



# GRAND COUNTY BUILDERS ASSOCIATION

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February 19, 2021

Insurance Industry and Affiliates

Re: Grand County residential construction costs

To whom it may concern,

As a result of the tragic East Troublesome Fire that took place in October of 2020 and in response to various inquiries about current, new home construction costs in Grand County, we can offer the following information:

- Numerous factors influence costs:
  - Construction techniques and complexity related to our extreme climate. Grand County is one of only a handful of regions outside of Alaska that are classified as Climate Zone 7 by the US Department of Energy.
  - Property specifics (soils type, topography, vegetation, access to and availability of utilities, etc.)
  - Design details (size, complexity/simplicity, construction style, etc.)
  - Systems options (mechanical & electrical systems, heating system types, site utilities, etc.)
  - Exterior finishes (siding types, roofing types, window packages, decks, patios, landscaping, etc.)
  - Interior finishes (flooring, wall coverings, appliances, plumbing fixtures, light fixtures, etc.)
- Material supply chains have been disrupted by COVID, impacting pricing and availability.
- Various commodity costs, particularly lumber, are at an all-time high.
- All aspects of the industry were already facing unprecedented demands and experiencing extended backlogs.

Realize there is no magic square footage price to use for establishing the cost of a project. It requires detailed quantity takeoffs, accurate estimates and a well-defined scope of work to determine the actual cost. With all of this in mind, we would share an estimated price range for turnkey, ground-up construction based on total building area under roof for:

- Smaller, municipal lots with provided utility services = \$325/sf to \$375/sf
- Larger, rural lots = \$350/sf to \$400/sf

Understand the turnkey costs would not include demolition and debris removal associated with homes destroyed in the fire. While it may be possible to construct new homes for slightly less than the ranges noted, costs can definitely far exceed the upper ends of these ranges by an order of magnitude. Costs of \$600/sf to \$800/sf are being surpassed with the construction of numerous, luxury homes throughout the County. It is also important to note that the costs referenced above reflect actual construction costs as confirmed by multiple, local builders prior to the East Troublesome Fire.

As an organization that represents the professional builders, trade partners and industry associates in Grand County, we understand the challenges that will be facing our community in the months and years ahead as we work through the rebuilding process from the terrible devastation caused by the East Troublesome fire. In a market that is already struggling to keep up with an excessive demand, it is unfortunately likely that construction costs will continue to rise in the foreseeable future.

Respectfully,

**Grand County Builders Association 2021 Board of Directors**