



## Building additions, Costs and FAQ

GVS Design Build is a leading building and specialty construction firm offering diversified general contracting and design-build services to private individuals, commercial clients, investors, and real estate developers for Southern Nevada. GVS Construction has earned a reputation as a high-quality, design-build contracting firm who follows strict quality control measures. Let us help you achieve your objectives for your home. We go above and beyond on every project because we share your passion for excellence. We will ensure that the final result will exceed your expectations. That is our GVS Design Build promise!

### How Much Does a Home Addition Cost to Build?

Your visions of extra living space, bedroom, garage, workshop, or a second-floor addition can come to life with a home addition project supervised by a general contractor. The average price for adding square footage to your home will range between \$120-\$350 per square foot but there are many ways to save money without sacrificing the design you want.

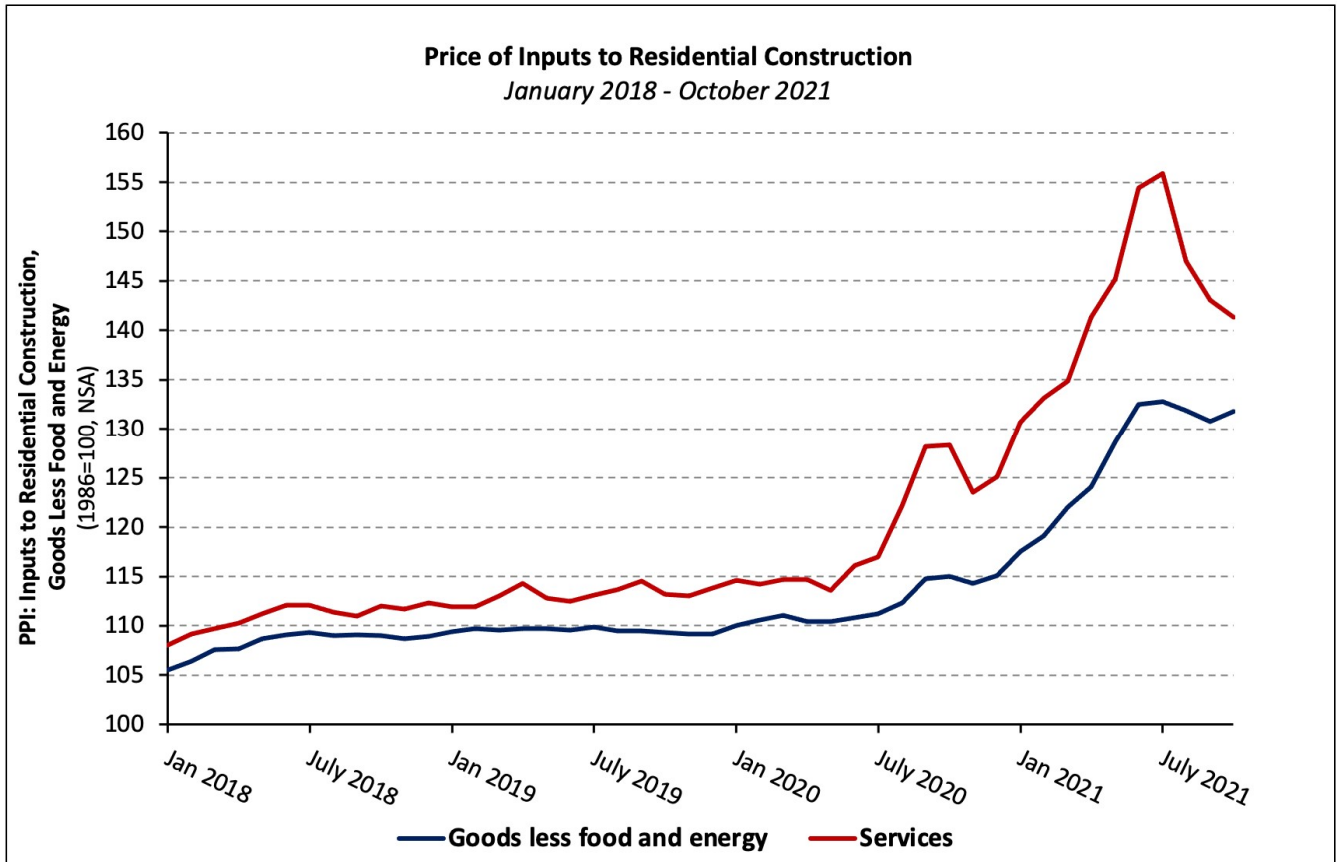
The requirements for building a room addition are very similar to building a custom home. Each require the same design, same engineering and the same number of building inspections.

