of the construction quote it encourages the customer who is shopping for other quotes to ask other contractors to break out the clean up portion of their quote or realize that the competitors may not have considered clean up.

What are some examples?

Some construction sites have noise limits (to limit construction involving noise from machines like whining circular saws) which can adversely impact daily productivity or the workers find they need to spend a hour a day or more doing activities normally done by the home owner like: closing vents in rooms being remodeled so dust won't travel though the duct system, or sweeping (or even vacuuming) the living areas frequently to keep dust from building up. If the clean up services are provided then the contractor is compensated for there activities and the customer can be comfortable that these issues are addressed.



Drips and Drabs Pricing

What is it?

Drips and drabs pricing is to cover the small requests that home owners ask contractors to undertake like:

- Installing mirrors, towel rails, or new appliances
- Moving furniture around to avoid storage
- Fixing minor leaks
- Covering piping that cannot be hidden in the wall
- Building additional self spaces
- Repairing squeaky stairs
- Dry wall gaps around plugs and lights
- Inserting a ventilation hole
- Repairing damaged roof tiles
- Hanging curtains and drapes
- Adding door jammers
- Adding deadbolts
- Replacing air duct caps
- Extra shelving required for kitchen cupboards
- Treating a small mold problem
- Unclogging a drain



When is it appropriate?

When customers have a very tight budget the contractor can take these costs and treat them as a separate extra charge that the customer can avoid paying if they can do these jobs themselves.

What are the advantages?

The contractor does not have to bother with minor change orders to cover these minor dribs and drabs but can have a checklist of these activities that can be checked off as the customer requests these services and an overall charge can be added at the end of the project.

What are some examples?

The checklist above provides an example of the types of dribs and drabs items the contractor can include in a Drips and Drabs fee.

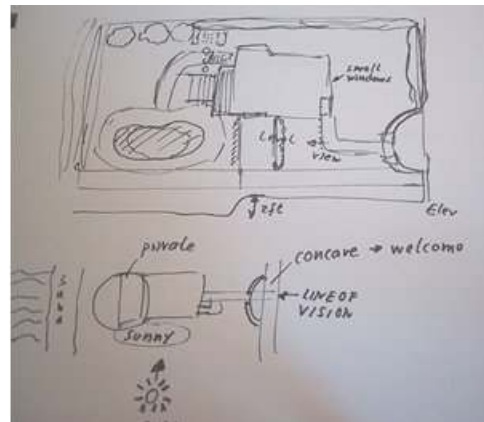
Environmental Limits Pricing

What is it?

Many owners do not really know the boundaries of their properties or with changing regulations the often don't know how far from the boundaries they can build the home, septic, multi car garage, road access, dock, deck, pool, tennis courts etc. An environmental limits service can provide the home owner with the key information if the contractor is able to provide this service as part of an overall diagnostic of the building potential of the property before undertaking any work.

When is it appropriate?

When the customer has a property in an area that is unfamiliar to them. A city dweller purchasing a large lot in a rural area may not realize the challenges such as: bedrock levels, building on flood plain areas, permeable or swamp ground, neighbour encroachments, tree removal requirements, wildlife habitats etc.



What are the advantages?

The contractor that can offer this service for a fee, and this makes it worthwhile for the contractor to study the potential construction challenges and make the customer aware of these challenges before undertaking any work. It also helps the contractor to quote the construction more accurately.

What are some examples?

A contractor can prepare a property sketch that not only highlights the environmental constraints but also includes the customer's desired features to see if the drainage, direction of sunlight, view of neighbours or other factors will impact the ability of the customer to achieve their desired experience.

Fast Build Pricing

What is it?

Work handover amongst trades is one of the big causes of delays on projects. Fast build is a way to help the customer cope without a general contractor to get the handover amongst the trades happening as quickly as possible.

When is it appropriate?

Without a general contractor the customer can cause unnecessary delays due to their lack of knowledge or experience with the construction process. In some construction projects there can be 50 to 100 or more handoffs of work backwards and forwards to various trades. It is common to use sub-contractors to perform many specialized activities but these sub-contractors need to be kept in the loop on what is happening and when are the best times for them to be involved.

