THE ULTIMATE GUIDE TO ACCURATE HOME BUILDING ESTIMATES

BUILDXACT

JOB. DONE.

As the owner of a residential building business, you value the reputation you have with the homeowners you serve. However, the work it takes to build that reputation can cost you personally and financially.

Too often, builders find themselves working 50 to 60 hours a week, not knowing how to earn the income they need for long-term financial success.

In fact, the 2023 residential construction report from the Association of Professional Builders found that nearly 40% of all builders say they don't produce monthly financial reports to track goals or even to track gross profit.

Finding the time to learn these critical administrative tasks can be challenging, especially after a long day at the job site away from family and friends with whom you want to spend more time.

There is a better way.

Competitive builders increasingly use cloud-based construction project management software. They know it eases their administrative burden so they can get back to running the job site and spending more time with loved ones.

However, many builders hesitate to use software because they don't know where to start. For sure, learning new software and all its features can be intimidating.

The secret? Start at the beginning. Begin by using software to estimate small jobs. You can then move on from there.

< 1.5 days setup = 4 or 5 estimates per day = 3x more efficient

Jordan Copeland, president and CEO of Norse Ironworks, says his upfront investment in learning construction management software definitely paid off in the long run.

"In getting this up and running, I think it took me about a day, or a day and a half to be fully in, with all of the projects I was working on fully imported, and we were up and going," says Copeland. "I was able to crank out four or five estimates in a day, and everything looks professional … It probably tripled our efficiency."
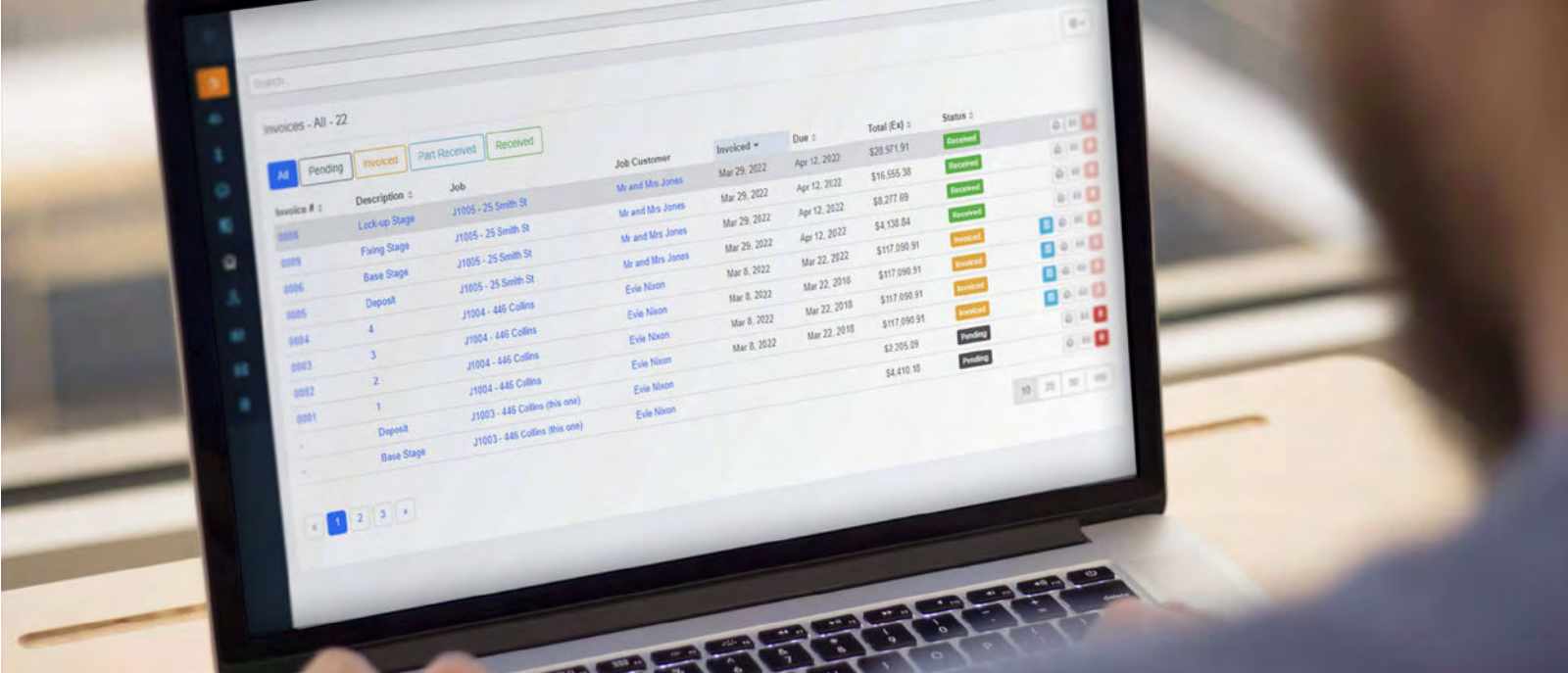
Jordan Copeland, CEO, Norse Ironworks

Many builders spend anywhere from 15 to 25 hours on a single project estimate. That kind of time investment can add up to as much as 3 days per week just estimating work.

