



# THE VALUE OF DESIGN

## CASE STUDY: AMES, IOWA

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David Holcomb

**ARCHITECTS OFTEN COMPLAIN THAT ONLY 2%  
OF HOMES ARE DESIGNED BY ARCHITECTS.**

**THEY ALSO AREN'T KNOWN FOR BEING GOOD  
WITH NUMBERS**

**USING AMES, IOWA AS A CASE STUDY:  
WHAT IS THE VALUE OF GOOD  
ARCHITECTURAL DESIGN?**

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## **QUICK BACKGROUND INFO & CLEANUP**

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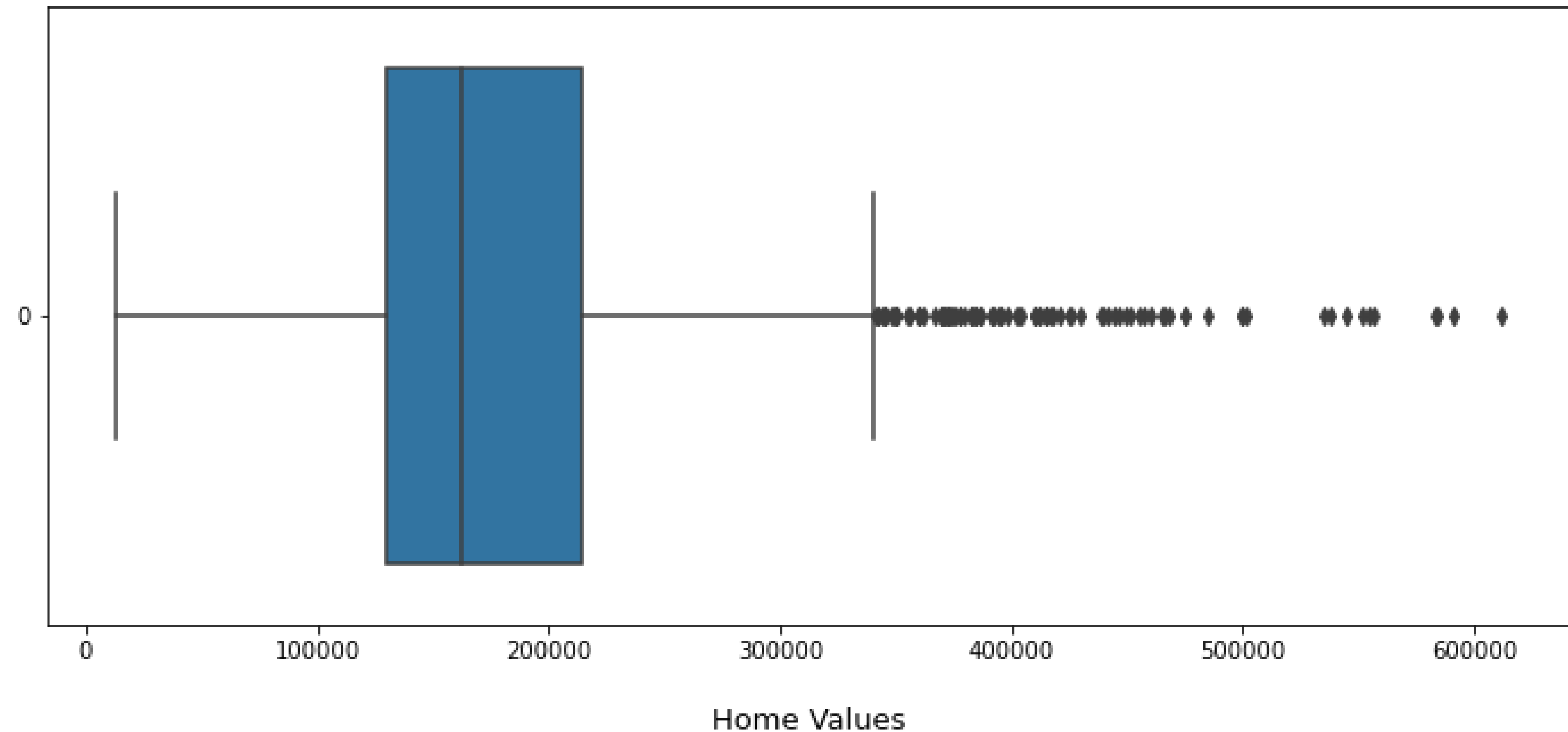
**AVERAGE CONSTRUCTION COSTS IN AMES,  
IOWA ARE \$119.08 PER SQUARE FOOT. \***

