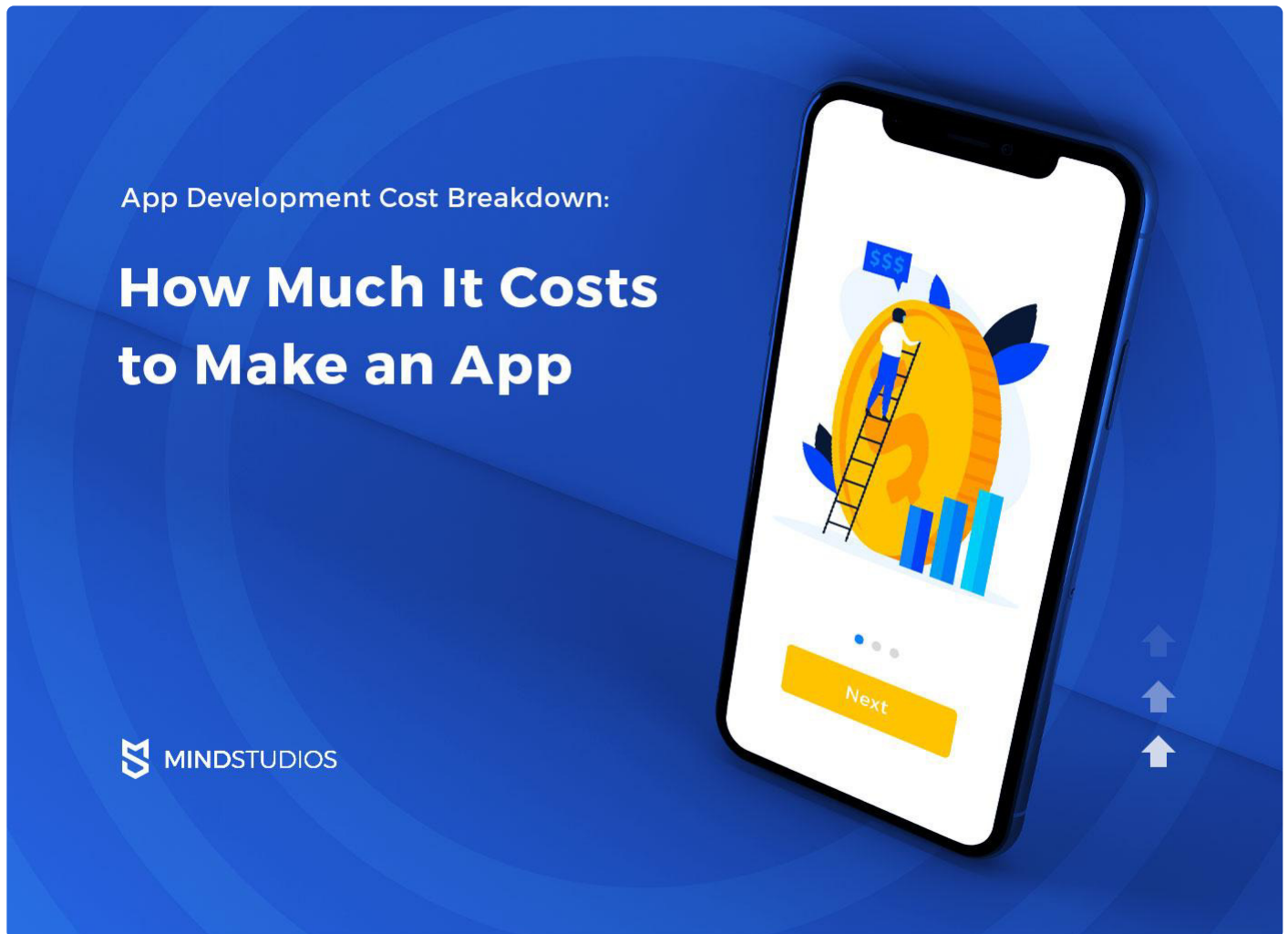


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# App Development Cost Breakdown: How Much It Costs to Make an App



How much does it cost to make an app for your business? This is an inevitable and dreaded question for anyone entering the mobile app market for the first time. The short answer is no one knows for sure :) It's nearly impossible to estimate the cost of app development without a mass of data. It can be anywhere from **\$5,000** to **\$500,000** or more. Without specific data about a particular app, we can only talk about averages. So that's what we're going to do.