What are the advantages?

Getting a project completed quickly involves managing three levels. First is the overall time to complete the project; second is coordinating the different trades involved to review the work for the next 4- 6 weeks in general; and third is reviewing the work to be completed in the next week. Much of the detailed planning does not happen before starting construction. Having weekly and sometimes daily meetings focused on achieving the end product helps ensure deadlines are met and mistakes are avoided.

What are some examples?

For a fee, the customer can be educated on how to manage the process. The tools to manage the process include developing:

1. A telephone list of all participants (customer and other subcontractors)
2. Agreement by the customer to allow the work being done in sections and phases with budgets and timelines for each section or phase.
3. A discussion with the subcontractors on the customer and employee work schedules, the various sub contractor needs, the options to work late or on weekends etc.
4. Agreeing to some contingency plans to deal with weather or other unusual factors that can delay work
5. Reviewing a weekly or monthly log of delay factors against plans kept by the contractor (for weather, design changes or errors, materials not delivered or incorrectly delivered, or waiting on customer decisions, etc.)
6. Contractual arrangements of procedures and compensation to sub contractors who are delayed by other sub contractor or the customer.

Guideline Pricing

What is it?

One of the most challenging factors for potential home owners is to understand the true costs of buying or building a home.

When is it appropriate?

When customers are asking a builder to estimate the costs very early in the buying process.

What are the advantages?

The builder can get paid to spend time discussing the options and providing a guideline to prices without wasting time doing detailed estimates.

What are some examples?

Here is a Quick Price Guide that a contractor can develop and charge for using some rules of thumb that are helpful for prospective property owners to consider.

Quick Price Guide (example)	Low Price	High price
Land cost (assuming small lot on a small lake)	\$50,000	\$150,000
Remove prior home or buildings	\$0	\$50,000
Septic/ water systems (assuming standard conditions)	\$15,000	\$35,000
House cost based on 2,500 sq foot standard home	\$500,000	\$875,000
Special features (garage, driveway, pools, hot tubs. deck etc.)	\$10,000	\$30,000
Subtotal	\$575,000	\$1,140,000
Contingencies (assuming 10%)	\$57,500	\$140,000
Building permits etc. (assuming \$7 per \$1,000)	\$4,000	\$7,000
Subtotal	\$632,500	\$1,287,000
Landscaping (assuming 12%)	\$76,000	\$154,000
Total	\$708,500	\$1,441,000

High Payback Pricing

What is it?

When customers want to do an upgrade with a limited budget and are not sure where to start. By educating potential customers on the where they can achieve the best returns for their investment you can get the customer to move closer to the decision to hire the contractor.

When is it appropriate?

Contractors can offer the customer a paid service to research the value add to renovations in their area or subcontract this work to a real estate agent. The pricing of these renovations can also be compared to industry surveys so that it is easier for customers to rationalize their investment.

What are the advantages?

This approach helps customers select where to focus their attention and avoid over capitalizing their properties.

What are some examples?

According to the AIC 2004 Renovations and Home Improvement Survey the top four greatest payback potentials for renovations were:

- Bathroom renovation (75-100%)
- Kitchen renovation (75-100%)
- Interior painting (50-100%)
- Exterior painting (50-100%)

Island Pricing

What is it?

It is not unusual to find the cost of building a home on an island can add 50% or more to the building costs as the material needs to go by barge, and the workers cannot always access the island during bad weather or during ice melts and may need to “camp” on the island during construction.

When is it appropriate?

Preparing an island pricing checklist can help potential customers think through the issues before deciding they definitely want to build an island home or cottage or making sure they have sufficient funds to do so.



What are the advantages?

The contractor can offer a paid service to work through the costs and develop some rules of thumb based on construction of other similar projects in the area

What are some examples?