**CONSTRUCTIONS COSTS RANGE FROM \$95.84  
ON THE LOW END TO \$142.31 ON THE UPPER  
END**

**THE MEDIAN SQUARE FOOTAGE FOR A HOME  
IS 1450 SQ. FT.**

**1450 SQ. FT. \* \$119.08 PER SQ. FT. GIVES AN  
AVERAGE CONSTRUCTION COST OF \$172,666**

Box Plot: Showing Average Home Prices



**THE MEDIAN HOME PRICE IN AMES, IOWA IS  
\$162,500.**

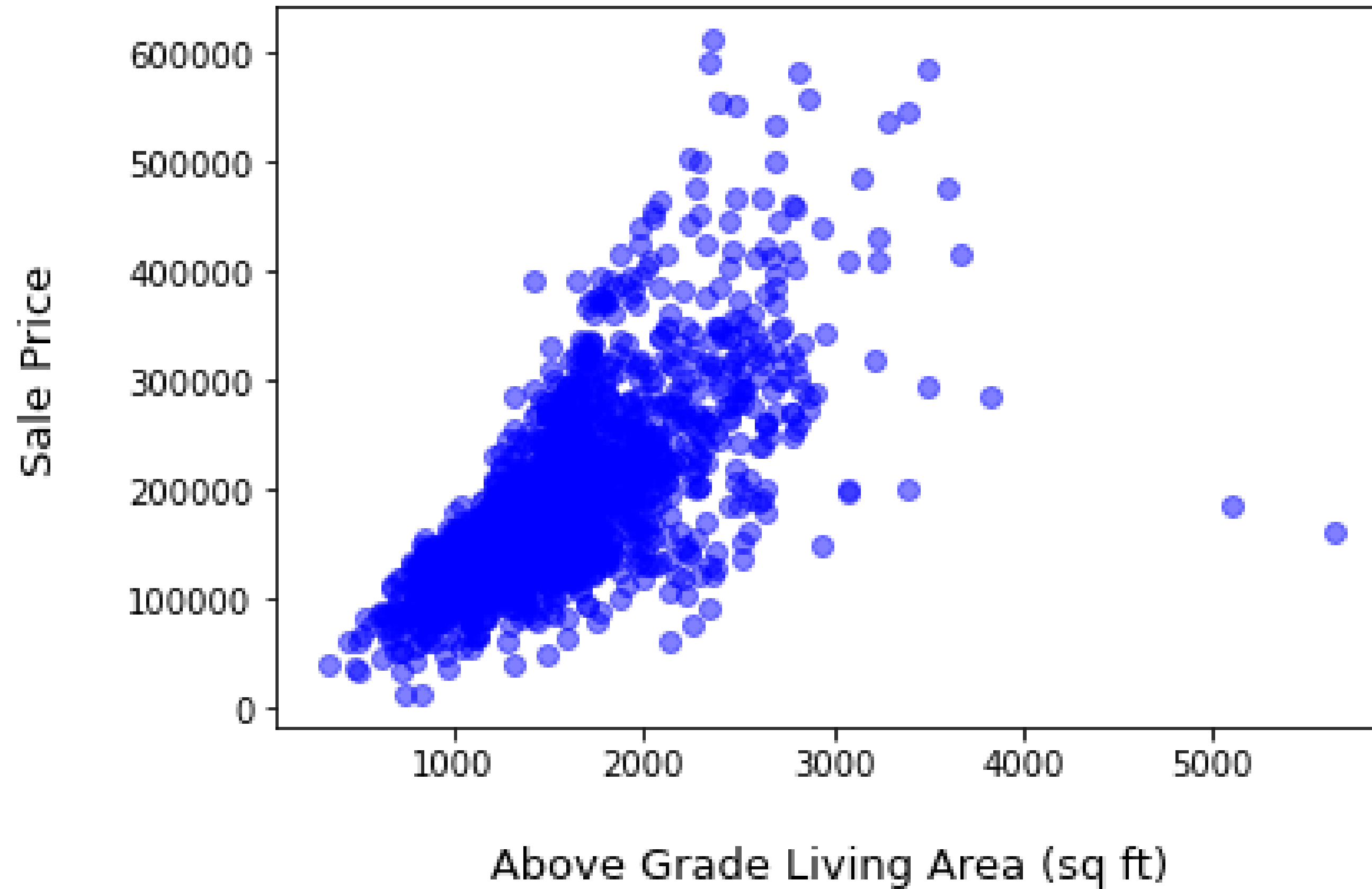
**THE MAXIMUM HOME PRICE IN AMES, IOWA IS  
\$611,657.**

