

# The Risk Illuminator

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## Rehab Costs Exceed Ground-up Construction Costs

Remodeling costs are generally higher than ground-up construction. There are many possible reasons for this. Some of these include:

- 1) Remodeling often entails a smaller scope of work than new construction.
- 2) Materials may be purchased at a lesser discount or at retail than if the project were larger.
- 3) A contractor usually keeps workers busy for long periods of time, normally a full day. Startup, wind-down and cleanup are non-productive time, but can use a significant percentage of the workday. When a task requires less than a full day, common in remodel work, the non-productive time increases in percentage, increasing the cost of labor per unit.
- 4) Matching and fitting new materials to the pre-existing construction can also be costly. Sometimes creative or expensive methods have to be used to match colors, patterns, or textures, whether it be exterior siding or interior paint or plaster. Adding 10 to 30 percent to the labor costs may be necessary.
- 5) If the remodel requires working around ongoing operations, the normal traffic flow of people through or near the work area affects the way work gets done. When a contractor has to take precautions during demolition work for the safety of passersby, the job will take longer and cost more. These costs increase even more if the business is an office or a retail store that must continue to function during remodeling. Depending on the severity of conditions, this could add up to 50 percent to the labor estimate.



6) In remodel work the contractors often find the access to work areas restricted in a number of ways. Walls have to be cut and patched for the installation of new mechanical or electrical systems; large building materials do not fit through existing doors or windows; access to the structure's exterior can be limited by an urban location, landscaping, fences, or garages. Delivery and distribution of materials should be approached on a man-hour basis and may add 5 to 20 percent to the labor process.

*(See Rehab Costs, pg. 2)*



Hard-Hat  
University

### "POP QUIZ #9"

Match the types of joints with their definitions:

1. Angle joint
  2. Cogged joint
  3. Control joint
  4. Expansion joint
  5. Isolation joint
  6. Joggle joint
  7. Miter joint
- A. A joint between two (2) members, typically at a right angle to each other.
- B. Separates one (1) concrete section from another so the pieces can move independently.
- C. Installed to prevent shrinkage of a large area creating a deliberately weakened area to eliminate random cracking.

*(See Pop Quiz, pg. 2)*

#### TOPICS IN THIS ISSUE

**Rehab Costs Exceed Ground-up Construction Costs**

**1 & 2**

**Hard-Hat University – Pop Quiz #9**

**1 & 2**

**Rehab Costs** (continued from page 1)

- 7) Doing a remodel job quickly and efficiently usually means being able to make a mess first and cleaning up after. However, some jobs only allow a minimum of dust and debris. When working in the proximity of sensitive machines like computers, a job can become up to 100 percent more expensive for labor. Also to be factored in are the hanging of plastic curtains, longer dumpster rental, and laborers cleaning up on a continual basis.
- 8) Change orders become common in remodel projects where often the extent of reconstruction isn't apparent until demolition. Any or all of the following circumstances may be encountered during remodeling and should be considered when reviewing the adequacy of the construction contingency:
  - ◆ Unforeseen field conditions
  - ◆ Correction of design discrepancies, errors or omissions in the contract documents
  - ◆ Owner-requested changes, either by design criteria, scope of work, or project objectives
  - ◆ Completion date changes for reasons unrelated to the construction process.



**Quiz** (cont. from page 1)

- D. Formed by uniting two (2) members at corner resulting in a change in direction.
- E. A notch in one piece of material fitted into a notch of a second piece of material to prevent slipping
- F. Permits expansion and contraction due to temperature changes.
- G. Two (2) crossed structural members, each notched at the place where they cross.

Answers: 1-D, 2-G, 3-C, 4-F, 5-B, 6-E, 7-A

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