Island construction costs potential customers don't always think of include:

- Access to hydro, gas, solar or wind technology
- Satellite, TV and cell phone access
- Drinking water
- Docking facilities
- Septic system
- Marsh and wildlife areas limits
- Lifts, ramps and staircases to the house to ensure it is well away from floods or high water marks
- Boat traffic
- Sharing facilities with neighbours on a larger island
- Swimming areas and beaches
- Fishing
- Travel time from home
- Security and vandalism
- Availability of emergency services (boat or helicopter access, time to get to the mainland etc.)

Juggling Lifestyle Pricing

What is it?

Juggling lifestyles is the process to help customers decide if moving to the area makes sense given their lifestyles.

When is it appropriate?

When potential customers are traveling to several areas trying to decide where to relocate.

What are the advantages?

This service allows the contractor to be paid to spend the time helping the potential customer decide if the area is worth moving to and building a home.



What are some examples?

By developing a checklist for the local area and matching it to the lifestyle of the customer a contractor can help assess the match between the customer's lifestyle and the advantages of the local area.

The top 15 factors that most customers use to select a home location are:

Priorities	Lifestyles			
	Starter home	Expanding Family	Executive & second home	Retirement
1. Employment	X	X		
2. Affordable housing	X	X		X
3. Family close by	X	X	X	X
4. Reasonable cost of living	X	X		X
5. Access to major cities	X		X	
6. Plentiful leisure time activities	X			X
7. Plentiful cultural activities	X			X
8. Low pollution		X	X	X
9. Low crime rates		X	X	X
10. Health care available	X	X	X	X
11. Schools /continuing education	X	X		
12. Fewer but friendly neighbours		X	X	X
13. Beautiful scenery		X	X	X
14. Water access	X	X	X	
15. Touch of history				X



King of the Hill Pricing.

What is it?

It is helping the customer who wants to build the most impressive (expensive) home in the area.

When is it appropriate?

When a customer is new to the area and wants to build have the most prestigious home. In order to do this the customer needs to know what other prestigious homes are in the area and how they can build something more spectacular.

What are the advantages?

Some customers want to be the 'king of the hill' in the area to attract attention, but don't know how to make sure this happens.



What are some examples?

A contractor can be paid to visit all the prestigious homes in the area and ask to photograph and document their features to attract other similar home owners to the area. The advantage to home owners who participate is they don't have to be bothered with lots of visitors as they can refer to the contractor in the area that can provide the details.

Logistics Pricing

What is it?

When customers build homes that are remote, the cost of travel by the contractor and workers as well as delivery costs can become significant.

When is it appropriate?

When the customer is building in a location that the contractor finds they have excessive travel time for workers and materials.



What are the advantages?

A customer that has a quote that itemizes the cost of logistics can either accept the cost or offer accommodation on site or provide alternatives that can reduce the logistic cost.

What are some examples?

The more remote a construction site, the more challenging the management and hence the risk of higher labour and material wastage. A chart can be developed to illustrate to customers the risks and hence level of contingencies needed on remote construction sites.

Cost of logistics	
1. Limited space to store materials	6. Limited access to the building site
2. Limited secure storage	7. Weather limitations
3. Limited access to labour	8. Need for specialized material handling
4. High theft and vandalism area	9. Unusual building materials
5. Difficult location to find	10. Delivery distance greater than 2 hours

Each factor can add 3-5% to the cost of labour and material wastage. Therefore when a customer wants to know the cost of logistics the contractor can further break out the costs. In this example a customer that is facing all 10 problems occur it is not unusual to have labour and material costs run 30% to 50% over budget. Hence the contractor can add 3-5% for each of the risks that he faces with a customer wanting a home built in a difficult location.

Margin Pricing

What is it?

The gross margin for construction (normally calculated as total revenues less the direct labour and direct material cost) vary from 20 to 50% depending on the efficiency and special nature of the work.

When is it appropriate?

When the customer wants the work done and does not need a fixed price.

What are the advantages?

The contractor can work from the actual costs and apply a percentage increase or multiplier to ensure they achieve an adequate profit.

What are some examples?

Common rules of thumb for markups on materials and subcontractors between 25% to 100% and labour from 2 to 5 times the cost depending on the urgency and special nature of the work.