**THE AVERAGE RANGE IN HOME PRICES IN  
AMES, IOWA IS \$129,800 - \$214,000.**

**A CLIENT IS ALREADY IN THE UPPER RANGE  
OF AVERAGE SALES PRICES. A DESIGNER HAS  
TO BE PRECISE WHEN DESIGNING.**

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# Looking for outliers

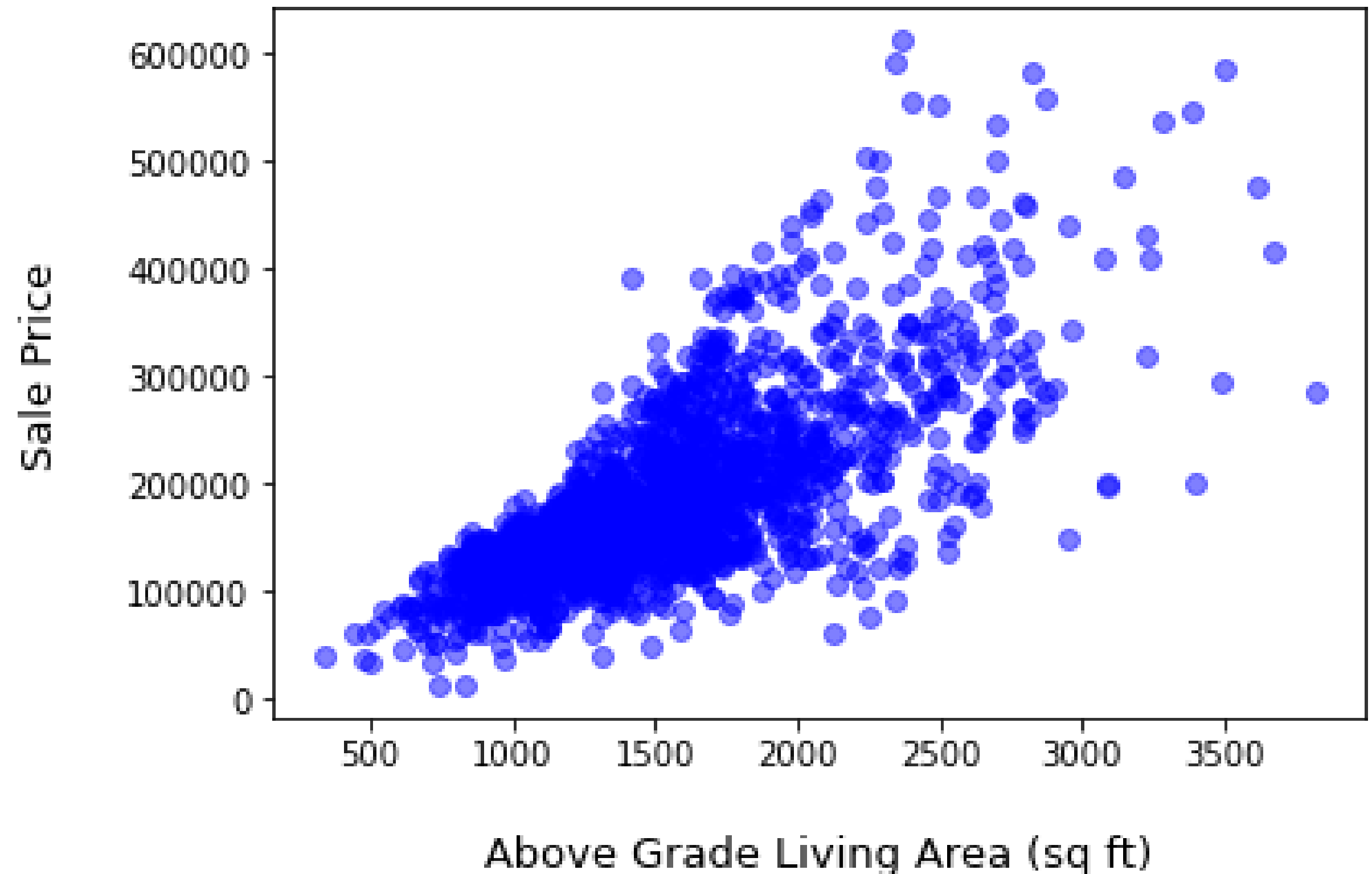


**THERE ARE  
A COUPLE  
OF HOMES  
WITH OVER  
5000 SQ FT  
THAT SOLD  
FOR UNDER  
\$200,000.**

**AFTER  
REMOVING  
FROM THE  
SET:**

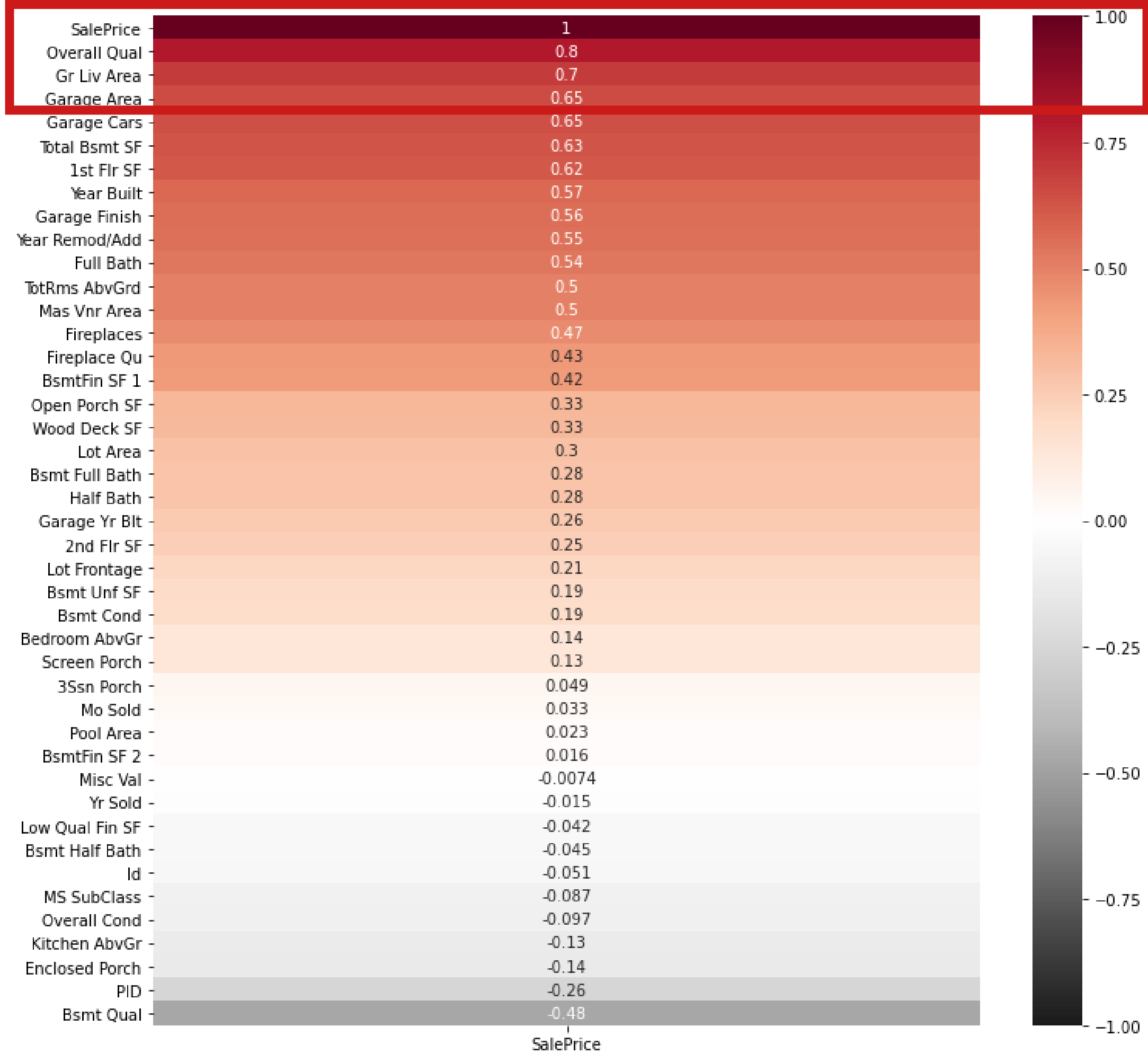
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Looking for outliers