Often, builders don't spend this extra time during the day when they are on the job site, but in the evening or on weekends. It's like playing overtime in a game where no one ever wins.

Estimating when you're tired or rushing to be with family leaves room for costly errors. Especially when hurrying through manual pencil and paper calculations.

Builders, remodelers and contractors, like you, find job estimating software can help with this problem. Estimating software tools contain several features that help combat this problem:

1. Faster, more accurate takeoffs

Modern software allows builders to use simple point-and-click mouse commands to measure and count quantities using digital blueprints.

2. Detailed estimates

Counting materials is just the start to a complete estimate. Modern software makes it easy to include line-item costs for materials and labor based on your project location.

3. More accurate pricing

Modern software integrates up-to-date material and labor pricing directly into the builder's workflow. No more guessing and hoping for the best.

4. Reusable templates

Builders can create reusable templates from their most successful projects.

5. One platform, many tools

The best software offers a whole platform of estimating and project management tools that build on each other.

If you take the time to learn and use the many features offered in modern construction project management software, you'll quickly realize both the professional and personal benefits.

Let's review how mastering the art of estimating benefits you.

1 **Takeoffs**

The best software speeds up the time it takes to count materials—in some cases by as much as 80%. Builders can quote more and win more work, confident that they still capture all the materials needed to complete even the most complex custom homes.

You need the right software to measure dimensions in just a few clicks. You have to have the flexibility to count materials based on units, lengths, volume, surface area or weight. Gone is the need for scale rulers and manual calculations.

Getting takeoffs done right means you can quickly move on to creating detailed lists of tasks and associated costings.

2 Estimates

Home building can be a very competitive business. To win more clients, you need to deliver detailed estimates that show the homeowner exactly what they are buying.

The right construction project management software has estimating tools that make writing a detailed, understandable estimate straightforward.

Winning bids break out the different stages of the home build into categories of tasks and associated costs that are easy to understand. Preconstruction items like permits can be gathered, followed by other broad categories like site preparation, foundation work and framing.

Software even allows for pricing flexibility. For example, you can create allowances for items like appliances that the homeowner doesn't receive an invoice for until the later stages of the build.

With estimating software, you can even flow the categories you create for cost-

ings directly into a professional looking quote letter the software creates for you. There's no need to jump over to a word processing document that requires you to do extra work.

Why use separate word documents and spreadsheets when one tool made for builders is 5X faster?

3 Pricing integration

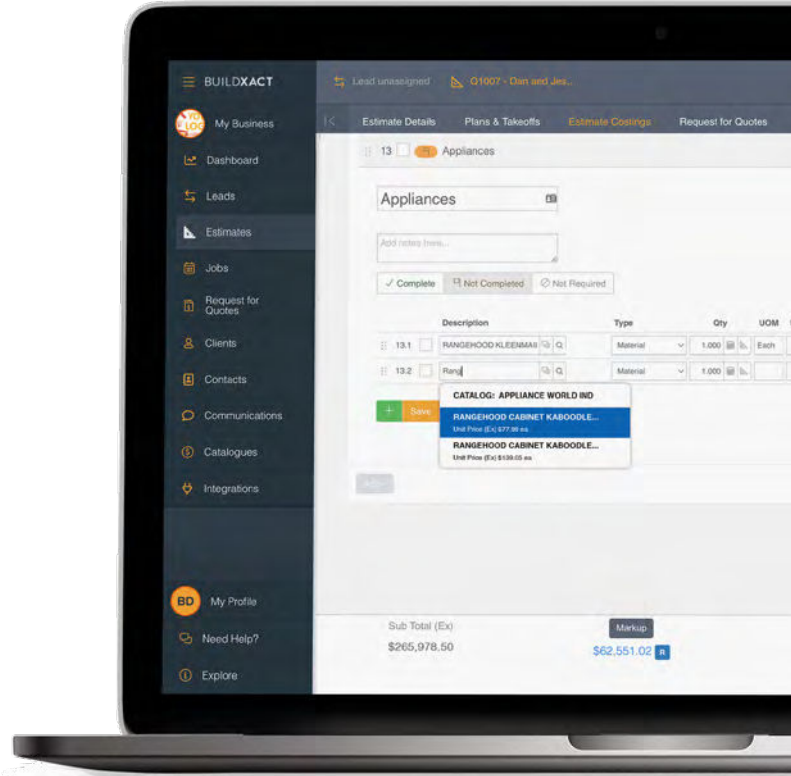Working with construction estimation software is not only faster but more accurate.

Imagine uploading the latest material prices from the latest dealer pricelists, or even better, using live pricing data that loads into your software automatically.

This modern capability is no longer just for commercial builders. Now, small, custom builders can even use software made for them to load labor estimates that are unique to the location of their projects.

Imagine paying wages that you know reflect local economic conditions.

Having the most accurate pricing for materials and labor ensures your quote is at a level that works for your business. When you spend less time worrying about pricing, you can spend more time on what truly matters for the health of your business.