Other costs that maybe included are overtime rates for emergency work, supervisor and project management fees, as well as maintenance and ongoing service contracts.



Negative Pricing

What is it?

Negative pricing is using pricing practices that customers do not like or are unethical.

When is it appropriate?

It is seldom if ever appropriate.

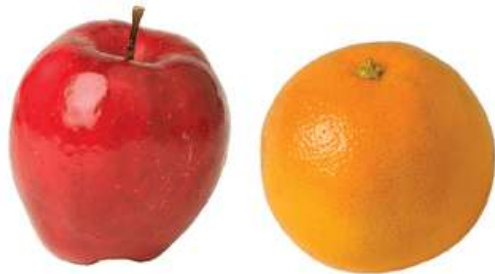
What are the advantages?

If the contractor does not want the work, but feels obliged to provide a price.

What are some examples?

Bait and switch. This is where the contractor offers a low price and once on the job comes back to the customer for more money on the basis that the quote did not include doing “work a” or “work b” or ‘work c”. However if the contractor had warned the customer ahead of time of the things the quote did not include then this would not be negative pricing.

Comparing apples and oranges. As many customers are not familiar with construction terminology it is easy for them to assume two quotes are to do the same work when in fact that is not the case. However if the contractor spelt out the work in detail so it is obvious to the customer what the differences are and took the time to educate the customer on what questions to ask to ensure they are comparing quotes that are comparable, then this would not be negative pricing.



Competitor discounting. In this case the contractor suggests the customer get quotes from builders and whatever their quotes, this contractor commits to do the work for less. The danger for the customer is the contractor doing this does not know how to quote and therefore there would be a question as to their ability to do the work.

Outsourcing and Subcontractor Pricing

What is it?

Subcontractors are generally contracted by the builder who is the head or main contractor. Subcontractors are hired to do the specialist areas of work, such as roofing, plumbing, electrical, joinery, plastering, painting and brickwork. So, all instructions must go through the main contractor who will be responsible for the quality of their work.

When is it appropriate?

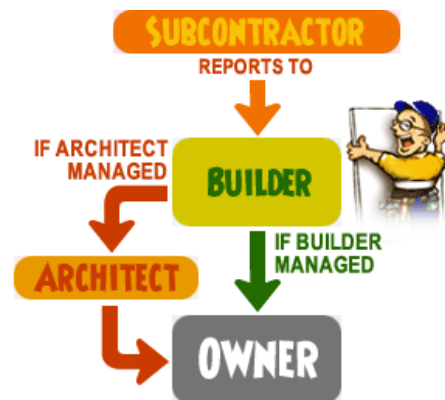
When the customer wants to deal with one contractor and not all the subcontractors who are likely to be involved in a number of projects simultaneously, on other building sites and getting them to appear at the right time is difficult.

What are the advantages?

When there is a main contractor managing the subcontractor the customer has recourse against the main contractor. Without a main contractor (or architect) to manage the process the customer runs the risk of managing subcontractors without the necessary project management skills to ensure quality workmanship on time and on budget.

What are examples?

If the contractor offers to be the main contractor and project manage the process including organizing all the subcontractors for the customer the contractor can charge a project management fee.



Peak Pricing

What is it?

When a customer needs a home created quickly or created during the contractors busy time. In this situation the contractor can charge a higher (peak) price to compensate for inefficiencies and risks caused by delaying other projects.

When is it appropriate?

This is used for work that tends to be for customer who can afford to pay a premium and is willing to provide the upfront or progress payments to compensate the contractor for the inconvenience.

What are the advantages?

For the customer this pricing structure is worth it when the timeliness to complete the work is more valuable than the additional cost. For the contractor the peak price more than compensates for changes to schedules and any risks related to taking on the work at peak times.

What are examples?

A contractor may have peak pricing for work during busy summer months or projects where the inside finishing cannot be done during the winter.



Quick Landscape Pricing

What is it?

A quick landscape concept drawing is a sketch of what the customer would like in their new garden.