In this article, we analyze the building blocks of mobile app development to give you some understanding of what you'll pay for. With this knowledge and some numbers (which we'll also provide), you'll be able to roughly calculate the cost to build your mobile app. And for a more precise estimate, you can [get in touch with our managers](#).

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# What factors into the cost of app development?



That programming of any kind isn't a cakewalk is a well-known truth. If it were easy, everyone would be making new apps left and right and no professional development teams would exist. As with any complex process, there are a number of factors that can influence the final cost of your mobile app. Here are the major ones.

## 1. iOS and/or Android

There are two major operating systems (or platforms) for mobile devices: Android and iOS. They aren't the only ones, but they dominate the mobile world. And when you start working with a [project manager](#) on the very first rough estimate for your app, part of what you'll research is the best platform to build for. What mobile devices are used most by your target audience? If they mostly use either iOS or Android, the answer is easy — build an app for the same one.

If your customers use **both iOS and Android devices**, you'll have three options:

1. choose one platform for your first app and add support for the other later,
2. build two apps right away,
3. build either a cross-platform or hybrid app (more on those later).

If you're choosing one platform to start, **the difference in cost will mostly depend on how long development takes**, as rates for iOS and Android development are more or less similar — unless you decide to hire a US-based outsourcing team, in which case Android development rates are likely to be higher. In South America and India, iOS development costs more, though the difference isn't very big.

Building an Android mobile app **generally takes longer**, one of the reasons being that your team will need to test on a wider range of devices.

## App type: native, cross-platform, or hybrid

The type of app makes the biggest difference in estimating the cost. First of all, what are these types of apps?

Native mobile apps are created specifically for one mobile platform. For a regular user, it's impossible to run an APK file (executable for Android) on an iPhone or an IPA (executable for iOS) on an Android device.

Android and iOS use different programming languages and frameworks: [Java](#) and [Kotlin](#) for Android, [Swift](#) and [Objective-C](#) for iOS. When your target audience uses both Android and iOS devices and you decide to support both platforms with native apps, it means you'll **need to build two separate apps**: one for Android and one for iOS.

However, you do have options for building one app for both platforms (aside

- Cross-platform app
- Hybrid app

A cross-platform app can be written in C# with **Xamarin** or JavaScript with **React Native**, and hybrid apps use AngularJS and its **Ionic framework**. Any of these options will work on both Android and iOS devices.

Now, you might be thinking, *Why would I make apps for each platform when I can make one app for both?*

Indeed, it's faster and cheaper to build a hybrid app than a native app, let alone two. However, you should be informed of the drawbacks cross-platform and hybrid apps bring to the table. Here's a short comparison:

	Native apps	Cross-platform apps	Hybrid apps
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	Native apps	Cross-platform apps	Hybrid apps
<b>Pros:</b>	<ul style="list-style-type: none"><li>+ Top performance</li><li>+ Smooth integration with device OS</li><li>+ Can access platform-specific features</li><li>+ High responsiveness</li><li>+ Great UX</li><li>+ Secure</li></ul>	<ul style="list-style-type: none"><li>+ Middling price between native and hybrid apps</li><li>+ One app for both platforms</li><li>+ Easier to update</li></ul>	<ul style="list-style-type: none"><li>+ Cheap to build</li><li>+ Easy to maintain</li><li>+ One app for both platforms</li></ul>

	Native apps	Cross-platform apps	Hybrid apps
<b>Cons:</b>	<ul style="list-style-type: none"> <li>- Can be costly to build</li> <li>- Take significant time to build</li> </ul>	<ul style="list-style-type: none"> <li>- Limited flexibility</li> <li>- Can't access most platform-specific features</li> <li>- Integration is laggy</li> <li>- Security issues</li> </ul>	<ul style="list-style-type: none"> <li>- Low performance</li> <li>- Poor UX</li> <li>- Slow</li> <li>- Security issues</li> <li>- Limited access to device hardware</li> <li>- No support for platform-specific features</li> </ul>

Despite all the drawbacks, there are still a number of popular cross-platform and hybrid apps, including Skype, Slack, and Instagram. The trick is deciding what kind of app your business needs. Maybe the cons won't matter for your particular app. But maybe they will.