For example, you can spend more time calculating the correct markup to ensure your profit margins remain consistent and that overhead is covered—not paid out of your own pocket.

Many builders find they have to markup their services by 20% to 30% to earn the correct margins. With software, you can easily set the markup to a level that works for you. And with software, you decide what level of detail the customer sees if you choose to include markup in your quote.
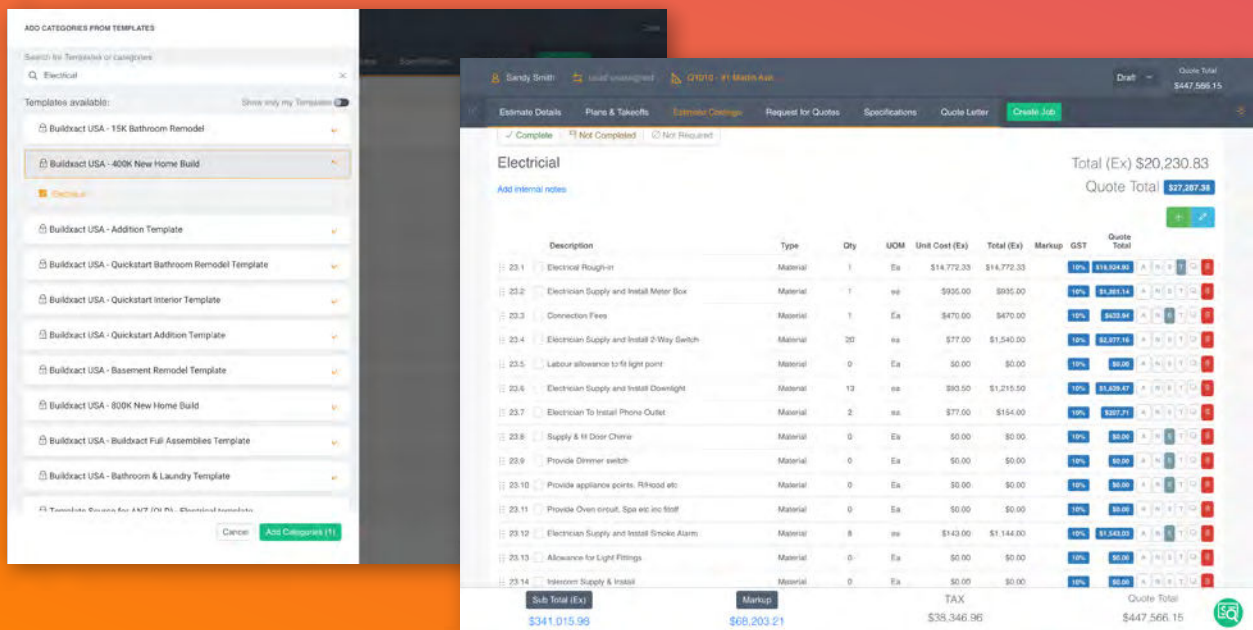
4 Templates

Successful builders have figured out that estimating using software and integrated pricing can take estimating from a day's long process to just a few hours. Further, software can speed up your estimating process even further with reusable templates.

Estimating templates jump start the whole estimating process because they are based on successful projects you've completed in the past. Templates prevent you from starting from scratch when working on similar projects.

In this way, the success of one project, whether one-story, two-story or a house remodel, benefits the outcome of future projects.

Because the template lists tasks and pre-priced materials, you avoid repetitive data entry that wastes time. The use of templates also makes your business more consistent and predictable.

As you become more proficient, you can even use templates to create project schedules.

5 One platform

A huge benefit of modern construction management software is that the right software holds tools not only for estimating and quoting your work but also for managing the project itself.

As you become more skilled in the entire software platform, it becomes more and more valuable for the same monthly subscription fee.

First, a builder learns to do a digital takeoff. That data then flows from material counts to labor and material costs that make up a complete estimate. The same line items in the estimate make up the detailed quote that the customer can easily understand.

Once the job is won, you can then create a project schedule that uses the same task list set up in your quote.

Again, you avoid repetitive data entry that not only slows you down but can lead to errors.

Finally, you can use modern software to manage change orders and track budgets for individual areas of your project. Knowing how you're tracking against your estimated budget while the project is under way is a powerful advantage. It gives you the time and ability to work with your customers to keep spending under control and reduces the likelihood that cost overruns will come out of your profits.

Ready to get started?

You don't have to be a computer whiz to use construction management software. The best software platforms include free training and support for one low cost, monthly subscription.

With a little upfront investment in training and learning, you'll soon find that your evenings are yours again.

Just read what this customer has to say:

"The ease of using Buildxact allows us to set goals and achieve those goals in a timely manner, so I can go home and be with the family."

Steve Griffin, Estimator
Just Building Group

Discover what others have said about Buildxact

Want to learn more? Buildxact software is named the best construction estimating software by Forbes, Software Advice, Capterra, and GetApp.

Want to find out for yourself how construction estimating and project management software can transform your residential construction business?

Book a demo with a member of the Buildxact team today or get started with a free, 14-day no-risk trial.

BOOK A DEMO

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