



Building Success 101

Q: What is the difference between pre- and post-consumer recycled content?

A: An increasing number of building materials, such as flooring, contain some amount of recycled (instead of "virgin") content. Pre-consumer content is material that is recovered from a manufacturing process, such as sawdust from a lumber mill; post-consumer content is material that has been collected and recycled into another consumer product, such as plastic water bottles used to make composite wood deck planks or old denim jeans used for wall insulation.

Maintain Your Budget through Cost Control

In today's recovering economy, everyone is price conscious. New-home construction and home remodeling are certainly no exception. As a professional builder, we understand how critical it is to establish and maintain a budget that everyone can both agree and rely upon from ground breaking to the final walk-through.



When it comes to money, no one likes cost overruns or unpleasant surprises.

Builders are no exception. When a project's budget is busted, it's unlikely that the builder profits from it. More often than not, it's a cost that the company shares with the homebuyer. Going over budget not only erodes a builder's profit, but his reputation and potential for referrals as well.

As a professional builder, we are diligent about establishing a budget and actively managing that budget through construction for each new home we build. It is in everyone's best interest to make sure it stays on track.

Here are some methods we employ to accomplish that goal:

Value engineering. Value engineering is the practice of optimizing construction costs while maintaining (or ideally improving) housing performance and durability. It requires that the builder be on the project team from the outset, working with you and your design professional to identify and make the best use of materials and refine construction costs of your new home before breaking ground.

Negotiated subcontracts. The goal here is to attract the most talented and highest quality trade partners at the best possible price. The best builders have a stable of reliable and professional trade contractors with whom they work on a regular basis. Rather than focus on lowest price, and risk dropping his quality standards, a professional builder will take the plans and specifications to his best subs and negotiate a set cost for their work. After negotiations, those numbers are added to the budget and the contractors are held to their original estimates.

Price guarantees. Similar to negotiating with their trade partners, professional builders may seek to get guaranteed pricing from their materials suppliers as early, and for as long, as possible. Placing a pre-determined ceiling on prices is critical when material costs, such as lumber or copper, are volatile and likely to rise even before construction begins.

Details, details. Costs are more easily kept in check when every penny is tied to either a specific stage of the process (such as rough framing or roofing) or materials or products (such as a dishwasher or garage door). In this way, professional builders are able to track specific costs to a detailed scope of work and materials list.

Tracking costs. Professional builders don't wait until the end of the job to find out if they are "on budget". They set several key milestones during construction to make sure costs match the amount of work that's been completed. Tracking costs during the project allows discrepancies to be caught early, frequently before they impact the overall budget.

Tracking changes. While change orders are a part of virtually every home we build, they are the cause of most cost overruns and time delays during a new-home construction project.

This is not an area to leave to chance. Smart builders plan for change. They have formal policies and procedures in place to manage change requests and payments. These procedures make any changes to the scope of work as efficient as possible, minimizing cost overruns and time delays.

These strategies go a long way to ensuring cost control on a new-home project, protecting everyone from an unpleasant experience and helping ensure a high level of quality and customer satisfaction.

Warm regards,

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