

Whether you custom build your dream house or use a developed lot, building a home can be a daunting and expensive process. And, unfortunately, because there are many customizable build options, it can be challenging to determine how much it will actually cost to build a house.

In this article, we explore the key factors that will determine the cost of building a house and offer tips to help you estimate the size of the budget needed for your project.

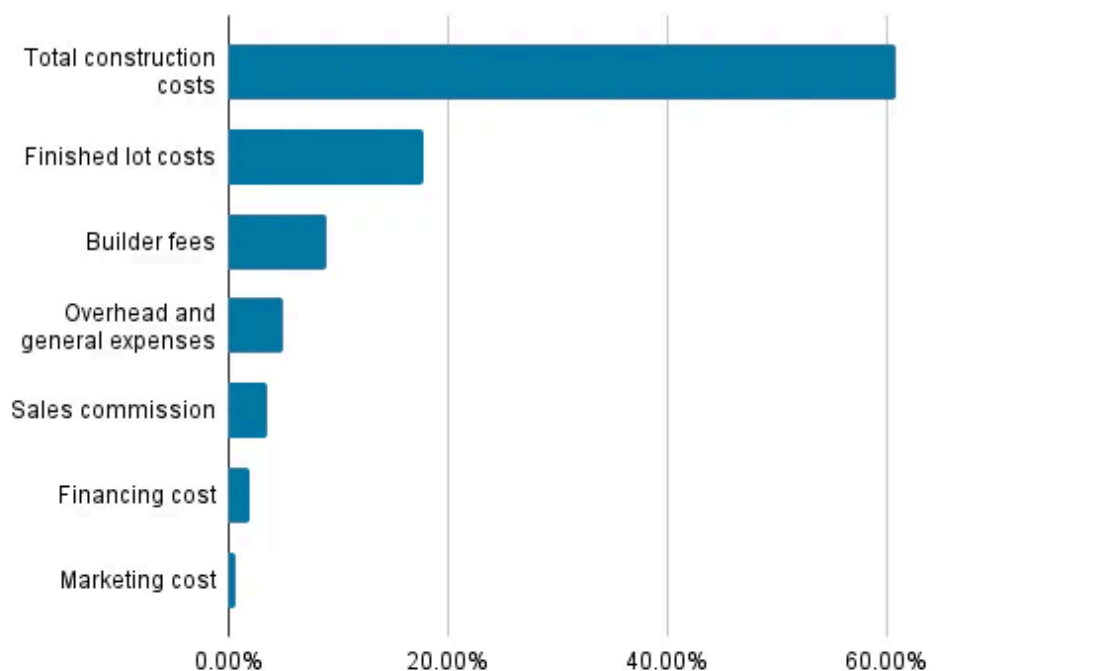


Table of content

- [How much does it cost to build a house?](#)
- [Factors that affect the cost of building a house](#)
 - [Region](#)
 - [Square footage](#)
 - [Custom build or developed lot](#)
- [Upgrades that increase the cost of building a house](#)
 - [Foundation](#)
 - [Framing](#)
 - [Major rough-ins](#)
 - [Exterior finishes](#)
 - [Interior finishes](#)
 - [Additional costs](#)
- [Tips for determining the cost of building a house](#)
- [FAQs about the costs of building a house](#)
- [Getting started](#)

How much does it cost to build a house?

According to the latest [National Association of Home Builders \(NAHB\) construction cost survey](#), it costs an average of \$392,241 to build a house. This same survey segmented the cost percentage of a “new construction” home’s sales price into:



Source: [Cost of Constructing a Home, February 2023, National Association of Home Builders \(NAHB\)](#)

Without talking to a general contractor, an accurate ballpark home cost can be tough to estimate. But by **examining major factors** like regional costs, home upgrades, and square footage, you can **put together a decent estimate** of how much it costs to build a house.

Factors that affect the cost of building a house

Three key things affect the cost of building a house: where it is built, how big it is, and whether it’s fully custom-built or part of a development lot.

Region

The most significant factor in the cost of building a house is location. Building costs can vary dramatically depending on where you want to live. According to the latest [US Census on New Single-Family Houses Sold by Price per Square Foot](#), the average building costs per square foot by region are:

- West: \$217.11 per square foot
- Northeast: \$212.18 per square foot
- Midwest: \$159.11 per square foot
- South: \$155.10 per square foot

If you live in the West or Northeast of the United States, it will be significantly more expensive to build the same house than in the Midwest and South regions. You can also face additional building costs and restrictions depending on the city, county, or state within each region.

Square footage

[The US Census Bureau](#) revealed that the current average single-family home size is 2,559 square feet of finished floor space. Once you know the square footage of your new home, you can multiply it by your region’s average building cost per square foot to get a base estimate for the cost of building a house.

