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What pre-construction *actually* costs.

An honest accounting of the work that precedes the work — and what it should cost.

By the MACON Build editorial team

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A NOTE ON THIS DOCUMENT

This document is one of a small collection of resources MACON Build publishes for Toronto property owners considering significant residential work. It is offered freely, without registration, in the belief that informed clients make better decisions and build better buildings — whether or not they ever engage us.

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Most clients meet a builder, like the builder, agree on a project, and are then surprised to learn that they have weeks of paid work to do before construction can begin. This phase has a name — pre-construction — and an honest builder will tell you what it costs before you sign anything.

i. What pre-construction is

Pre-construction is the work that happens between the day you engage a builder and the day a crew shows up on site. It is not optional, and the quality of the work done here is the difference between a project that runs cleanly and a project that does not.

The phase exists because construction is a series of decisions made under constraint. Where the walls go, what they are made of, how the systems run, what the cabinetry costs, how long the windows take to arrive, whether the City will allow the basement to be excavated to the depth the structural engineer has called for — these decisions cannot be deferred until trades are mobilized. If they are, the project goes off the rails inside the first three weeks.

A proper pre-construction phase produces, in order: a complete set of construction drawings, a complete set of specifications, a detailed itemized estimate, a procurement plan for long-lead items, a project schedule with milestones and dependencies, and a contract. With those documents in hand, the construction phase becomes execution. Without them, it becomes improvisation.

ii. What it includes

A pre-construction engagement on a meaningful residential or commercial project typically includes some combination of the following work, depending on scope:

- **Design coordination** with the architect and any interior or landscape designers — refining the drawings to a level of detail sufficient for accurate pricing and clean construction.
- **Structural engineering** review and coordination, particularly for additions, renovations, and any project that modifies load-bearing elements.
- **Mechanical, electrical, and plumbing design** — sometimes by the architect's team, sometimes by separate consultants brought in by the builder.
- **Soil and site testing** where the project requires excavation, foundation work, or expansion of the existing footprint.
- **Detailed estimating** — itemized, line by line, against a complete set of working drawings rather than a back-of-the-envelope range.
- **Trade procurement** — soliciting bids from sub-contractors against the specifications and selecting partners based on quality, reliability, and price, in that order.
- **Long-lead procurement** — placing orders for items with extended delivery times (windows, custom millwork, specialty tile, mechanical equipment) before construction begins.
- **Permit applications** — preparing and submitting building permits, heritage permits where applicable, and trade permits.
- **Schedule development** — building the project schedule with realistic durations, sequencing, and dependencies.

That is a substantial body of work. On a meaningful project — anything over six months of expected construction — it can take eight to twelve weeks to complete properly. On a heritage project or a complex new build, longer.

iii. What it costs

We are asked this question constantly and we will answer it directly. Pre-construction services on a custom home, addition, or significant renovation in the Greater Toronto Area typically cost between **2% and 5% of the projected construction budget.**

A project with a $2 million construction budget should expect $40,000 to $100,000 in pre-construction fees. A project with a $5 million budget, $100,000 to $250,000.

Those are real numbers. The clients who balk at them often go on to spend more — in change orders, in delays, in scope reductions forced by costs that were not properly identified — than they would have spent on a properly managed pre-construction phase.

> *A builder who will not tell you the cost of pre-construction before construction begins is telling you something about how they intend to bill you.*

We charge pre-construction as a fixed fee rather than as a percentage of construction. This is partly philosophical and partly practical: we do not want our pre-construction effort to scale with the construction cost, because the work itself does not scale that way. We will tell you the fixed fee at the outset, and we will deliver against it.

iv. Why most builders will not give you these numbers

The honest answer is that most builders' business models depend on getting clients past the pre-construction question as quickly as possible. They quote a construction estimate based on an incomplete drawing set, sign the client, mobilize, and then absorb the cost overruns through change orders during construction. By the time the client realizes the original estimate was a sales document, the project is too far along to start over.

We are not particularly interested in that business model. It is bad for clients, it is bad for the trades who get pulled onto chaotic projects, and it is bad for the reputation of the construction industry. The pre-construction phase is where a project *becomes* a project. Skipping it is not a cost saving; it is a deferral, and the deferred cost is always larger than the avoided one.

v. The questions to ask

If you are interviewing builders for a meaningful project, ask the following questions:

What does pre-construction include in your engagement, and what does it cost? Ask for a written scope and a fixed fee. Be skeptical of any answer that conflates pre-construction with "free initial consultation."

How long do you expect pre-construction to take on a project of this size? Eight to twelve weeks is normal. Two weeks is not pre-construction; it is an estimate disguised as one.

At what point in your process do you place orders for long-lead items? The answer should be "during pre-construction, well

before mobilization." If the answer is "during construction," ask how they intend to keep the schedule when items are late.

What documents will I receive at the end of pre-construction, and before I am asked to sign a construction contract? The list should include drawings, specifications, an itemized estimate, a schedule, and a permit application package.

If costs rise during construction, what is the process for change orders, and how are they priced? A clear, written change order process is a sign of a builder who has been through it before. The absence of one is a warning.

A serious builder will answer all five questions without hesitation. A builder who is uncomfortable with these questions is a builder you should be uncomfortable hiring.

vi. The real cost

There is one more thing to say.

Pre-construction is not, ultimately, a separate phase of the project. It is the foundation of every decision that follows. The drawings produced during pre-construction will dictate the framing on site. The specifications will dictate what trades show up. The schedule will dictate what arrives, in what sequence, on what day. The estimate will dictate whether the project comes in on budget or does not.

Builders who do pre-construction well finish projects on time, on budget, and to the standard their clients hired them for. Builders who skip it, or do it badly, do not.

Pay for pre-construction. It is the cheapest part of any project, and it is the part that determines everything else.

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BY PRIVATE INQUIRY

Honest numbers, given early, save everyone time. If you are considering a project and want a candid pre-construction conversation — what it will involve, what it will cost, what it will reveal — we are glad to have one.

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