When is it appropriate?

The landscape concept drawing should be developed before beginning construction on a new house.

What are the advantages?

The more you can identify with the customer's goals and familiarize yourself with total home and garden -- current and proposed -- the better your chances for success with your customer's total home experience, not just building the house.

What are examples?

An example of a quick landscape concept drawing is shown below. The checklist to review with customers to incorporate the most common landscape features are:

- Decks
- Drive way paving
- Fences
- Grass – Sod or seed
- Landscaping – hill, pool or yard
- Lawn designer
- Lawn treatment
- Patio & Pool enclosures
- Ponds Design & Install
- Porches
- Retaining walls
- Sheds
- Sprinkler systems
- Tree removal
- Tree and Shrub treatment
- Walkways and Steps
- Water fountains



Renovation Pricing

What is it?

It is a tool to focus the renovation issues for customers on the three big questions

1. Why type of renovation do you want?
2. Where is it located?
3. What is your budget?

When is it appropriate?

If the customer is trying to decide where to focus their renovation efforts and the contractor develops a series of checklist for the customer to select their options.

What are the advantages?

It provides options to help the customer speed up their decision making process.

What are examples?

1. A check list of the common types of renovations you can provide to customers are to repair/ replace/ install the following:

Fixture (faucet, sink)	Exterior Trim (facia, soffits)	Roofing (asphalt, metal)
Cabinets (wood , metal)	Flooring (hardwood, tile)	Sealing (stripping, caulking)
Ceiling (drywall, plaster)	Organizers (garage, closet)	Siding (vinyl, wood)
Doors (hardware, locks)	Swings/ set (metal, wood)	Stairs (railings, steps)
Gutter (downspout, drain)	Plumbing (pipes, sinks)	Walls (drywall, plaster)
Electrical (lights, sockets)	Railings (metal, wood)	Windows (blinds, shades)

2. The common locations to select include:

Attic	Deck/ porch	Exterior of home 1st floor
Basement	Family/living room	Exterior of home – above 1 st floor
Bedroom	Kitchen	Sunroom
Bathroom	Media Room	Other

3. The budget the customer has in mind

Up to \$500	\$2,501 - \$5,000	\$10,001 - \$15,000
\$501 - \$1,000	\$5,001 - \$7,500	\$15,001- \$20,000
\$1,001 to \$2,500	\$7,501- \$10,000	Plus \$20,000

By writing down his information in an easy to read format you can charge the customer a fee. If they decide to go ahead with your quote then you may refund the fee or offer a discount on your quote equivalent to the fee.

Site Preparation Pricing

What is it?

Checking to make sure the future building site is suitable for the proposed construction.

When is it appropriate?

When a customer wants someone to make sure the property is suitable for the desired construction and have someone process all the required paperwork to get their building permits.



What are the advantages?

It reduces the risk the customer purchases an unsuitable site for the future home and reduces the changes of surprises for the contractor.

What are examples?

Here are some of the items to list for customers so that you can have them think about or have you take care of the following:

- Making sure the site is accessible by trucks (or barge) delivering materials
- Excavating and grading the soil and sloped for water runoff
- Ensuring the pad for the home is level as possible
- Careful clearing of trees, rocks, and any other surface debris
- Proper compacting of the soil so that the foundation will not sink or shift on loose earth fill or digging appropriate foundations
- Selecting and installing utility access or septic and drilled water access

Total Energy Saving Pricing

What is it?

A process to identify and utilize a well designed landscape to protect the home from winter wind and summer sun as well as reduce noise and garden maintenance.

When is it appropriate?

When the customer wants to leverage the natural environment to reduce wear and tear on the property and home.

What are the advantages?

In addition to the usual energy saving devices like solar heating panels, energy efficient lights and wind generated power considerable energy savings can be achieved through a well designed landscape.

What are examples?

Carefully positioned trees can save up to 25% of a household's energy consumption for heating and cooling.

A well-planned landscape can reduce an un-shaded home's summer air-conditioning costs by 15% to 50%.

