



Cost Analysis of a BLD Home

Part One: Is a Better Living Design Home cost effective?



Given that BLD features can range from a lever door handle, to a wider hallway, to a rocker panel light switch to a raised outlet to a drawer refrigerator or a curb-less shower, there are many options to take into account when considering the cost impact. The starting point for this article is a home with basic BLD features, listed in the table at the end of the article.

A frequent question about Better Living Design (BLD) homes is how much construction cost is added when compared to otherwise equivalent homes? The concern is that, while BLD homes are marketable, BLD homes may be less affordable, less profitable, or just less competitive. This issue is sometimes cited as a cause of builder and developer reluctance to adopt BLD strategies. This series will discuss several of the cost and market factors that relate to BLD homes

Limited research holds that the costs of essential BLD housing features add 0%-5% to the otherwise equivalent typical home built without BLD features. Anecdotal evidence also points to added costs of general universal design being marginal. We know that there are many factors that contribute to a home's construction cost: space configuration, size, site preparation, materials, fixture and product selection, as well as finish choices. The costs associated with these choices can be much more significant than the costs associated with BLD features.

The real costs of BLD homes and remodels come in several categories. There are perceived costs of BLD features, there are transition costs of a builder switching to the BLD approach, and there are hard or recurring costs of BLD home

In the next chapter

Learn about the costs of a BLD home from perceived costs, transition costs, and hard costs.

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Part Two: Types Of Costs In A Better Living Design Home

Perceived Costs

There is a common understanding that a BLD home has a long list of expensive, hard to find products, and features. In fact, Essential Level BLD criterion have a major focus on structural elements of the home: elements that are designed-in at the beginning and that make a big difference in the lives of residents. Including these features actually saves money in the long run because homeowners can avoid later costly alterations to the entrance, hallway, doorways, and bathrooms to list a few areas. Adding these high function characteristics via later renovation is much more expensive than including them on the front end.

Transition Costs

At the scale of the individual builder or remodeler, transition costs are incurred when changing from designing and building traditionally designed homes to BLD homes. Once the transition is accomplished, these costs will disappear.

These costs include the costs of retraining staff, collaborators, and subcontractors; revising plans, and accounting for supply chain changes to acquire better-suited products from different distributors.

Hard or Recurring Costs

To the extent that transition costs can be overcome, there may still remain other costs associated with construction, installation and specifications in BLD homes. Many of these potential additional expenditures involve more advanced and optional aspects of BLD home features. While they add function and performance to a home, very few of the cost items in the next edition are part of the Essential Level of BLD.

In the next chapter

Learn about the costs of products in a BLD home versus products in a traditional home.

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Types of Hard and Recurring Costs: *Features & Products*

Basic UD in a home doesn't add much expense, though it always depends on the type of home that you might typically otherwise build. Most products enhance functionality but don't define the overall usability of a home the way basic design features do.

housing features is plywood sheathing beneath the finish wall surface as continuous blocking in bathrooms. While most households do not desire traditional grab bars, having the opportunity to easily add them later – if needed – is important.



Entrances

Experience shows that many of the basic interior BLD features can be accomplished easily. A major remaining challenge in BLD housing is the cost, design, and engineering required to create a step-free entrances. Entrance access should involve the careful consideration of site selection, orientation, grading and foundation styles. Additional costs can be incurred from trade contractors for careful grading, extra excavation, and additional drainage.

As indoor air quality has become more of an acknowledged health concern, BLD design has embraced measures that improve indoor air quality. While not required at the BLD Essential level, a home element that can help assure better air quality in many parts of the country is a sealed crawlspace. In areas where crawl space foundations are common, a sealed crawl space – that includes foundation wall waterproofing, moisture barriers and controlled ventilation – can reduce the occurrence of moisture, mildew and mold related problems. Costs can range higher if many additional features or higher-cost products and fixtures are used, such as low VOC materials and finishes.

Blocking and Indoor Air Quality

Added costs can be modest or more substantial, depending on the choices that are made. One of the basic low-cost BLD

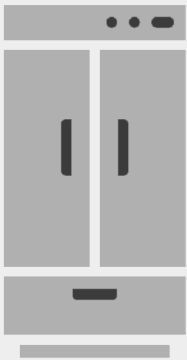




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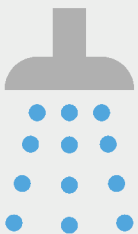
Types of Hard and Recurring Costs: *Features & Products*

While less of an issue in more expensive homes, several more usable appliances or products are currently more expensive than standard products.



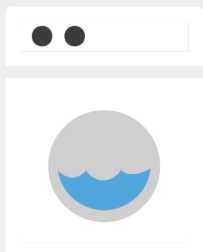
Side-by-side refrigerators

(and the now popular units with a French door and a lower freezer drawer) are typically more expensive than traditional single hinged over/under fridges. Front control ranges (which are often drop in or slide in units) usually cost more than floor-mounted rear control ranges.



Curbless showers

can be more expensive than standard tub/shower combinations. Set ups are more affordable than tile showers.



Front loading/front control

cost 50%-100% more than ordinary top loading models. Casement windows can be more expensive than double hung windows, the usual specified product.



Residential Elevators

are an increasingly common manner to travel to several floors of a home without using stairs. They remain costly, which is why the BLD team strongly encourages the use of advance planning through stacked closets. The added cost at construction is manageable, and the cost of the elevator itself is deferred until later. However, other products such as lever door hardware, rocker panel light switches add marginal costs to the overall home pricing. Importantly, grab bars are not part of basic BLD features.

In The Next Chapter

Learn about whether or not BLD can work with affordable housing.

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Affordable Housing



Our work to include UD in homes of all types supports anecdotal reports from affordable housing developers and market-rate builders: smaller sized homes, especially if they are built to be affordable, create greater challenges associated with achieving a BLD outcome. However, basic BLD design features are absolutely achievable in homes of any size. Our work on small-sized homes (1,200 sf, three bedrooms) has shown that basic BLD design can be achieved without altering the footprint of the home, a significant factor in increasing homes costs. Where space and funds are at a premium, fewer BLD features are possible, particularly with respect to cabinetry, products, appliances and fixtures. But the basic higher function features are still very achievable, such as step-free entrance, better interior circulation, and easy customization.

In The Next Chapter

So, whats The Kicker? Find out in the final chapter.

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The Kicker

The added costs of BLD features need not be the major part of the overall cost structure for homes and remodels that incorporate basic BLD concepts. Still many builders are reluctant to take the plunge. Why? The real deal is consumer demand for better designed homes.

What if builders spend \$5K more (assuming those figures apply to homes at different price points) but add \$5K to their botto line because they could sell for a higher price or because BLD homes sell faster, etc? In this case, we know that builders would be falling over themselves to make it happen. It is added costs of any kind with no perceived pay off that prevents more participation by the housing industry.

We know that consumers respond positively when BLD features are seamlessly integrated in the design of a house. We know that there are lots of short and longer term benefits about living in a BLD home that could be communicated to customers. We also know that housing consumers are rarely presented with authentic UD housing choices, marketed in a mainstream manner. So we need to strive to build and showcase great BLD homes and create supply- and demand-side incentives. Then the modest investment in the BLD approach will payoff in the differentiation of a builder's or remodeler's business from others. Then a BLD approach will result in a competitive advantage.

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