## App Design Cost

Great visuals are the cornerstone of a good app, so it hardly comes as a surprise that **design can influence the cost of building an app**. Custom icons and design elements — screens, logos, buttons — will take time and

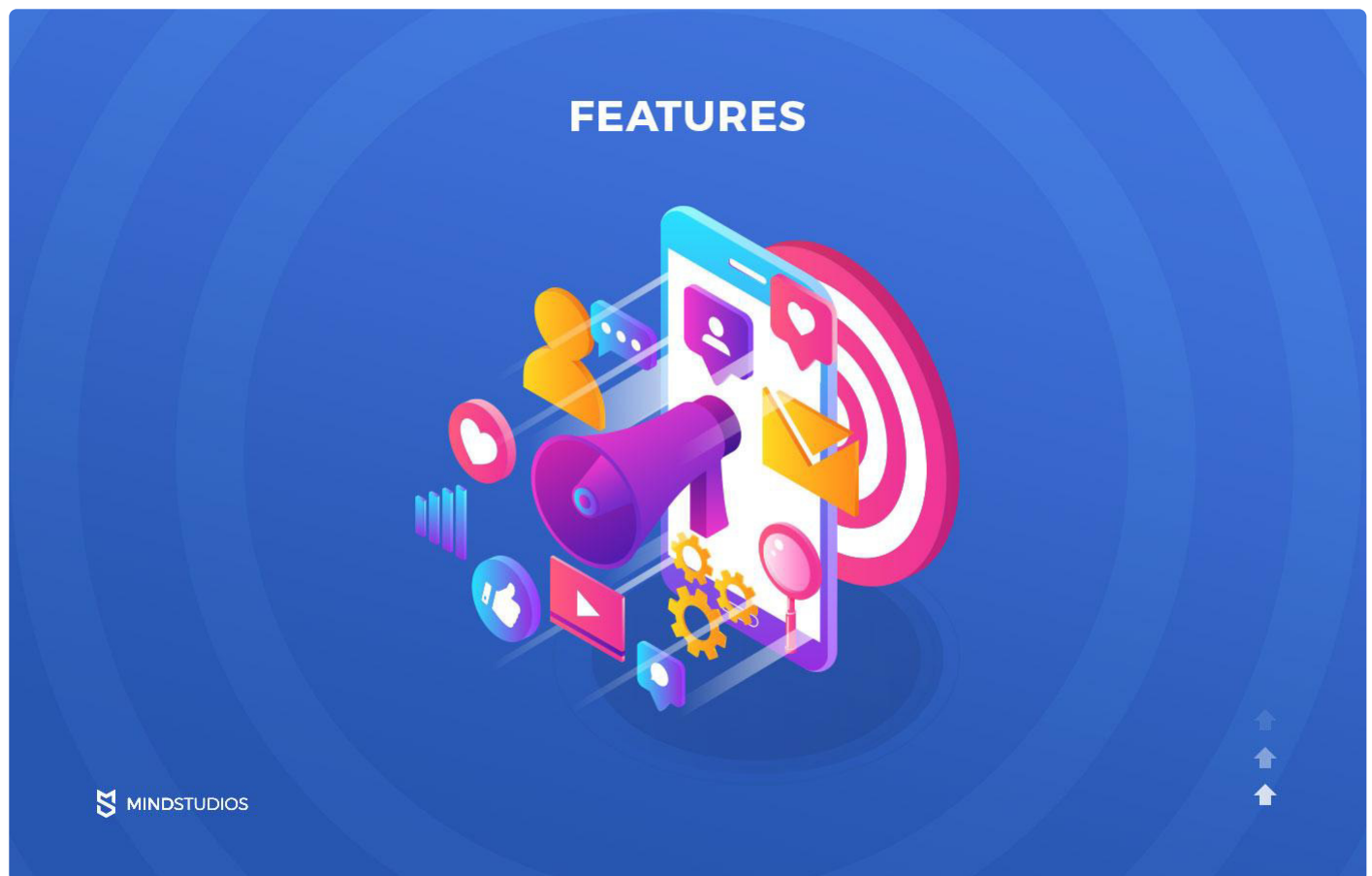
cost a lot. And each screen in an app needs to be drawn separately. Making **custom animations** is a whole other challenge, but they're often a winning feature.