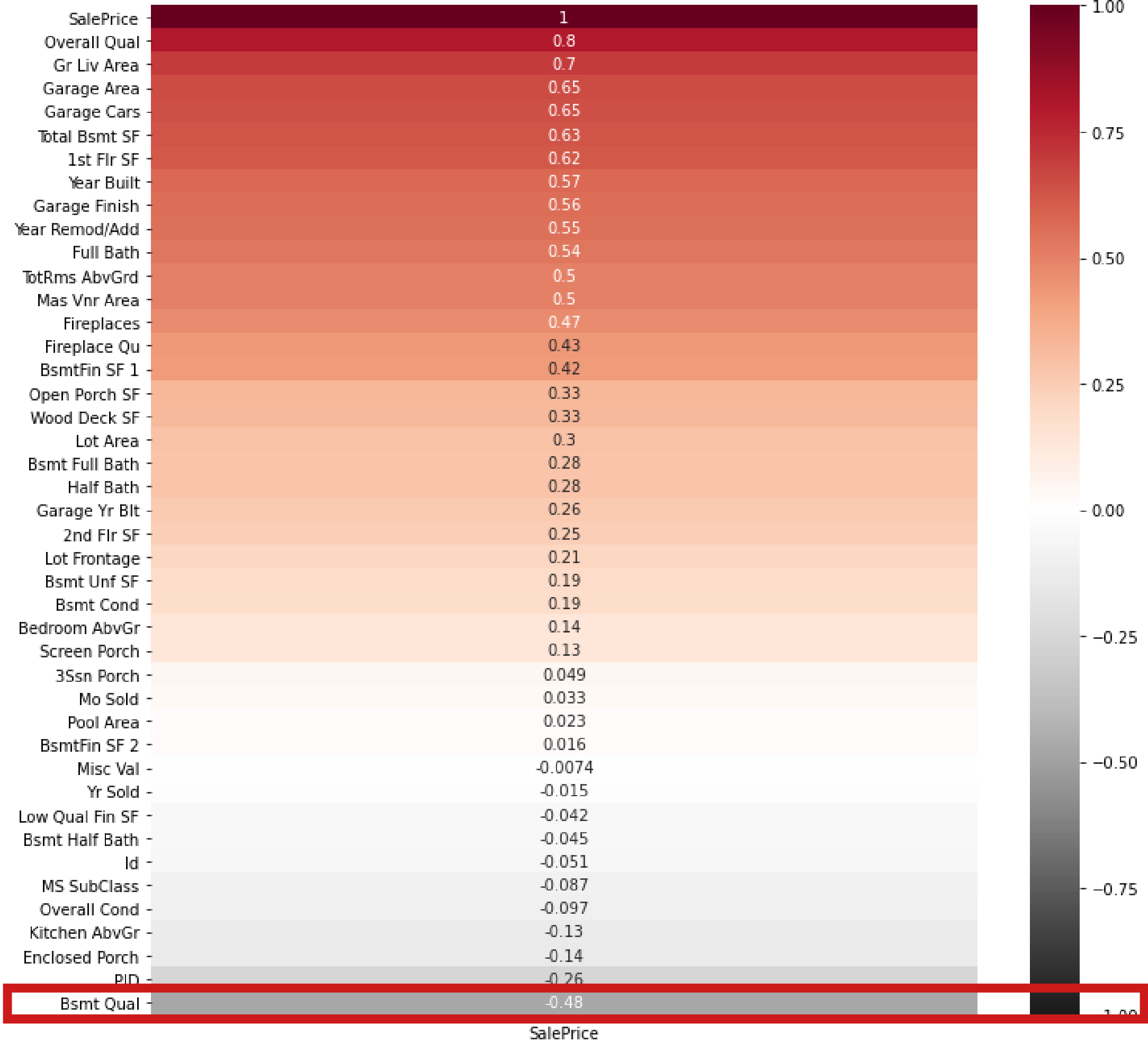




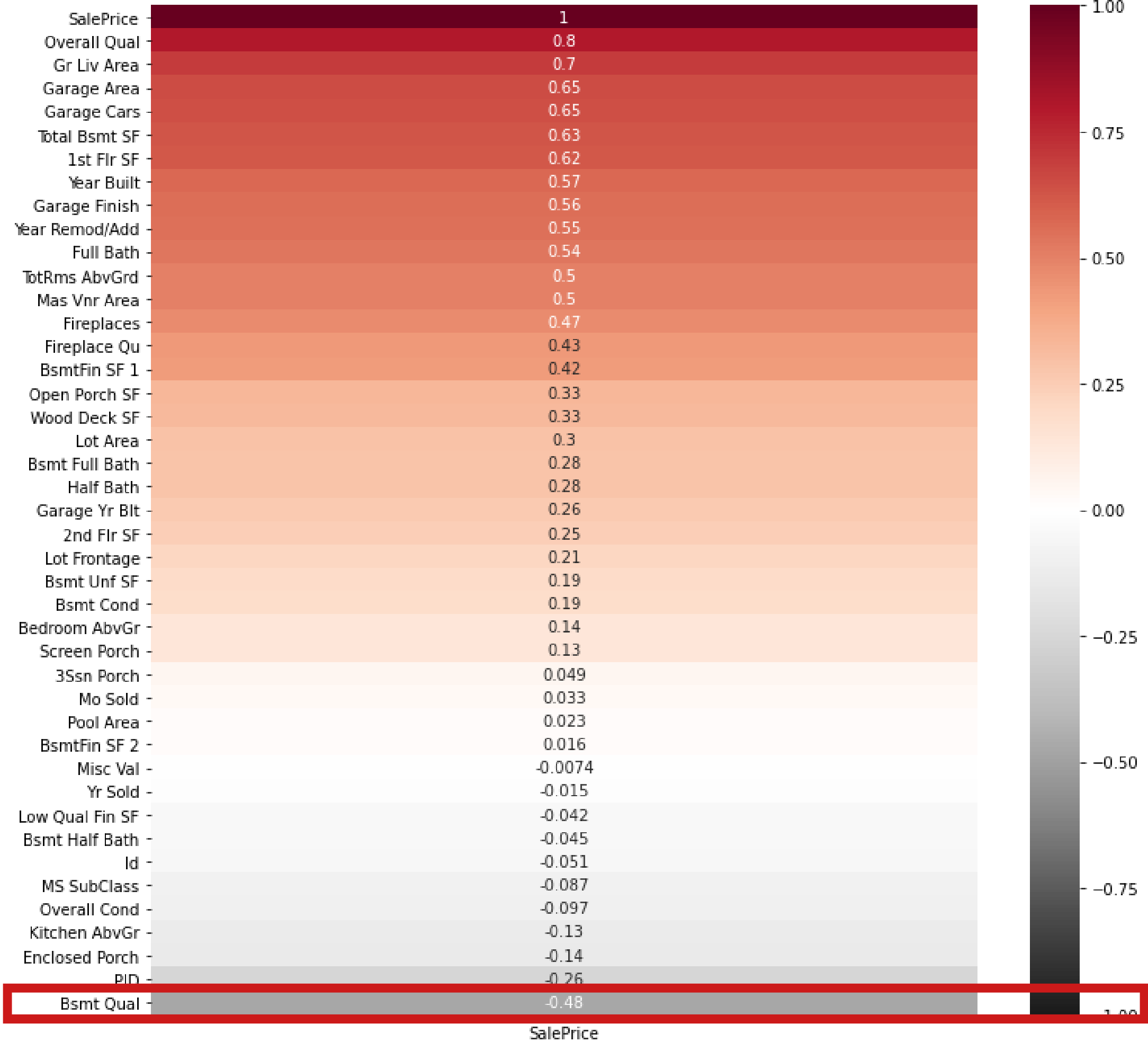
OVERALL  
QUALITY,  
LIVING AREA  
ABOVE  
GROUND,  
GARAGE AREA,  
BASEMENT  
AREA ALL  
HAVE A HIGH  
CORRELATION  
TO PRICE



