

eBook

HOW PRECONSTRUCTION WORKS FOR YOU

For any business, effective branding is crucial to long-term growth and success. Branding gives customers a visual understanding of a company's purpose and

Steps to preconstruction

With the cost to build an average home now over \$400K, residential home builders like you know the stakes are high when it comes to earning a fair profit without sacrificing quality.

Growing your business is harder still as prices rise due to labor shortages, material delays and persistent inflation. As a result, you have little room for project management errors.

That's why successful home builders are investing more time and resources in the upfront preconstruction phase of their project and an increasing number of home builders are using construction management software to get the job done.

Let's review the critical steps of preconstruction:



1

Get to know your customer

The first step to every successful project is getting to know your customer. Outline the owner's expectations in detail so you understand the project scope. To properly design and build a home, you and the project designer should know all the details. Go beyond just the number of bedrooms or the size of the kitchen and garage.

Other details to discuss include:

- Types of fixtures, fittings and doors
- Number of cupboards and bookshelves
- Desired flooring
- Types of window coverings
- Preferred wall colors and the size of appliances

From this conversation, you should create detailed specifications of the project.

2

Do you want the job?

Once you understand the scope, decide if the project is right for you. If it's too large or too small for your business or your network of subcontractors to handle, don't waste time or money trying to make it work.

You may also decide not to work with a client who is unwilling to listen to your suggestions for needed compromises on materials or design.

Once you've decided to take on a job, be sure your estimate and written quote clearly state what must be done before construction can even begin.

Surprisingly, 1-in-2 builders don't charge for quoting a job. Successful builders know these preconstruction costs are required to be paid before actual construction begins, so remember to charge for the time it takes you to build a detailed estimate and quote.

Submit a clearly written, detailed quote and get paid for the value you bring to the customer!

3

Get a handle on the paperwork

You need surveys of the homeowner's land to create environmental impact reports, architectural and engineering reports, as well as the usual site surveys needed for building permits and the eventual addition of electrical, water and sewer services.

You may also need archaeological reports and cultural impact reports if the land in question has cultural or heritage significance.

The cost to obtain these is not part of your overhead expense and must be included in the project's preconstruction costs. Lining these up clearly in your quote goes a long way in helping the homeowner understand both project timing and the cost to get up and running.

It's also critical to record these documents in a centralised place so they are not forgotten or lost in an email inbox crammed with too many other communications.

Keeping track of all these reports is made easier when they are stored in a central place, like an online customer portal, which both builder and customer can access no matter the time of day.

4

Construction documents: A detailed review

Before construction can begin, you need assurance the site is safe and suitable. The following documents find problems before a single nail is driven.

Engineers site survey

Soil engineers test to figure out the types of footings needed for the foundation. The report details how you should deal with silt, rock and groundwater as well as any potential hazards and contamination.

Preconstruction survey

This survey checks the condition of adjacent properties for settlement, roof and exterior damage and provides evidence of the prior conditions of the area before your project begins.

Site survey and building permit

A site survey from local governments ensures your client's home meets zoning and land use rules and regulations. The survey shows the project's boundaries and contours and the soundest location for the home on the property. Any variances from local government rules will need approval of city commissioners and council members tasked with approving building permits.

Environmental reports

This report ensures local habitat, trees and foliage are protected as much as possible. They also make you aware of any industrial uses of the property that may pose danger to your team.

Energy efficiency ratings

Most federal and state governments have minimum requirements for energy consumption. You'll need to understand how the homeowner's project best meets the standards for warming and cooling the home and running appliances like stoves and water heaters.

5

Using blueprints to estimate

Once the paperwork is handled it's time to turn your attention to the cost of materials and labour.

Before taking the time to put together a detailed estimate of labour and materials, be sure the construction plans are final. Also, make sure the design and blueprints are okay to use and not bound by copyright, as not all [blueprints found online](#) are free to use.

A complete set of plans typically includes site plans, floor plans, elevations and schematics of electrical, plumbing and HVAC systems.

Once the builder and designer are sure the client's vision is captured within the plans, you can complete a material takeoff and comprehensive estimate to quote the customer.

Today, many successful builders use construction management software to complete these tasks quickly using digital plans that are stored online.

6

Use comprehensive construction management software

You save time when you create estimates and bids using software that also has project management tools like scheduling and budget reporting. Typically, these platforms allow you to create and schedule tasks that flow directly from your quote, so you can be sure your subcontractors and materials are on the site when needed.

Software best suited for the job typically are SaaS (Software as a Service) that offers a low monthly price for all the capabilities you need to manage a job from start to finish, such as material takeoffs, documentation storage, online customer communication and approvals, material supplier pricing and the scheduling of subs.

The best software allows you to save estimates of your favourite jobs as templates that you can reuse for future jobs. This saves time and makes your business more predictable and easier to manage.

Finally, the best software also integrates with familiar financial software, like QuickBooks, to simplify invoicing and budgeting.

What to do next

The amount of time and money needed for preconstruction often surprises homeowners who tend to focus more on the details of their home interior and exterior than surveys and site reports.

The use of construction job management software is a good way for both the builder and homeowner to stay on the same page throughout every phase of the home construction project.

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