

**New Home Cost by Component as a Percent of Purchase Price  
Generally Listed by Order of Expenditure**

Finished lot cost (including financing cost)	18.8	
Construction financing costs	1.3	
<b>Lot &amp; Financing Sub-Total</b>		<b>20.0</b>
Building permit fees, plan check, and distribution fee	0.5	
Water & Sewer Fees Inspections	2.5	
Other	0.3	
Impact Fees	0.4	
Sales taxes paid to city, county, state on materials	2.4	
Property tax on home during construction	0.3	
Architectural and engineering	0.8	
<b>Government Sub-Total [1]</b>		<b>7.2</b>
Excavation, foundations, interior concrete flatwork, retaining walls, backfill, compaction testing, waterproofing, drains.	7.1	
Other site prep work	0.6	
Framing, trusses, sheathing, general metal and steel	9.6	
Exterior finishes including walls, roof, windows and doors	7.9	
Plumbing -- major system rough-ins excluding fixtures	2.1	
Electrical -- major system rough-ins excluding fixtures	2.2	
HVAC -- major system rough-ins excluding fixtures	1.9	
Other -- major system rough-ins excluding fixtures	0.2	
Interior finishes (INCLUDING plumbing fixtures, electrical trim and lighting, drywall and insulation, cabinets and countertops,	15.5	
Landscaping	1.0	
Outdoor structures (deck, patios, porches)	1.3	
Driveway	1.3	
Clean-up & other	0.6	
<b>Construction Sub-Total</b>		<b>51.3</b>
Marketing costs including sales commissions	4.3	
Overhead and general expenses not related to construction or	6.3	
Profit	10.8	
<b>General Admin, Sales, and Profit Sub-Total</b>		<b>21.4</b>
<b>Total</b>		<b>100.0</b>

[1] When the government compliance cost of a finished lot is factored in government cost increases to 10.8% and lot cost decreases to 15.2% of the total new home price.

National Association of Home Builders, Summit Economics