In a windy climate, a well-planned landscape can reduce winter heating bills by approximately one-third.

A well-designed landscape will:

- Cut your summer and winter energy costs dramatically.
- Protect your home from winter wind and summer sun.
- Reduce consumption of water, pesticides, and fuel for landscaping and lawn maintenance.
- Help control noise and air pollution.



Unscrambling Project Management Pricing

What is it?

The work of a project manager is normally divided into 4 areas: preliminaries; organizing the builder / subcontractors; consents; and managing construction. The fees for this can be separated for customers if needed.

When is it appropriate?

When the customer wants to undertake some project management activities and sub contract other activities.

What are the advantages?

The costs for each sub set of the project management process can be identified and charged for separately.

What are examples?

The tasks of a project manager in each area can be further segmented using “managing construction” as an example:



Managing construction:

1. Arranging for subcontractors to be available when needed.
2. Dealing with suppliers and making sure materials are ordered and delivered on time.
3. Monitoring progress once work starts to make sure everything complies with the contract and consent documentation (including plans and specifications).
4. Arranging for inspections by the customers own professionals, for example, the designer or architect.
5. Arranging for inspections by the building inspectors at the end of each stage.
6. Answering questions that arise during building, and clarifying anything in the construction documents with the contractors.
7. Knowing when progress payments are due and checking claims for payment.
8. Negotiating with the builder and subcontractors to come back and fix any work not completed or done properly.
9. Processing variations and anything else that crops up along the way.
10. Arranging amendments to the building consent where necessary.
11. Arranging the final inspection for the code compliance certificate.

Validating the Design Pricing

What is it?

A process to help customers through the design process with architects, designers or landscapers.

When is it appropriate?

When the customer wants to ask a contractor who knows the area what kinds of homes will fit the area and provide local knowledge that can make the home special or save costs (e.g. using local materials if local woods or stone are available)

What are the advantages?

The contractor can provide insights that an architect or designer may not have at the pre design stage. The contractor can also suggest a design person to meet the customer needs.

What are examples?

The contractor can help with initial sketches to help the customer develop their thinking to fit local town planning or special budget issues before hiring a professional to develop the floor plans and perspective drawings from various angles.



The contractor can also discuss and suggest the **materials** a customer may want to use – the exterior cladding, flooring, roofing, windows, doors and interior fittings and fixtures - with the architect/designer. Also talk about power points, cable jacks, exterior taps, light location, attic access, etc.

Walkway and Driveway Pricing

What is it?

A process to identify and utilize a well designed landscape to protect the home from winter wind and summer sun as well as reduce noise and garden maintenance

When is it appropriate?

When the customer is looking for someone to provide a turnkey solution that includes the developing the access to the home as well as the construction.



What are the advantages?

It is one less subcontractor the home owner needs to work with and the contractor can ensure the walkways and drive way complement the property and are installed at the appropriate time during construction.

What are examples?

The common checklists to help customers include:

<p>Selecting the common types of driveways:</p> <ol style="list-style-type: none"> 1. Asphalt 2. Brick or stone 3. Concrete 4. Gravel 5. Pebbles 6. Loose material with edging 	<p>Selecting the common types of walkways:</p> <ol style="list-style-type: none"> 1. cement/concrete 2. Exposed granite 3. Flagstone 4. Gravel 5. Pebbles 6. Rock 7. Slate 8. Stone 9. Timber 10. Wood
<p>Identifying the main components to the project are:</p> <ol style="list-style-type: none"> 1. Site preparation (vegetation removal, leveling) 2. Removal of existing surface 3. Rock-edging 4. Minor landscaping 5. Outdoor lighting 	<p>Other features that can be added to the walkways include:</p> <ol style="list-style-type: none"> 1. Hand-railings 2. Rock-edging 3. Minor landscape <p>Outdoor lighting</p>

Xtra Briefs Pricing

What is it?

It is a way to help customers focus on how to start the design part of their dream home by developing a brief they can provide to a designer or architect.

When is it appropriate?