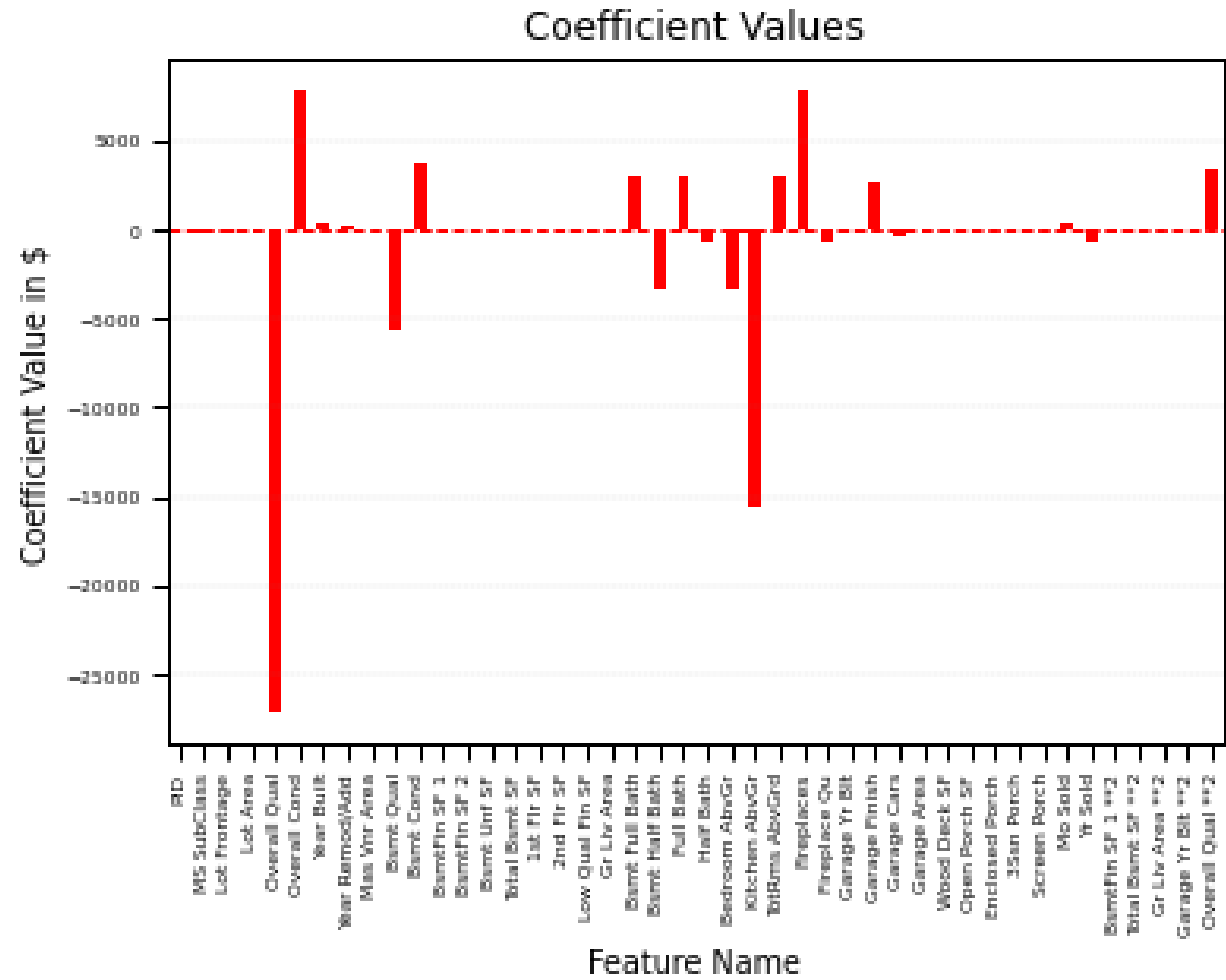
BASEMENT  
QUALITY HIGH  
NEGATIVE  
CORRELATION  
TO PRICE



BASEMENT  
QUALITY HIGH  
NEGATIVE  
CORRELATION  
TO PRICE

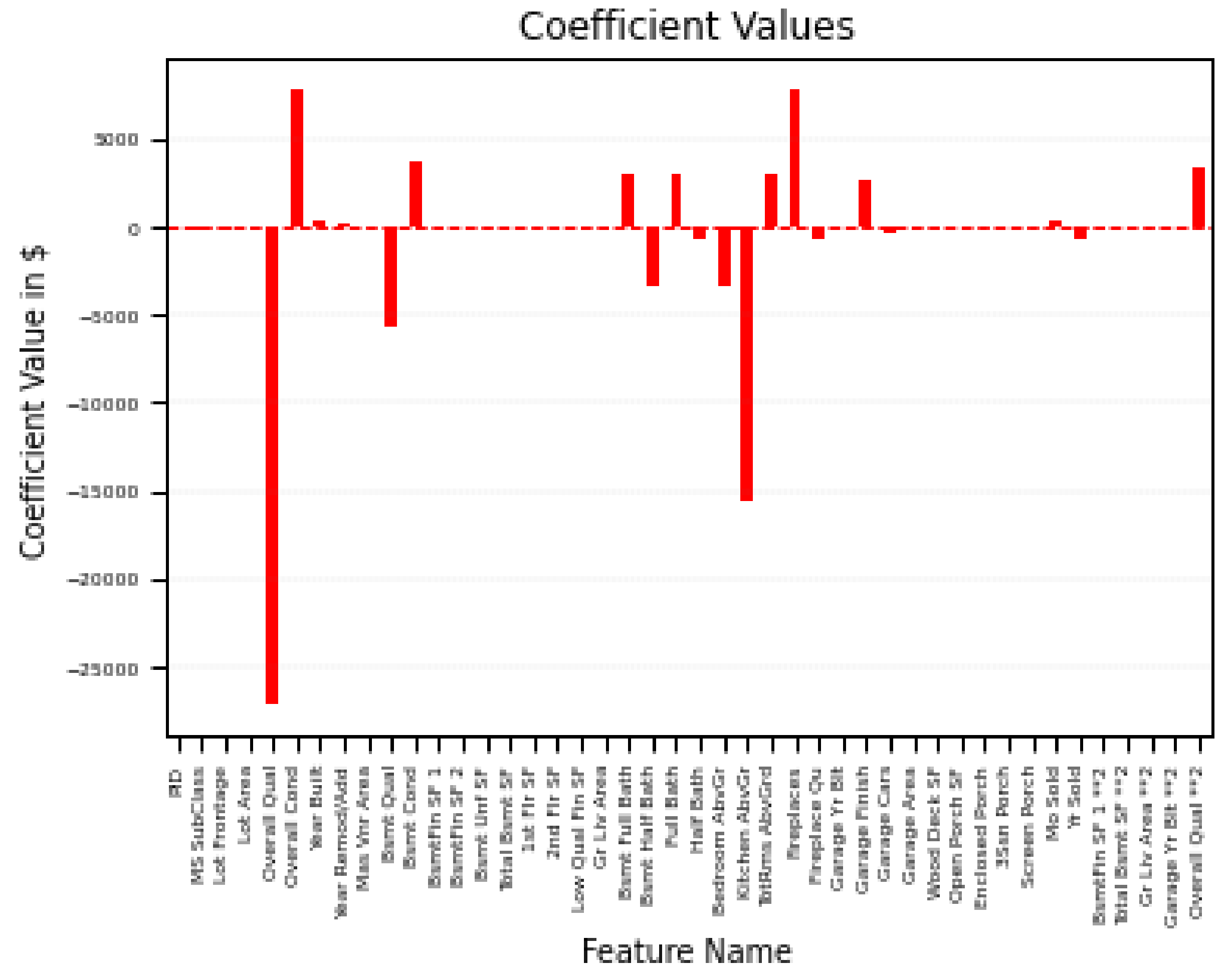


ONE STEP  
CHANGE IN  
OVERALL  
QUALITY  
RANKING  
RESULTS IN  
A \$27,000  
CHANGE IN  
PRICE\*



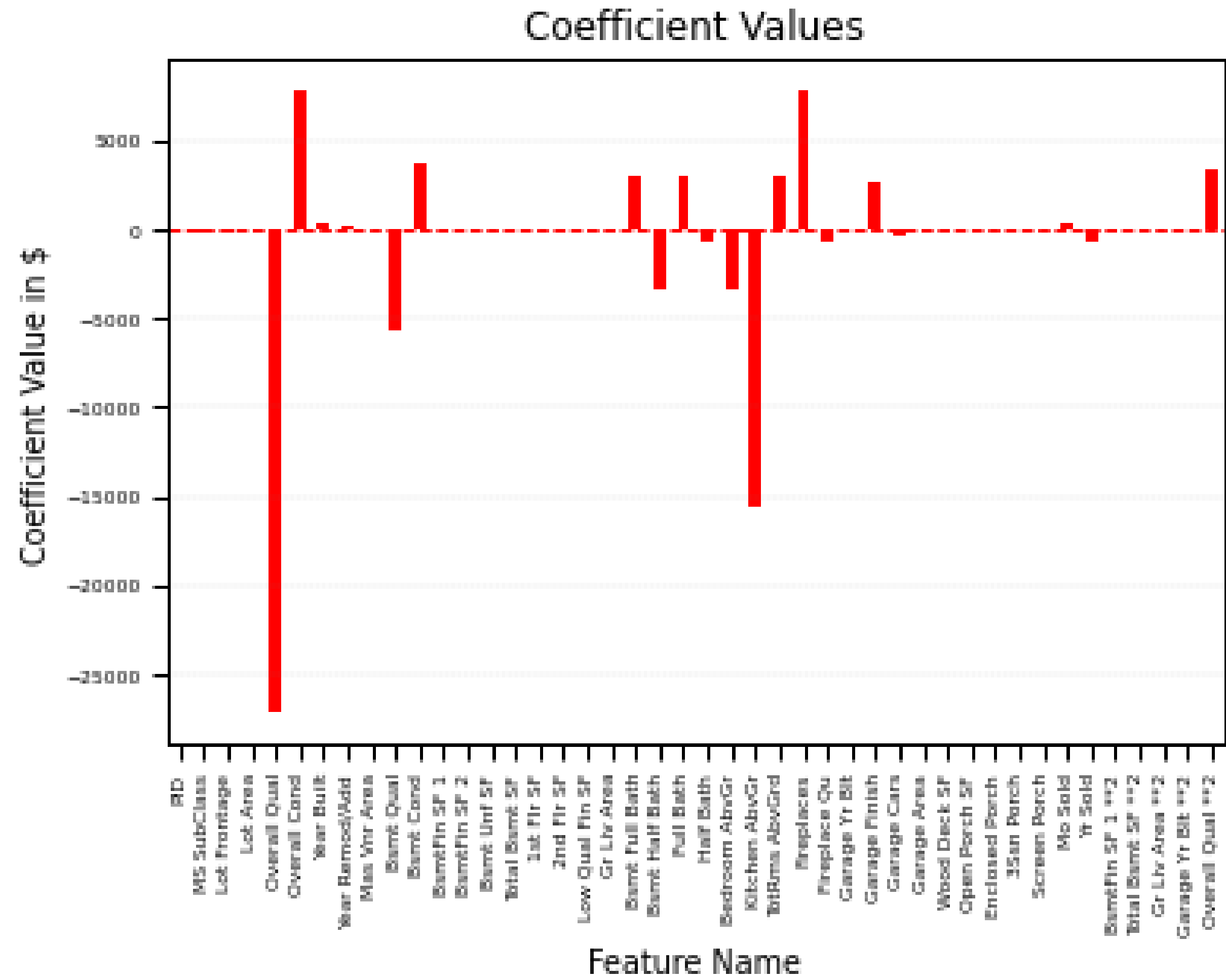
\*GIVEN EVERYTHING ELSE HELD CONSTANT

HAVING A  
KITCHEN  
LOCATED  
ABOVE  
GROUND  
ADDS  
