

FREE ESTIMATES

—Remodeling Guide—



More of What You Need to Know to Successfully
Plan for a Home Remodel

18

Free Estimates—What Are They Worth?

What You Need to Know to Successfully Plan for a Home Remodel

By John Murphy

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What's a Free Estimate Worth?

*There is
probably no other
question more
commonly asked
of remodelers,
and none more
misleading.*

About what you paid for it. At it's best it's qualified guess. At it's worst it's a ploy that can and often does lead to a disaster. That's why when asked about it we reply, "Free Estimate? We would never do that to you!". What we really mean is it that an estimate is just that... "estimated" and guaranteed to change. We on the other hand would much rather present you with a "Fixed Price Agreement" as the basis in building your home project.

Unfortunately there are some in our profession that use a free estimate to create a hoped for peace of mind to "sell" the job only to find out after the walls are gone that the actual cost is about to resemble a hyper 5-year-old on a department store escalator heading straight for the candy shop.

There is probably no other question more commonly asked of remodelers, and none more misleading. And so we thought we'd take a run at debunking this all too common thinking.





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We get it—we're all consumers at heart

It is of course understandable, in a consumer driven culture like ours, to expect to bargain, to negotiate, to shop, to want to feel like we did our best to get the lowest price possible. Pay full retail? Not on your life! That approach works just fine for shoes, clothes, cars and electronics, but it doesn't actually work very well when it comes to remodeling. In fact, it doesn't work at all.

Saying that probably sounds a bit suspect and at the very least counterintuitive. But it's not and here's why. No one can give a meaningful estimate without specifics. You might as well ask me to tell you what your next super bowl party will cost without providing me a shopping list. Do you want chips and burgers or steaks and potato salad? Beer? PBR or Surly? Catered or pot luck? For five or fifty people? Makes a big difference doesn't it. It's difficult because it's all highly subjective and personal and very custom—just like remodeling.



CONSUMERism



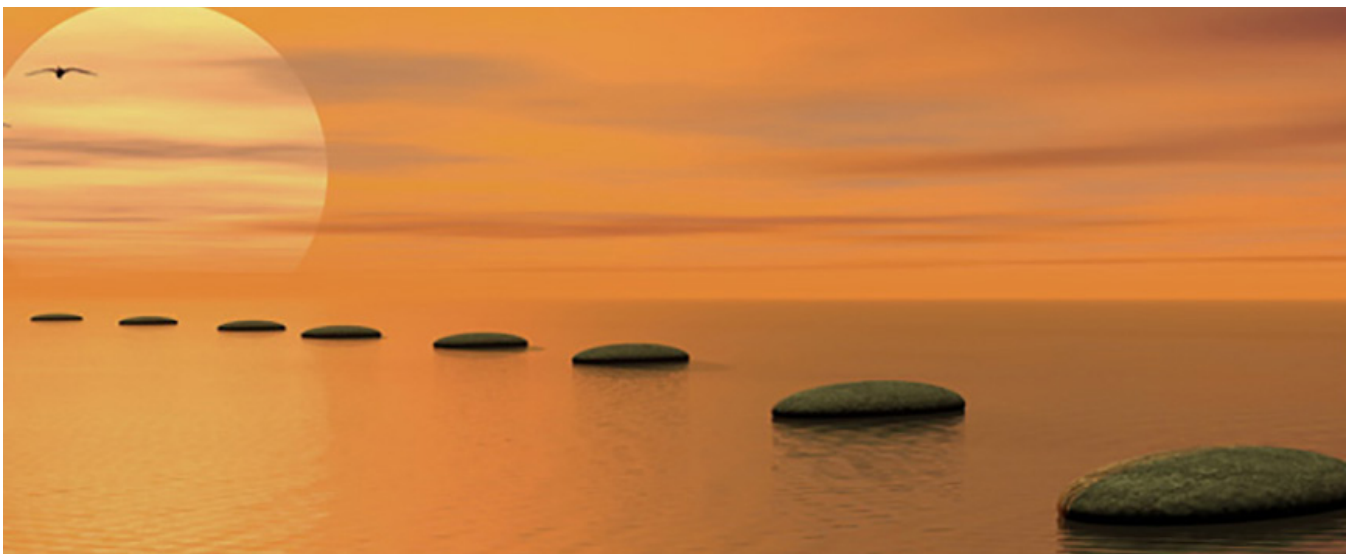
The peace of mind ploy

There are remodelers out there who are more than happy to give you a “free estimate”. But what you are really getting is temporary peace of mind?

*They're hoping
that you will take
the bait*

It is common for some remodelers to use this estimated number to win the job. They're hoping that you, with your momentarily soothed conscience, will take the bait, and let them get started with few, if any specifics on materials, demolition construction labor, trade contractors, finish schedules, existing conditions and so on.

