

The Vision

Our Residential Issue

- How much will this cost me?
- My Mother is moving in!
- Multi-generational household
- Ballard Architectural Studio web address.

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How Much Will This Cost Me?

How much will it cost to have a home designed and constructed for me and my family? The first thing I communicate to a custom home client is that the design and construction of a new home is a process, not a direct purchase.

So, when trying to understanding the cost it takes a different way of thinking for everyone involved.

It is helpful to have a professional guide you through the process. A residential architect is a good prospect for that guidance.

With a custom home, your spending limit becomes the guiding force when it comes to the cost of constructing the house.

An architect is able to design to the spending limit determined by the home owner; for instance, if you tell your architect that the spending limit is \$350,000, then the architect will use this spending limit to determine what design features **best fit** this budget amount. In other words, your architect **will design to** your budget amount.

Here are a few guide lines for determining a spending limit. Let's begin with an approximate cost of construction.

This must be determined through a simple set of mathematical equations.



Design of Custom Home's Living Room

There are two formulas associated with determining your spending limit: How much can we afford to build and what is the gross area of the new house?

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My Mother is Moving In

My mother is moving into my house. She is getting up in years and my wife and I want to help her more with every day living.

How do we make this work? Help! A common

sentiment in a lot of families.

You can begin with the organizing of the new household. By including your mother into your daily family dynamics you have now created a

new household, a multi-generational household.

The next step is to determine the needs of this new multi-generational household and what kind of house or better yet

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My Mother is Moving In (cont.)

what type of living arrangement will best suit this household. Here is a question to consider: should your mother literally be under the same roof? What I mean is that she may need to be in a small cottage in the back yard or an apartment above the garage. In the past



A Custom Home with a Mother in-law suite

we have called these mother-in law suites or apartments.

Here are some other questions you may need to consider: Is our current home big enough? Do we need an elevator? Do we need separate

kitchens; how about separate bathrooms? **These and other questions** will need to be asked and addressed.

Our studio has published a book called the "*Life Cycle House*" to help sort through these tough questions. Maybe we can help give us a call.

Written by Andre Ballard, RA

BALLARD ARCHITECTURAL STUDIO

P.O. Box
Oxford, Ohio 45056

Phone: 513-461-0202
Email: ballardarchitect@gmail.com
Web: www.bas-arch.com



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www.bas-arch.com

How Much Will This Cost Me?

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An experienced residential architect can help you determine these two items during an initial consultation meeting.

Let's create a sample house to illustrate these ideas. We start the process by examining the gross annual family income. This sample family has an annual income of \$85,000. Using this figure when calculating, I use an average of 25% of income, excluding taxes, insurance and utilities.

For example: $\$85,000 \times 25\% = \$21,250$ /annually, divide this by 12 and you get the monthly amount of \$1,770.83 or approximately \$1,770.

Using an amortization table with a 30 year mortgage at 5% interest, you calculate approximately \$1,744 for a monthly payment. This

will support a \$325,000.00 mortgage. Your final mortgage amount could include both your land cost and your construction cost.

If your land is paid for, some banks will allow this purchase to be considered as your down payment. Make sure you check with your bank or lending institution first; preapproval at your bank will also allow you to understand your spending limits as well.

For the sake of our illustration, this homeowner will roll the cost of the land into their final mortgage of \$325,000. This leaves us \$260,000 to work with. (The design fee is also included in this cost)

The Architect can help you determine the average, square foot cost in your locality.



Sketch of Custom Home Kitchen

Lets say yours is \$135/SF, you then calculate: $\$260,000.00$ divided by $135/SF = 1,926$ SF as the maximum area of house to work with. (include a percentage of landscaping and outdoor space in your cost/SF)

In conclusion, once you determine your spending limit and the maximum area for your new home, you can use these two figures to design a home that **best fits** your family's **lifestyle and budget**.

Written by Andre Ballard, RA