GVS Design Build uses "Value Engineering" to design your addition in the most efficient way. Once we are aware of your budget parameters we will design your project within those limits giving you as much as your budget will allow.



## Current Building Materials Costs?

Building materials prices have increased 12.2% year-to-date after climbing 4.5% over the same period in 2020. In contrast, the price index of services inputs to residential construction has increased less in 2021 (+8.1%) than it did over the first 10 months of 2020 (+12.0%).



The price of all goods inputs to residential construction (including energy) has risen 14.5% thus far in 2021, eight times more than it did over the first 10 months of 2020. The year-to-date increase is double that of the previous record year-to-date October increase (+7.1% in 2008).

## Project Cost(s) Breakdowns

Construction Costs - The cost of materials and labor to build a house will average around 75% of the total cost of the project.

### Labor Cost

The average labor cost is 39% of the total cost of the project.

# Frequently asked questions

## Traditional Project Delivery

Construction Manager at Risk (CM@R or CMAR) is the traditional way to manage a construction project. The Owner must manage two separate contracts which all-too-often create an adversarial relationship between the designer and the contractor. If something goes wrong or an unforeseen circumstance requires changes, the designer and contractor blame one another for the cost overruns or schedule changes, often leading to litigation and delays which add to the project cost.

## What is the Design Build method?

Design-build is a method of project delivery in which one entity - the design-build team - works under a single contract with the project owner to provide design and construction services. One entity, one contract, one unified flow of work from initial concept through completion.

Design Build Design-build saves time and money while allowing for more innovation, collaboration, and better projects. The Owner manages only one contract with a single point of responsibility. The designer and contractor work together from the beginning, as a team, providing unified project recommendations to fit the Owner's schedule and budget. Any changes are addressed by the entire team, leading to collaborative problem-solving and innovation, not excuses or blame-shifting. While single-source contracting is the fundamental difference between design-build and the old ways, equally important is the culture of collaboration inherent in design-build.



Construction Manager at Risk (CM@R or CMAR)

### **What type of contract do we use?**

GVS uses a fixed price contract. A fixed-price contract is a contract where the agreed-upon price for the job is unchanged throughout the project unless the owner initiates changes. It does not matter if more time, materials, or labor must be used than first estimated, the price stays the same. It is one of the more straightforward construction contracts. A fixed-price contract is ideal when the requirements are clear and the deadline is set. For this reason GVS focuses a great deal of attention to the estimating process. Allowances are set for finishes, If the owner goes over the allowances they know well ahead of time.

### **How does GVS manage customer communications?**

The success of any project is rooted in communications. For that reason, we use Builder trend to manage a verity of tasks within a project. Buildertrend is a customer portal we use to manage all aspects of the project including the project timeline, scheduling, and document management. From the consumer side each customer has their own GVS application on their smart phone. Through the application customers can track project activity, directly communicate with the GVS team, send text and email, review all documents associated with the project as well as payment schedules.

### **What lenders does GVS work with?**

We routinely work with lenders and will entertain any lender our customers prefer. However, each lender has their own programs in how they interface with contractors. We would need to evaluate the lenders program to determine it is a good fit for us. GVS has lender relationships we are happy to share.

### **What is the value of an additions project?**

The true value of an additions project can only be determined through a formal property appraisal. However, when estimating the cost of additions project we not only look at cost. We review what comparable homes in the immediate area are selling for to make sure you are not overbuilding for that area. Our objective is to always put our customers in an equity position when you are handed the keys.

### **How to create a project budget?**

You will need to contact a lender and learn what type of construction loan suits your needs. With your barrowing ability identified you will be able to arrive at your budget. Our objective is to design your additions project with as many features you desire at or below your budget.