However, after the job starts you can expect the avalanche of change orders to reflect the real costs of allowances and “items not included” in the “estimate”, but it will be too late as the work has already begun. You are likely to be stuck with a price tag way outside your comfort level or with an incomplete project you can't actually afford to finish. They might as well be saying, “Trust us. We throw a great party!”





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*And so...you
guessed it, you pay
for it one more
time to get it done
right*

How to pay for it again and again

And so you eventually climb out of your depression and thoughts of murder for hire, and call around hoping to find someone even cheaper who can finish the project and make the nightmare end.

Only problem with that whomever you find to jump into your catastrophe, they won't be working for free. And so you end up paying for it a second time. Think remodeling is expensive? Try paying for it twice! Eventually you may end up talking to us and finding out what it really should have cost to do it right the first time. And so...you guessed it, you pay for it one more time to get it done right—but at least it's the last time. We know, pretty thin as a consolation.



Questions? Call us at
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this contact form.





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So why can't I get a detailed estimate for free?

*Remember you
don't want to
guess, you want to
know*

Good question—two answers. First of all, as we've already covered, a "Free" estimate isn't what you want. It won't help you and in fact will most likely set you up for failure and heartache. It's worth exactly what you paid for it. Remember, you don't want to guess, you want to know.

Secondly, what you really need is a thoughtful scope of work, detailed plans and specifications and contract pricing. That requires dozens of hours of professional experience measuring, drafting, specifying and reviewing with you all the components and selections involved in going the job right. It's a great deal of work, even for smaller projects. For those reasons it can't be free. And if it is both detailed and free, it's something offered by a company that won't be around long enough to make good on their warranty. In the end, sorry, but **THERE IS NO FREE LUNCH.**



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So how do I get some idea of what my project will cost before I begin?

Another good question. You spend the time, at least an hour or two, in what we call a “discovery” meeting, with your prospective design/build consultant, exploring the general scope of your project, resulting in a an historic cost range for similar projects we’ve completed.

This is not a single number, but a range, which takes into account the several potential variables. That range widens if the project scope and complexity expands. And shrinks if the scope narrows. However, until specifics are provided, this is all any legitimate design/build firm can do at no cost to you.

Our advice? If a remodeler does offer a detailed estimate for free—put on your track shoes. **Those who work for free don’t work for long.** Of course you can always take what they offer, but be advised, they’re operating with unsustainable business practices, which will eventually show up in other areas of their work.

So, as we said before—RUN!

This project shall be designed to meet the above stated parameters. The actual construction budget shall be determined once the general design concept is approved. Investments in projects of this type can be expected to range from:

Budget Range 222K-310K 179-264K *Partial Kitchen & minor landings*

The process to develop the design and scope of the project is as follows: (See reverse side for detailed explanation).

I. Preliminary project design and budgeting meetings - The conclusion being the approval of a single design, project scope and budget.

II. Continued project development - The conclusion being the approval of a single design, pricing.

Notes:

Kitchen full remodel	60-75K	General Conditions	5-8K
Laundry	15-20	Foyer	5-9K
Hall Upgrade	10-15	Office	5-8K
Powder Bath	6-12	Hall	1-2K
Plan/LR	30-45	Master Closet	2-5
Bed room	20-35	Entry chair not	4-6
		sidelight	10-50
		Bedroom	10-15

Design/Build Agreement Fee – Payment due upon approval of this agreement document. (with a minimum in most cases of \$1,000).

The Design Agreement Fee is typically 4% of the Preliminary Budget



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Interview no more than 3—unless you are bored

*If you can't
do it in three
interviews...
you're probably
not asking the
right questions*

We have NOT use the well-known “get 3 estimates or bids” here because we’ve already covered the fact that those terms are really quite misleading and meaningless in the remodeling world. Getting three bids from different types of remodelers merely produces three different proposals, based on different ideas, construction practices, efficiencies, different talents, different levels of experience and thus different pricing.

However, If they are all experienced design/build firms, staffed and run similarly, and you are working with the same basic project scope, then your pricing should be very similar.

So what are you really interviewing for then? A demonstration of their care, capability, values, chemistry and competency. You are not hiring a number. You are hiring a company you can trust. You are looking for their demonstrated willingness to tell you the truth about what the project will cost and how long it will take. If you can’t do that in three interviews you’re probably not asking the right questions.



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Remember you are negotiating with yourself

When you buy a car for instance, you're negotiating the price with a salesperson. When you sign a contract for a home project the right way, with a detailed plan and specifications, you're actually negotiating with yourself. You are in charge of what you want based on what you want to actually afford and what things will actually cost based on the quality of materials and level of workmanship you desire.

*Read my lips.
I want the
Cambria. I
know it's a bit
above our budget,
but honestly look at
it!*



No “Free Estimates” Ever—Promise

So, there you have it, the reason(s) why we would never give you a “free estimate.” We would never want to give you false hope, lessen the value of your home, disappoint you, or make you pay for your remodel multiple times. So, please for the love of Mike, don't ask for a “free estimate” because we won't do that to you—promise!