That being said, great design doesn't always mean complex visuals. Sometimes, simplicity is the best answer: Depending on what your app does, it might be possible to use standard OS-provided elements that don't require much time and effort to compose.

Design is an especially important part of the price of mobile application development when it comes to games, of course.

**Read more:** [What Goes into the Cost of Mobile App Design?](#)

## Features





The cost to develop an app is largely based on the number of features — but that's not all. The complexity of those features is sometimes more influential. Some features only use standard tools and APIs; others require the integration of third-party APIs; a third type requires custom-built algorithms.

It's an industry standard of sorts to divide mobile apps into three categories based on complexity:

- Simple
- Medium
- Complex

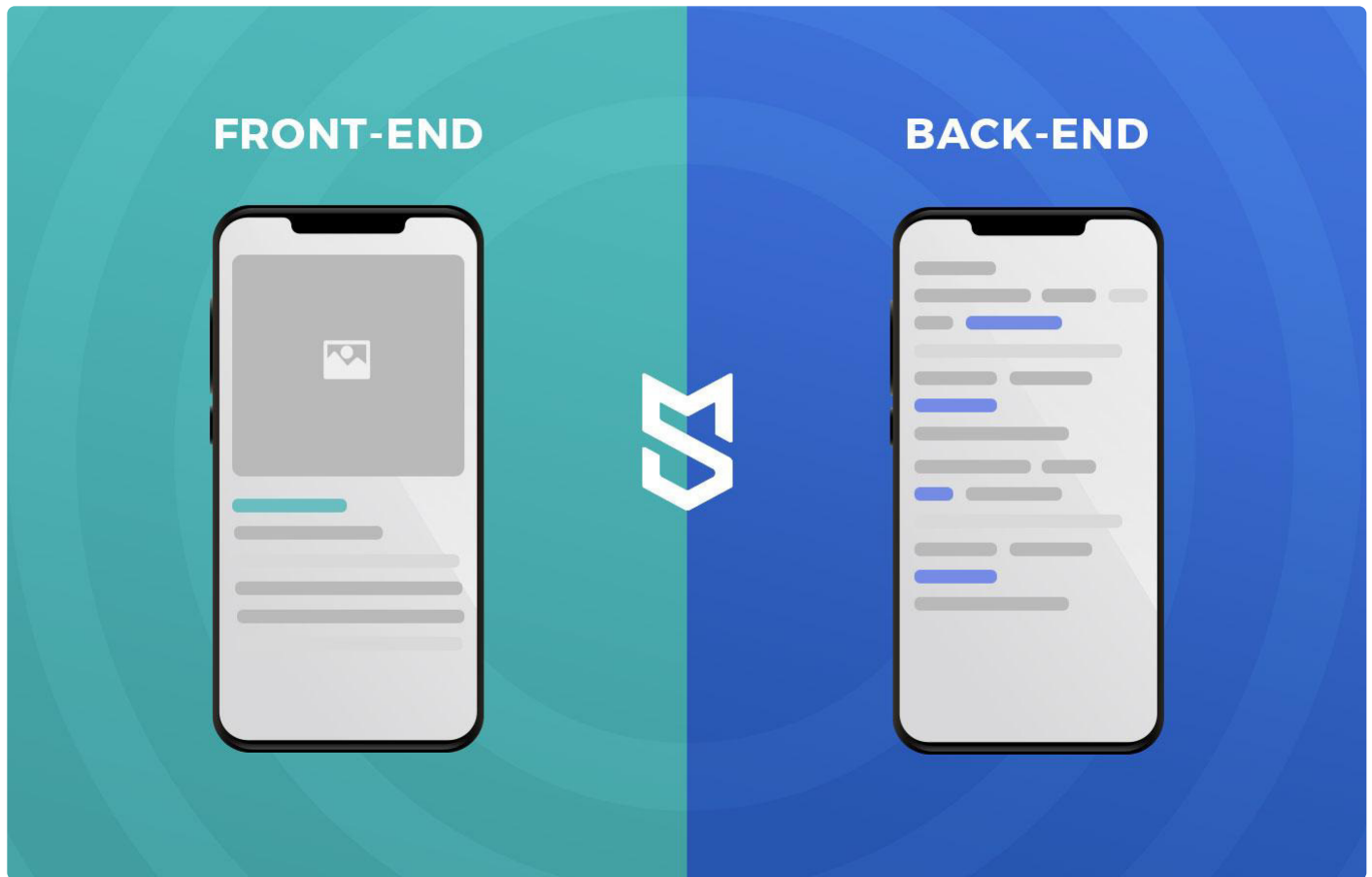
**Simple apps** have minimum features, most of which are either fairly standard or pretty easy to build. Think of this kind of app as a minimum viable product (MVP), an app with the minimum features required to collect feedback and [validate the app idea](#). Some finished apps are similarly simple. Building a simple app can take between **two to four months**, give or take, and **cost \$10,000 to \$20,000**.