ABOUT  
\$15,500 IN  
HOME  
VALUE



\*GIVEN EVERYTHING ELSE HELD CONSTANT

HAVING A  
FIREPLACE  
ADDS  
ABOUT  
\$8,000 IN  
HOME  
VALUE



\*GIVEN EVERYTHING ELSE HELD CONSTANT

**A CLIENT IS ALREADY IN THE UPPER RANGE OF AVERAGE SALES PRICES FROM THE START. A DESIGNER HAS TO BE PRECISE WHEN DESIGNING.**

**LOCATING THE KITCHEN ABOVE GROUND AND ADDING A FIREPLACE ARE TWO SIMPLE LAYOUT RECOMMENDATIONS AN ARCHITECT CAN MAKE THAT ADD VALUE TO THE HOME.**

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**IF A CLIENT IS PUSHING BACK ON UPGRADES:**

**THE UPPER RANGE OF CONSTRUCTION ADDS ABOUT \$34,000 TO CONSTRUCTION COSTS.\***

**TAKING THE HOUSE FROM AN AVERAGE QUALITY TO EXCELLENT INCREASES VALUE BY ABOUT \$54,000.**

**THAT'S A \$20,000 POTENTIAL PROFIT FOR YOUR CLIENT.**

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\*(UPPER RANGE - MEDIAN RANGE) / AVERAGE SQ. FT.