

A Candid Conversation with Frank Lloyd Wright

Putting the Square Foot Pricing Issue to Rest

Patrick D. Coveny, Custom Builders Council President

The topic of square foot pricing came up the other day and it always is a no win situation for builders. So I decided to drive out to Fallingwater in Pennsylvania to interview Frank Lloyd Wright. I knew after all these years he would probably be an expert on this subject. I found him busy shoring up his landmark house on the rock. But he was willing to sit on a boulder for a few minutes to discuss this legendary issue.

The reality is cost per square foot estimates are simplistic yardsticks. What costs are included and how is square footage calculated? It all depends on whom you ask: builders, architects, realtors, etc.

PDC: Frank, you mentioned in past articles that the shape of the structure affects the costs per square foot.

FLW: That's right. Let's look at some sample drawings, Plan A, B and C. (He hand sketched these out for me without a contract). Note that each plan is 120 square feet, but the linear footage is

different in each case, as are the number of inside and outside corners. Plan B and C will require more roof, floor and wall framing to build than Plan A. Also note that it will require more insulation, drywall, siding and painting for Plan B and C. If you multiply this situation throughout your home you can see how easily it affects the costs per square foot. We also have to look at volume ceilings, windows and allowance items which all add to the cost of a home without adding to the square footage.

PDC: That's a great example, Frank. But you have also talked about the multiplier effect in the past and how it affected house prices over time.

FLW: Well let's use an example of a 2,000-square-foot home with one \$4,000 fireplace. The fireplace accounts for \$2/square foot of the finished home. Next, if you have a 1,000-square-foot home with the same \$4,000 fireplace it accounts for \$4/square foot. The problem is the mason doesn't charge for fireplaces according to the size of



Frank Lloyd Wright

the house. Therefore, you must consider all of the factors that have an indirect or no relationship to the square foot area of the house, such as, kitchens, baths, appliances, fireplaces, stairs, etc. Square foot estimates tend to treat big ticket items as if their cost varied directly with the size of the home.

PDC: Frank, you have lectured others on how economies of scale also affect square foot prices. Do you have any examples you could share?

FLW: Yes. Economies of scale can raise or lower your costs per square foot. Let's take an example of a tile contractor doing a 10' x 10' bathroom with ceramic tile. If it

takes him 4 hours to set this project he would have to fill in the day with another project while it sets. So therefore, he can give you a better price if the bath were larger and it took all day. This can also work in reverse. So when trade contractors are estimating these plans they take this into account. All rooms get same tile, less cost. Every room has different tile, higher cost. And it all transfers to bottom line and cost per square foot.

PDC: Finally Frank, what other things can affect costs per square foot?

FLW: Well in my lifetime many things have been "added" that affect the costs of a home. Government regulation, building and zoning codes, outdated smart home technology, site accessibility are just some of the items. There are also other soft costs that add up-insurance, permits, fees, loan interest, storage, dumpsters, and fencing.

As you can see Pat, with so many factors affecting the costs of a home it is really unfair to compare

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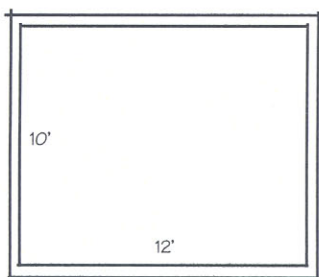
one builder to another or one estimate to another. All of this illustrates how complex and misleading any costs per square foot comparisons have become.

What really is important is what is your total home budget and how much value you think you are getting given your finish preferences. Also be sure to ask what costs are included and which are not. And make sure everyone is using the same method to calculate costs per square foot and which rooms are counted and which are not.

Well, I have to get back to work on some of my projects. We have some structural issues to deal with (and that also adds to the cost).

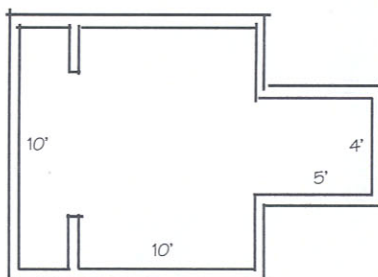
PDC: Thank you, Frank, for taking time out of your busy day and I hope we have finally put this issue to rest forever. I know this has bugged you for a long time. 🏠

PLAN A



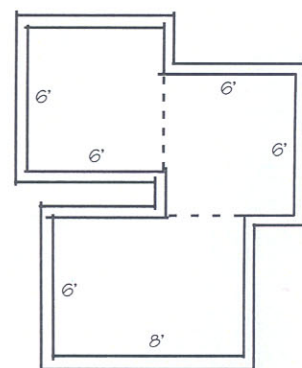
120 SF
44 LF
4 inside corners
0 outside corners

PLAN B



120 SF
58 LF
10 inside corners
6 outside corners

PLAN C



120 SF
60 LF
8 inside corners
4 outside corners

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