**Medium complexity mobile apps** take about half a year to build, sometimes up to ten months. Medium complexity apps have more screens, more features, and more complex features than simple apps. If a simple app has a basic login feature, for instance, a medium complexity app would have integration for social login via Facebook. That's a basic example so you get the idea. The cost to make an app of medium complexity will most likely start at **\$25,000 and can go up to about \$50,000**.

Finally, there are **complex apps**. These are the apps with the most sophisticated features, like augmented and virtual reality, bots, payment integration, NFC (near-field communication), and media streaming. Depending on the number of such complex features, development can take

**from seven to eight months** or even more than a year. The average cost to develop an app with complex features begins at **\$50,000 and can go up to \$500,000** or even more.

## Backend



The backend, or server-side, is the part of your app that's invisible to your users but supports some of the more complex features, like syncing between devices and push notifications (though the latter can be handled by cloud integrations today). Servers run your databases, custom and third-party APIs, and more. A backend isn't mandatory, but if your app needs one, you'll need to hire a separate developer for it — one who works with Ruby on Rails or Python, for example — and that developer will, of course, add to the cost of your app.

When someone asks, How much does it cost to create an app? the answer is usually calculated based on how much time is needed for analysts, developers, designers, and testers to complete all [development stages](#). But developers' work can actually be calculated in two ways:

- In hours
- In story points

**Hours** is the traditional way of measuring the complexity of tasks. Developers estimate the time they'll need to build each feature, add some margin for unexpected complications, then add up the time for all tasks and multiply it by the hourly rate. Easy.

**Story points** is a system that's being used increasingly in Agile development. The gist of the story points system is that instead of trying to predict how much time development of a particular feature will take, the feature (or **story**) is assigned a number of points for difficulty. The difficulty is a sum of three parameters:

- Feature complexity
- Possible risks/complications
- Estimated effort

Story points are **relative**. The team decides on the smallest story (the simplest, with the fewest risks and least effort required) and assigns it 2 story points. Then all other stories are compared to it and are assigned points in comparison. Usually, stories start with 2 points. Not 1 since during development something is always added or removed and there might appear a story worth fewer points than the one previously thought to be the smallest.

A team can come up with their own system of points, but there are a few

- The Fibonacci sequence: 1, 2, 3, 5, 8, 13, 21, 34, ...
- T-Shirt sizes: XXS, XS, S, M, L, XL, XXL, XXXL, ...
- Geometric series: 1, 2, 4, 8, 16, 32, ...

