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Minimize Your Material Costs

Building/Remodeling How To Articles

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In ways, a house is like a teenager. Raising one requires lots of time, patience and— more than anything else—money. True, you don't have to supply your home with clothing, concert tickets, snacks and spending money, but you do have to outfit it with plenty of materials, including lumber, masonry, flooring, fixtures and hardware. And that's just for starters.

For that reason, builders and remodelers should consider doing what millions of parents do every day: Say no to the designer jeans—and the designer countertops—and opt instead to buy something that's just as good for a fraction of the cost.

"There are plenty of high-quality materials available at respectable prices," says Jeffrey Crane, president of Concept to Creation, a Gilbert, Ariz.-based consultancy that helps families design and custom-build their dream homes. The key to finding them: knowing where to look and for what.

Luckily, you don't have to look very far. Here are 10 tips for lightening the load when your materials costs start to weigh you down:

1. Deliver accurate, realistic bids. If customers are willing to pay for more expensive materials, that's great. If they're not, your best strategy is accurate bidding and budgeting in order to avoid shouldering the extra costs. "Cost-cutting comes into play during the pre-bid stage of the project," Crane says, "when the homeowner elects to reduce square footage, or [chooses] certain finish details as a means of slimming down the overall project budget."

2. Design with materials in mind. Woodworking expert William Sampson, editor in chief of CabinetMaker magazine and director of Rockford, Ill.-based CabinetMaker Consulting, suggests reducing materials costs an inch at a time with smart design. "Making simple changes can deliver significant materials savings," he says. "For example, if you have a 4-foot-by-8-foot sheet of wood that you want to make 12-inch shelves out of, you're not

going to get four shelves because of the 1/8-inch saw cut. If you change your design to make those shelves 11 1/2 inches, you'll get four shelves."

3. Consider secondary costs. Materials themselves aren't the only things that are expensive. With the high cost of gas, so is transportation. Luckily, most suppliers deliver. "Even with the fuel surcharges that some companies are charging, you'll find that your own gas, time and vehicle costs are typically more expensive," says Sampson, who suggests saving further on shipping costs by arranging one large delivery instead of several smaller ones.

4. Buy in bulk. Buying in bulk often qualifies you for special discounts. Sampson recommends asking suppliers whether they offer bulk discounts and how much you have to buy in order to qualify. Don't simply buy more in order to pay less, however. Crane cautions that bulk buying is only feasible for builders who have enough space to store extra materials and enough ongoing business with which to consume them.

5. Woo suppliers. Don't just buy from suppliers; build relationships with them, Sampson suggests. Because suppliers enjoy working with customers they like, he recommends developing relationships with them in order to open the door to price negotiations, special deals and more.

6. Buddy up before you buy. Getting to know other builders can be beneficial, as you may be able to use group purchasing power to negotiate good deals with suppliers. "It's not extremely common in this industry," Sampson says, "but I know of an organization of small shops in Oregon that made deals on purchasing major machinery by promising a group buy to the vendors."

7. Recycle and reuse. Some communities have special construction depots where you can buy used or surplus building materials, often at a deep discount. If your area doesn't, Sampson says, you can always re-purpose your own materials. "If you can catalog extra materials and off-cuts from one job, then use them in another job," he points out, "it's like getting free materials for that second job."

8. Feast on scraps. Consider using other builders' leftovers, too, says Crane, who suggests calling suppliers and asking about orders—especially custom orders—that have been returned or canceled, which you can purchase at a reduced price. Alternatively, approach other builders directly; if you approach the foreman on an area job site, you may be able to pay him a small fee for his usable scraps, cutting his trash haul costs and your materials costs.

9. Buy pre-finished, pre-fabricated materials. Although often more expensive, pre-finished and pre-fabricated materials can end up costing less in the long term, according to Sampson, because they require less time and less labor to finish and install.

10. Compromise. Although some materials should never be sub par—lumber, for instance—you can find cheaper alternatives (without affecting safety) for other materials, such as plumbing fixtures, lighting fixtures and door hardware to realize substantial savings, Crane says. What's more, homeowners can easily upgrade them later if they want to, but at their own expense.