### **Job site cleanliness and safety?**

Construction sites are messy noisy places. This is especially true when it comes to building additions projects. There will be dust, tools on the floor, wires and many other things to avoid. We know it's hard being displaced from your kitchen, bathroom, or bedrooms. Based upon the timeline it may be best to be out of the workspace while under construction.

### **How long will my project take to complete?**

The average time to build your additions project can range from weeks to months depending on the complexity of the project. At the time of permit issuance GVS will provide a complete timeline.

### **Change Orders?**

Once the plan is approved and the permit is issued, we want to avoid changes to the plan. Changes to the plan are expensive, slow the progress of the project as plan revisions have to go back to the building department for review and approval. Most change orders are requested by the owner of a project. GVS will detail the cost of each requested change. Change orders are due upon issuance.

### **What kind of delays can occur?**

There are two types of problems that prevent projects from finishing on time: delays and blockers. A construction delay happens when things do not go according to plan, and since construction is often sequential, that is often unavoidable. For example, you were planning to pour concrete in a specific two-day window, but it ends up raining. Now the project must be pushed back two days and sub-contractors must reschedule. Blockers are different from delays in that a blocker is a task whose completion is necessary before other tasks can be undertaken. For example, passing an inspection is required prior to moving to the next task. Or, you may have scheduled to start framing but you must wait for the concrete to cure. Delays and blockers happen on every project. GVS does it is best to mitigate delay and blockers through careful planning.

### **Site utilities?**

GVS will arrange for estimates from utility providers to establish cost. When calculating utility connections, the primary concern is the distance from the utility to the connection point at the home. The farther away the greater the cost. A factor specific to electricity is the amount of amperage required for the home and whether the closest transformer has the capacity necessary for the project. GVS will include these costs with the initial estimate.

### **How long has GVS been in business?**

GVS was established in May 2012 as a solar and remodeling contractor. 2019 GVS starts building additions projects. Early into 2020 as the pandemic began, we decided to shut down all projects where we needed to be in customers' homes. The downtime gave us the opportunity to re-tool and evaluate our internal processes. We also used that time to build our new offices and design studio. Mid 2021 we refocused our attention on additions project building, property development and commercial projects.

### **Do you have projects I can visit and or speak with?**

We are happy to share information on our current projects and can schedule a walk-thru of those projects at your convenience.

### **What licenses do you have? Are you insured?**

GVS is fully licensed, insured, and bonded.

### **Do you use sub-contractors?**

GVS keeps several services in-house. Sub-contractors are used for specific trades such as electrical, plumbing and fire sprinklers.

### **What differentiates GVS from other contractors?**

GVS is a one-stop-shop design build builder. Each step of our process is all under one roof, which makes the experience seamless. Our 3D design and virtual walk-thru studio is a unique offering in this market and the building industry.

### **Do you perform quality assurance inspections during construction?**

In addition to building department inspections GVS utilizes a third-party inspection service as a secondary layer of quality assurance.

### **How do I select finishes and fixtures for my additions project?**

GVS has established relationships with flooring, countertop, cabinet, and paint suppliers. We will share a list of our vendor showrooms to visit and make your selections. We also have a showroom in our design studio with an array of flooring, stone and cabinet samples.

### **When does construction begin?**

Timelines are established and sitework begins as soon as the building permit is issued.

### **Should I be concerned with supply chain issues?**

Supply chain issues have plagued the construction industry all of 2020,2021 and persist into 2022. To mitigate these delays, we are advance ordering those items affected by supply chain delays.

### **What is Voucher Control?**

For projects over \$100,000 GVS addition projects includes Voucher Control. Voucher Control is a third-party company that acts as a clearing house for payments and provides an added layer of protection for the customer and the contractor.

**OWNER CONTROL** - Provides the owner with organized and convenient project transparency. Owners can easily see every contract, subcontract, change order, payment application, and disbursement. No payment can be issued without the owner's approval.

**GENERAL CONTRACTOR SUPPORT** - Minimize risk, provides project oversight, ensures timely payments, and helps the contractor manage their commitments.