When customers have gathered ideas and want some assistance from a contractor rather than a friend, designer or architect to start putting some structure to their thinking.

What are the advantages?

It can speed up the design phase for customers. The advantages of good house design include: making best use of space within the home; making best use of the section; making sure the right materials are selected (for function and style); saving money by providing a home that is energy efficient and maintenance-friendly; having a home that is harmonious to live in, comfortable, convenient, and aesthetically pleasing; and having a home that will be easier to sell.



What are examples?

Here are ways to help customers develop a brief for the design of their dream home.

The contractor can be paid to help the customer decide:

- How many rooms they want (and consider the possibility of more children, or perhaps elderly relatives coming to live with them).
- What sort of living spaces they want. Do they entertain regularly? Do they want a separate space for the children to hang out? Do they need an office or hobby room? What about decks and outdoor living spaces?
- What do they want in the way of bathrooms and kitchen. Do they want ensuites? An industrial-sized kitchen?
- The size of the house. If it is too large to fit comfortably on the property they might have to consider whether they need to build upwards.
- The garage and storage garaging requirements.
- The importance of sun, particularly in the winter.

Yardmaster pricing

What is it?

Yard master is a service to provide maintenance of a property that the contractor has built or renovated.

When is it appropriate?

When the home owner is too busy, absent for long periods or not able to take care of the property and the home owner does not know or want to trust various service providers to provide the range of services needed.

What are the advantages?

A home owner can have the person who built or renovated their property to look after the ongoing maintenance of the property.

What are examples?

Some of the services that can be provided include:

- Snow clearing
- Service hookups (phone, hydro, sewage)
- Gardening services
- Sheds
- Drainage
- Control of diseases
- Weed removal and prevention
- Patio, hot tub, spa or pool maintenance
- Sprinklers and water fountains
- Structures requiring demolition
- Play areas
- Rockscaping
- Gazebos
- Tree (stump, root) removal
- Outdoor lighting



Zero Defect Pricing

What is it?

One idea is to offer customers the benefit of a formal house inspection before starting a renovation to get a professional opinion of the work to be done. Customers can be provided with a checklist (see below) to indicate the range of things they would like checked.

When is it appropriate?

When a customer wants to renovate a property to sell and is not sure of all the work that is needed to the home.

What are the advantages?

The customer can have the piece of mind that an expert has checked all the elements of the home before commencing the work.

What are examples?

An inspection checklist could include:

Overall

- check the existing condition of all systems and equipment
- look for unusual features that may increase or decrease appeal of the home
- examine the general quality and condition of the structure
- inspect routine repair and maintenance items
- check attic, underside of the roof, and light fixtures

Doors, stairs and walkways

- make sure that all doorways, stairs, and walkways are free of obstructions
- all stepping stones should be firm
- railings should be steady
- check external doors for good weather-stripping and thresholds
- make sure doors are level, easy to open and close, with good hardware

Drainage

- make sure that spouts drain away from house
- yard should slope away from the house to draw water away
- earth should be at least 6-8 inches below top of concrete foundation
- make sure gutters are well-attached and in good condition

Floors

- check for water damage, especially around plumbing fixtures
- test for soft spots in floor
- check under house for water-damaged floorboards and supports
- check the condition of the floors or carpet
- check for moisture damage to parquet floors

Foundation

- check for cracks, shifting or settling
- see if house is bolted to foundation (earthquake safety)
- make sure mudsill is in good condition and dry
- check if foundation has been retrofitted
- look for structural problems like cracks in the basement floor

Heating and Cooling

- make sure furnace thermostat is operational
- check the furnace venting
- find out the ages of the heating and cooling equipment
- ask about any problems the occupants may have had with the systems
- run both the furnace and air conditioning to check output
- check for attic insulation -- walls probably will be insulated too

Miscellaneous

- check that kitchen appliances and faucet are operational
- check for asbestos and lead
- check for cracking or peeling paint
- check attic ventilation
- look for termite and beetle holes in wooden supports and under house
- check attic vents for hornet or wasp nests
- check for rodent droppings in cupboards and under house
- look for chew holes in roof, eaves, and wiring from squirrels