## Team size



It's hard to estimate the average cost for making an app without knowing the number of people involved. These are the people you're paying to do the work, after all :)

The simplest team for an app consists of the following specialists:

- 1 project manager
- 1 developer per platform (iOS, Android, web)
- 1 UI/UX designer
- 1 QA specialist

A single UI/UX designer is generally enough for both iOS and Android apps, but an additional web app might require a designer of its own. If you need a server side to your app, you'll need a backend developer.

This team can be expanded for faster and more complex development, which will influence the cost of app development.

## Outsourcing vs in-house team

In-house development means hiring a team of specialists who will sit in your office and work only on your project. Outsourcing means hiring a separate company to do the development for you without the developers being within your arm's reach, so to speak.

A lot can be said about the pros and cons of both types of development, but since this article is meant to answer a different question — namely, how much it costs to build an app — we'll focus on that.

To cut a long story short, we'll tell you right away that hosting a team of developers in your company is a **way more expensive** endeavor than outsourcing. Having an in-house team means you'll be paying for:

- Salaries (obviously)
- Extra office space and workplaces
- Hardware and software
- Developers' tools
- Social benefits and everything else you pay for your regular employees

Depending on where your office is located, these costs can differ greatly. It's not possible to even state general numbers. Sometimes an in-house team is justified, especially if you have more than one mobile product and need to constantly update them. In other cases, outsourcing is a more sensible

choice. And outsourcing can be complicated with at least some experience

The biggest part of the cost of outsourcing lies in the geographical location of the company you're hiring. Here's a list of parts of the world sorted by average hourly rates, from the most to the least expensive:

1. North America (US and Canada) — \$150 per hour
2. Australia — \$110 per hour
3. Western Europe (mainly UK) — \$80 per hour
4. South America — \$50 per hour
5. Eastern Europe — \$40 per hour
6. India — \$30 per hour

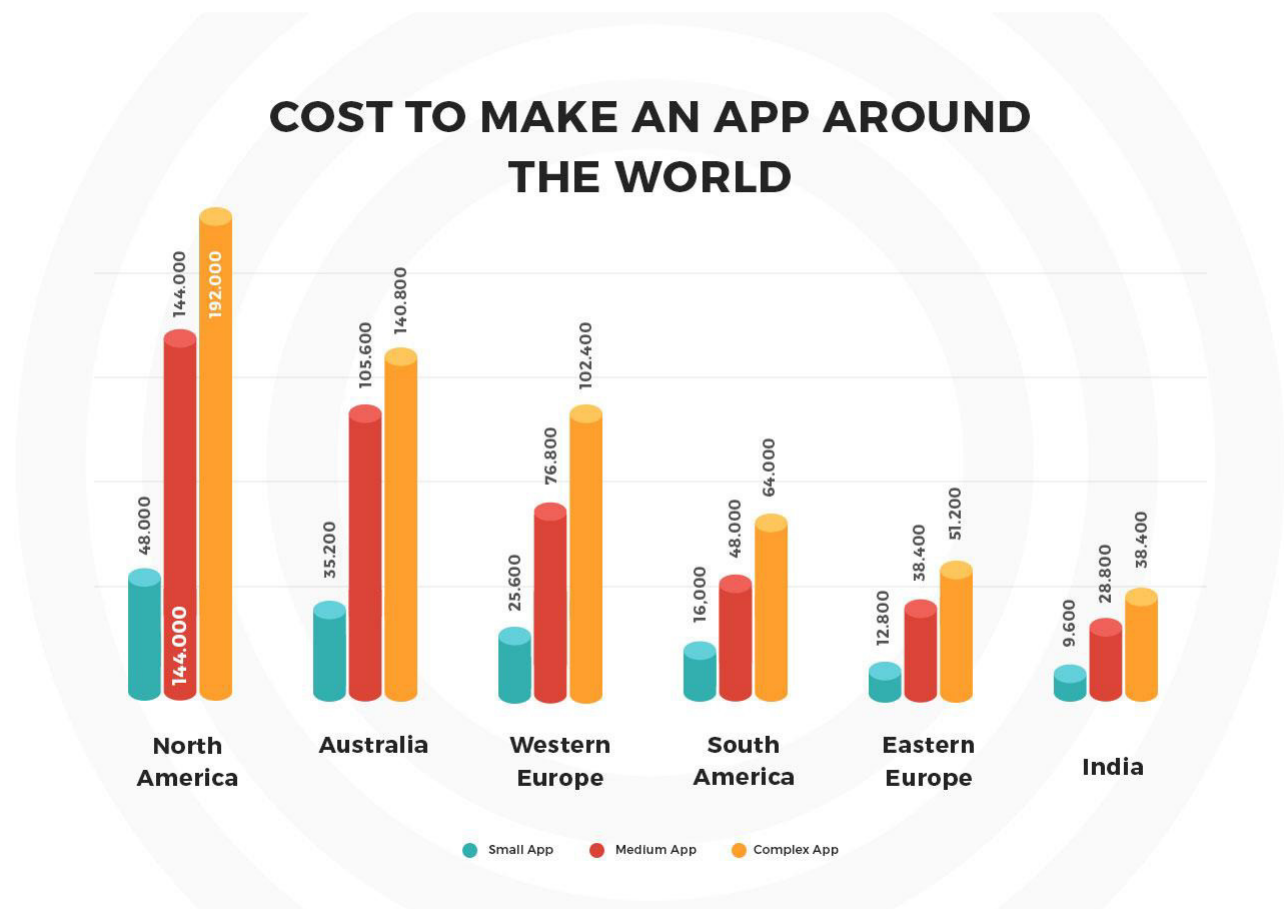
Knowing these approximate averages, we can estimate the average cost to develop an app in different regions. To do so, we only need to go back a little and recall the average development time for all three types of apps:

