black ink
interiors

Design-Build for Profit
Designer's Guide

Jenny Slingerland

luannnigara.com

part 1

design-build 101

(part one)

goal & expectations

- Generate more income throughout new build and renovation projects.

  - Understand building process
  - Understand your roll as a designer
  - What is expected of you by the builder
  - Understand a specification book
  - Create a finish schedule
  - Create a working elevation
  - Understand a budget
  - Begin creating a specification book

players & roles

B

Builder

A

Architect

D

Designer

the designer's role

- Help the client navigate through the design process of a remodel/new build
- Because we are interior focused, we need to make sure the architect's plans are the best use of the space and functional for the client? From planning stage through to selections. Are marble kitchen counters the best option for a family with four young children?
- Educate the client on the different materials you are selecting from. i.e., what are the pros and cons of marble vs. manmade quartz slabs?
- Help the client stay on budget, as determined by builder
- Provide the builder with necessary documents to build the home per your designs and specifications.
- Relay information to architect if structural changes are required per your designs

who brings who on the job?

who pays?

CLIENT

↓

D

Client Advocate

CLIENT

↓

B

↓

D

You are the builder's client and
may not have same advocacy power.

how to charge?

FLAT FEE

(per square foot or estimate of time)

VS.

HOURLY

FLAT FEE

(per square foot or estimate of time)

- Only use after you have a few projects under your belt and you're confident in the number of hours it will take you.

- You have to have a very detailed scope of work, including the number of site visits. In construction you could be on job sites multiple times a week. Have a clause that says "X number of site visits, additional billed at hourly rate of x."

- If you find it difficult to go to your client after the job has started and tell them you need to charge them for the additional work that's out of your original scope of work, this may not best for you. (I struggle with this!)

*I have seen from the low-low end $4sq/ft up to $23sq/ft.
I'm sure there are some higher than that and some lower. Understand charging more comes with experience and level of detailed drawings you are submitting.

HOURLY

- You get paid for every minute you work on the project, assuming you track your time well!

- Can get pricey for client, if it is your first project and it takes you longer to make selections and put together the specification book. You may choose to reduce some of the hours from your time tracking, knowing it's your first couple of projects (this is your learning time). *Still track ALL the time you spend on that project.

- You may get pressured by the client, seeing the time rack up. Don't give away too much, stand your ground.

- Clients will want an estimate of total design fees, regardless if you are doing hourly. Be clear that the number you are showing them is your best estimate and may go up or down!

*Your regular hourly fee

time tracking

regardless of how you charge

Track All Client Interactions:

- Calls
- Emails
- Meetings (in person & virtual)
- Specifications
- Travel Time

*Timely

types of projects

<u>Remodel</u>: Updating and existing home or room
Restrictions based on existing structures

<u>New Builds</u>: New home from ground up
No structural restrictions

<u>Spec Home</u>: New home from ground up
No clients, builder only
Typically an investment
No structural restrictions

be organized
document everything!

- Take copious notes
  - Many times you will be the only one! The GC, the tile installer, cabinet company, etc. will likely reach out to you because they've forgotten.
  - It also covers you if they try to blame you for something, you will have your notes that say otherwise.

- Photos & videos
  - Of home (don't forget to look up!), options showrooms, selections made, samples, etc.

- Get copies of the floor plans if available.
  - If not, see if GC will be hiring draftsman to develop floor plan for you to work from. If not, you should recommend one to your homeowner, so you have a plan to work from.

budget

- Get budget from builder
- Beware of unrealistic budgets from builders
- Is labor included in the budget line item?
- Know and stick to the budget
- Change orders - can be your downfall

sample budget

5,000 sq/ft home

Young couple, invested in great architect and great builder, selections VERY budget conscious

- Plumbing: $24,000 (fixtures/valves/drains. 5 bathrooms, 1 kitchen) *includes drains
- Lighting: Fixtures $10,000
- Appliances: $40,000
- Showers & backsplash: $7.50 sq/ft
- Flooring Allowance: $7.75 sq/ft
- Doors & Hardware: $1,025 per door
- Countertops: $44,000 ($948 per slab)
- Cabinetry: $52,500 (kitchen, butler's pantry, theater bar, 2 offices, 5 baths, laundry, key drop)

purchasing

- Builder/ GC usually buys, why?
  - Construction Loan
  - Part of their pay structure (if cost plus)
- Can/should a designer buy?
  - Mixed feelings. More reward, but more risks.
    - Verify with local/state governing body what you can and can't do/buy
    - Another revenue stream through mark-up
    - However, is it worth it if you get dragged into a lawsuit for $80,000 of worth damages to the home when the plumbing you selected and bought breaks and floods the house?
    - If you are purchasing, you will be responsible for handling returns and damages, verifying quantities, and you will be responsible for delivery to job site.
    - Make sure it is in a written agreement with the builder in terms of who is responsible for buying what materials.
    - Be clear and transparent - The client may ask to see the invoice for the tile you bought and if you haven't explained that you will be marking up the items you buy, it will not look good.

finding builders & architects

- Research builders & architects in your area
  - Are they licensed and bonded?
  - Does their style align with yours?
  - Read their about page, learn about them, their company values, etc.
  - Ask other designers, vendors or tradesmen if they have experience working with that builder/architect and what their experience was like
  - Check their history with the ROC (Registrar of Contractors) or your local governing body
  - When I moved to AZ I searched google for "Luxury Custom Home Builders," and visited dozens of websites. I would give the builders I thought would be the best fit a 5-star rating, down to 3-stars and didn't go any lower than that. I then began reaching out to the 5-star builders.

in-person meeting

1. Call to set up an in-person meeting (terrifying for me!)
2. Be Prepared!
    - Take a copy of your specification book with you
    - Be on time. Look professional. First impression!
    - Introduce yourself
    - Explain that you were impressed with their work and you wanted to discuss working together
    - Discuss the benefits you bring to job…
        - Helping homeowner make decisions in a timely manner
        - Keep selections in the budget
        - Provide them with the necessary documents they need for a successful project
    - Walk through your specification book with them
    - Discuss your design fees/payment structure
3. Send a hand-written thank you note.