Plumbing

- check for leaks around pipes and fixtures
- test water pressure (turn on more than one faucet at once)
- test hot water pressure (same method)
- check walls around shower and for water damage
- look for rust or leaking around hot water heater
- make sure water heater is up to code
- check the water pressure and see if there is enough hot water
- find out the age of the water heater
- ask whether the hot water system has been updated in any way

Roof

- check for leaks or conditions that might lead to leaks
- make sure no trees touching or overhanging the roof
- look for dry rot or other problems around overhangs
- check condition of shingles
- find out the age of the existing roof

Walls and ceiling

- check the condition of drywall walls and ceilings
- pay particular attention to the condition of taped joints
- look for waves or cracks in the walls or ceilings
- look for water spots from leaks in the roof
- look for settlement cracks in walls

Windows

- check for dry rot on panes, sills and frames
- check for cracks in glass
- make sure windows open properly
- check that windows seal tightly and check caulking
- check for moisture damage inside
- see if bedroom windows are large enough to escape through in case of fire
- open the windows to ensure that they are not painted shut
- check casement window to see if the hardware is working properly
- see whether double-hung windows have broken sash cords

Wiring system

- test outlets, light sockets and switches to ensure they work properly
- check to see if system is updated -- 3-prong outlets, circuit breakers, etc.
- look for GFI (Ground Fault Interrupt) outlets in bathroom and kitchen
- look for broken or loose outlets
- test light fixtures
- check blown fuses, overloaded circuits, broken outlets, or flickering lights



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Stuart is a keynote speaker and business advisor that works with leaders to take their organization to the next level. He is a strategist in helping clients address strategic marketing and financial issues to better articulate a future for their organization. He is also a leadership facilitator to support clients in the implementation of their plans.

Stuart has 25 years experience in the management consulting (focusing on marketing strategy) and investment banking sectors (focusing on financial and turnaround strategies). He has worked with more than 200 different organizations including hospitals, health units, financial institutions, large public corporations, professional firms, non-profit organizations and owner/managed enterprises.

He is a Past President of the American Marketing Association (Toronto Chapter). He is a part-time lecturer in Marketing at Georgian College (Bracebridge Campus) and is a former part time lecturer at Rhodes University in South Africa plus he was a regular guest speaker at Ryerson University.

Stuart is a frequent speaker at conferences on strategic issues. He is a National Member of the Canadian Association of Professional Speakers (CAPS) and is a Board Member of the Toronto Chapter. Stuart is an active member of CAFÉ (Canadian Association of Family Business and is also a guest expert on the CFIB (Canadian Federation of Independent Business) website (www.cfib.ca). Stuart is a leadership coach in a strategic alliance with Fulcrum Search Science (an executive recruiting firm in Toronto).

Stuart earned a B.Sc. in Agricultural Economics and an MBA from the University of Cape Town, South Africa.

Prior to starting Morley & Associates in 1996 he was a partner in an investment-banking firm for seven years. His career started as a Management Consultant with Deloitte in Cape Town and he transferred to Toronto in 1986. He became a Certified Management Consultant in 1987.

Stuart was Co-Chair of the Strategic Leadership Forum Conference on High Performance Organizations. He is on the leadership team of the Business Retention and Expansion Project for Gravenhurst, led by the Mayor of Gravenhurst.

He is a Past Vice President of Muskoka Family Focus and Children’s Place and is a Past President of Gravenhurst Minor Hockey Association. He is currently a Director of the Gravenhurst Chamber of Commerce.

Morley & Associates Inc. is a family business based in Gravenhurst and Barrie. Stuart Morley focuses on providing keynote speeches to associations and assisting clients with strategic facilitation and business advice. Theresa Morley, CA, provides QuickBooks coaching, accounting and tax services to clients.

Morley & Associates provides accounting, bookkeeping, tax and business advice to clients in Barrie, Orillia, Gravenhurst, Bracebridge & Huntsville as well as surrounding areas.