- Small app — 2 months minimum
- Medium app — 6 months average
- Complex app — 8 months minimum

With 40 working hours a week and 4 weeks in a month, we get this:

- $40 \times 4 = 160$  hours a month

So here's how much it costs to create an app in different regions:



## Total: What goes into the cost of mobile app development?

Let's sum up with a mobile app development cost breakdown:

1. App type (native, cross-platform, hybrid)
2. Platform (iOS, Android)
3. Design
4. Features/complexity
5. Developers' pay (depends on the location/hourly rate and team size)

## Cost examples

As is evident from everything above, it's difficult to come up with the price to create an app on the spot. At Mind Studios, we write articles where we share our inside look into the development of **different types of apps**, and that

includes cost estimates. Here are several examples of types of apps we've estimated:

- [Food delivery app like Postmates](#) — \$43,000
- [Messaging app like Signal](#) — \$37,000
- [Fitness app like FitBit](#) — \$52,500
- [Dating app like Tinder](#) — \$35,000
- [App like Uber for trucks](#) — \$50,000
- [App like Discord](#) — \$60,000
- [AR furniture app like IKEA Place](#) — \$70,000
- [Grocery delivery app like Instacart](#) — \$62,000
- [Photo sharing app like Instagram](#) — \$45,000

If you've already pictured your own app in your hand and want to know how much it will cost to develop, you have two options. You can either ask an app development company for a rough estimate (that's what our [contact page](#) is for) or you can use an online app cost calculator.

Online cost calculators are simple web apps. They let you choose among a number of parameters and features and, based on that information, they automatically calculate a rough estimate according to the rates set by the calculator.

Providing a software development cost calculator is a popular new trend among outsourcing companies. However, when you use one, do keep in mind that most of these calculators estimate the cost very, very roughly. Most are intended to get your email address and entice you to reach out to the development company