Voucher control also keeps the project moving as all payments are made electronically eliminating down time waiting for payments to be clear.

### **What warranties does GVS provide?**

A builder warranty is extended to a buyer by a builder on a new construction or remodeling project and it covers components inherent to the house like concrete, floors, plumbing or electrical work.

- **One year:** Coverage for workmanship and materials such as stucco, doors and trim, drywall, and paint
- **Two years:** Coverage for HVAC, plumbing, and electrical systems
- **Ten years:** On major structural defects

### **What are GVS building standards?**

We only use the highest quality materials to ensure the highest quality outcomes. We use two-by-six exterior walls allowing us to insulate at higher levels, the exterior of the house is wrapped in plywood, not foam board and we use three coat stucco. This allows us to achieve extremely high R values, making our projects very efficient. We over insulate interior walls and attic spaces. We only use 4500psi concrete which prevents foundation issues. We always include the highest quality plumbing valves with lifetime warranties. All light switches, outlets, ceiling fans and ceiling vents are sealed with silicone to avoid air leaks and to ensure superior energy efficiency.

### **What are the standard finishes?**

GVS wraps all addition projects are wrapped plywood. We only use three coat stucco for superior R values and deeper color penetration. On the inside GVS uses only five-eighths drywall, rectified tile with epoxy grout, solid wood cabinetry, superior Sherwin Williams paint, designer vents and returns and high-quality switches and outlets.

### **Can I select my own appliances and other items I desire?**

One of the benefits of building with GVS Design Build is that there are very few restrictions. Want to bring your appliances, have your heart set on butcher block countertops, or a particular microwave, go right ahead. We just need the details of each item to prepare for installation. Let us say the base price of your new home includes a kitchen sink worth \$200, but you would like to upgrade and purchase a sink on your own that costs \$400. We will credit you with the original allowance of \$200 for the sink and you will pay the difference of \$200.

### **Can I supply materials for my project?**

GVS does not allow the homeowner to supply building materials for the project. GVS has established accounts set up with suppliers and has developed relationships with our vendors. GVS assumes responsibility for the correct material and its performance or warranty.

### **Are there any homeowners' rules or regulations?**

GVS will comply with all HOA rules outlined by the HOA and their architectural design standards. We only need the contact information for the HOA to coordinate with them.

### **What is the COO?**

The COO is an official document that is recorded with the county or city and verifies that all work on the home was according to the current building codes and the structure is safe for people to live in. GVS will apply for the Certificate of Occupancy upon the final inspection.

### **What is the close out package?**

Upon the completion of your project, we will supply you with a close-out package with copies of closing documents and warranties. We also provide you with a complete plan set for your records.

## What does it mean to be an owner builder?

Being an owner-builder means you are responsible for domestic building work conducted on your own property. The owner-builder assumes the role of a building professional, is liable for the entire project, and may have ongoing obligations after the building work is completed.

Hiring an architect or designer adds 10% to 17% more to your budget, and high-end professionals charge \$8,000 an \$20,000.

1. Interview and hire an architect to design your project and monitor the design to stay within your budget. Hiring an architect on average will cost \$8,000 to \$20,000+ or 8% to 15% of the total construction cost for detailed drawing specifications and construction documents.
2. Interview and hire mechanical, electrical, and plumbing engineers to add MEP detail to the plan.
3. Interview and solicit bids from 3 to 5 contractors, check their work, make sure they have up to date licenses, insurance and the personal to keep the project moving.
4. Negotiate sub-contractor pricing. You will pay more than a general contractor who has established relationships and can offer incentives for better pricing.
5. Study as much as you can to get an idea of the average costs for each stage of your home building.
6. Project manage your own project and know your plans down to the type of brackets and hold downs to communicate with inspectors. There are thirty-two inspections on an average home build.
7. Negotiate pricing for lumber, trusses, and all materials required for the project.
8. You will need to consider overall material costs. Materials used in the construction of your home will be available in a variety of qualities and prices. Some materials may be cheaper now but lead to a higher cost of ownership because of maintenance, energy costs, and replacement costs down the road.
10. Without established relationships with field inspectors and the building department, projects tend to move more slowly.