## How to lower the app development cost

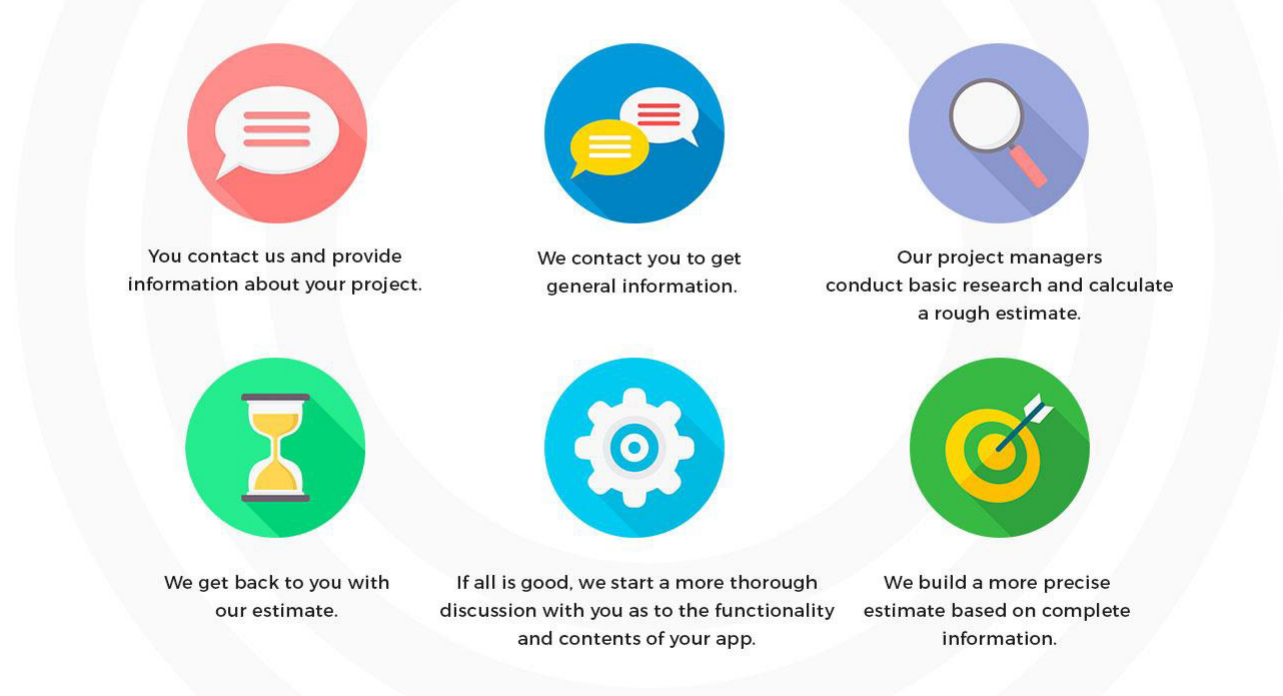


If looking at the prices above makes you nauseous (or at least causes you to hyperventilate a little), here's a small list of things you can do to reduce the cost.

1. Make a detailed plan. Can you sketch it? Even better! Come to developers with a clear idea and a way to properly explain it.
2. Write down good technical specifications and requirements for the app. This can save you from miscommunication, nervous breakdowns, and loss of funds. Read more on the [importance of requirements](#) in our previous article.
3. Outsource. Outsourcing is cheaper than having an in-house team.
4. Test from the beginning. It might seem obvious, but not everyone does this. Early testing helps you find bugs which, if not corrected in a timely manner, can cause more bugs in the future, leading to the need to rework whole features.
5. Build an MVP/MLP. A minimum viable product or [minimum lovable product](#) can help you collect data and avoid mistakes long before you launch.
6. Keep in touch with developers and check on the progress regularly. This will keep you and the team on the same page.
7. Find a good mobile application development company. Sometimes it's wiser to pay a little more for a developer experienced in your field and with a good reputation. Check previous projects and reviews on professional platforms like [Clutch](#).

## How do we estimate the cost of app development?

## HOW DO WE ESTIMATE THE COST OF APP DEVELOPMENT?



At **Mind Studios**, we estimate the app development cost in stages:

1. You contact us and provide information about your project.
2. We contact you to get general information.
3. Our project managers conduct basic research and calculate a rough estimate.
4. We get back to you with our estimate.
5. If all is good, we start a more thorough discussion with you as to the functionality and contents of your app.
6. We build a more precise estimate based on complete information.

After the final estimate, there can still be adjustments in case new features are introduced or extra technology is required. With any changes can come slight cost adjustments. However, the cost generally doesn't stray too far from the final estimate.

**If you have any questions, please [get in touch with us](#).**

27 August 2019

by **Svitlana Varaksina**

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