We’ve also created a handy table to get you started:

House size by square footage	West average price	Northeast average price	Midwest average price	South average price
800	\$173,688	\$169,744	\$127,288	\$124,080
1,000	\$217,110	\$212,180	\$159,110	\$155,100
1,500	\$325,665	\$318,270	\$238,665	\$232,650
2,000	\$434,220	\$424,360	\$318,220	\$310,200
2,500	\$542,775	\$530,450	\$397,775	\$387,750
3,000	\$651,330	\$636,540	\$477,330	\$465,300
4,000	\$868,440	\$848,720	\$636,440	\$620,400

Custom build or developed lot

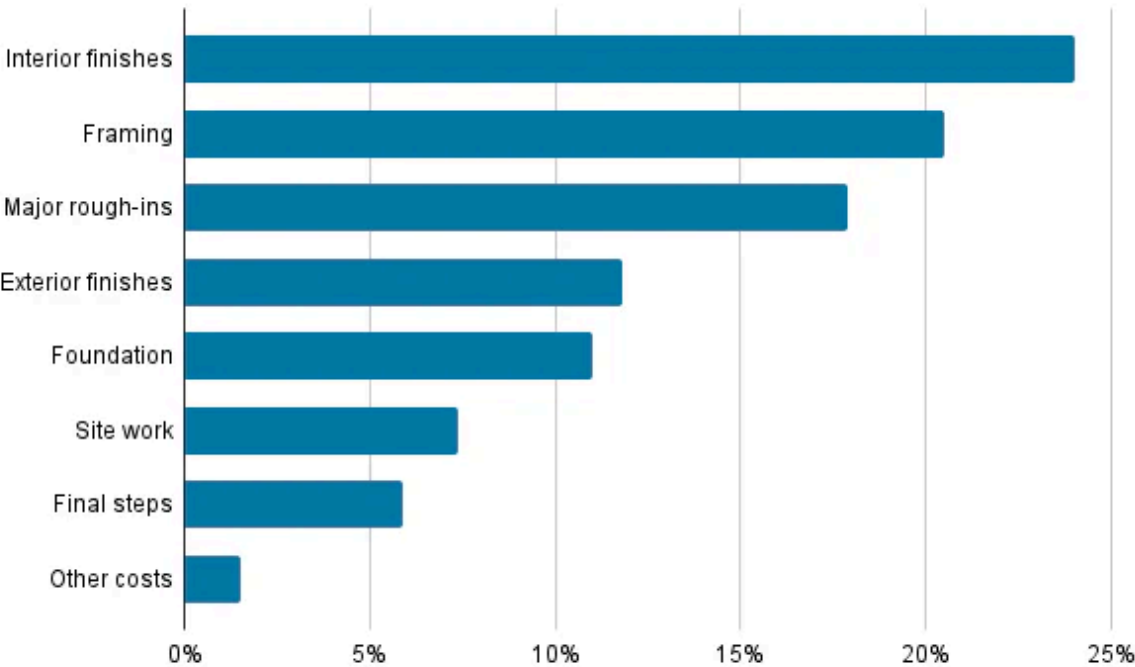
Building a custom home comes with additional costs over buying a home within a development. Custom-home buyers will need to hire an architect which can cost between [\\$2 and \\$15 per square foot](#). Then they may need electricity, plumbing, and roads to reach the main networks depending on the lot.

As building a custom home can be expensive, many builders are shifting toward [producing planned development communities](#). This allows developers and general contractors to offer more affordable new entry-level homes that are easier and cheaper to build. This gives the buyer some freedom for customization without the extra costs associated with a custom build.

Are you building a custom home and need a site plan? My Site Plan can create an [aerial-view drawing of your property for permits, planning, zoning, HOAs, and more](#).

Upgrades that increase the cost of building a house

The [NAHB survey](#) points to eight stages of construction that factor into the cost of a house:



Source: [Cost of Constructing a Home, February 2023, National Association of Home Builders \(NAHB\)](#)

Many of these stages can dramatically affect the price of the home based on customization and upgrades.

Foundation

Laying the foundation is the first step in a new build. How much land needs to be cleared, graded, or the foundation’s complexity will factor into the cost of the foundation and contribute to around 11% of overall construction costs. **Foundations cost on average around [\\$43,000](#).**

Framing

Depending on the complexity of the house design, framing can incur additional costs. The cost of framing includes labor, materials, and hiring subcontractors. **Framing costs on average just under [\\$61,000](#).**

Major rough-ins

Major rough-ins on a new home include HVAC systems, electrical, ductwork, plumbing, and other fixtures. The layout of the house can significantly affect the cost of installing these systems. **These systems cost on average just over [\\$70,000](#).**

Exterior finishes

Exterior finishes include the house wrap, insulation, siding, windows, and doors. Materials for each of these finishes can vary in the price range. **The average exterior finishes cost just over [\\$46,000](#).**

Related content:

Interior finishes

The **most significant factor in construction costs is interior finishes**. These finishes include insulation, drywall, flooring, countertops, cabinets, fixtures, sinks, faucets, paint, appliances, and lighting. And each of these finishes has a broad range of costs depending on the upgrades that you choose. **The average for total interior finishes is just over [\\$94,000](#).**

Additional costs

Other costs that can affect building a house include landscaping, cement for walkways and driveways, porches, home theaters, garages, pools, and sports courts.

Tips for determining the cost of building a house

When determining the cost of building a house, a few useful tips to remember include:

- Create a detailed construction contract with your general contractor.
- Pick a floor plan that works best for your family with little additional customization. Each change costs extra.
- Pad your budget for each stage of construction to minimize surprises.
- Determine your style for interior finishes and price out the cost for major finishes early.
- Upgrades are always desirable, but even the little upgrades add up.
- Add another 10% to your budget for the unexpected because something always comes up.

FAQs about the costs of building a house

Let's answer some frequently asked questions regarding how much it costs to build a house.

Getting started

If you do your homework, you can come up with a decent ballpark budget for building a new house.

Whether you decide to pick a development lot or build your custom dream home, you'll be prepared for the extra costs.

Need help getting started on your new build or development? [Contact My Site Plan](#) for floor plans, site plans, subdivision design, 3-D design of your blueprint, and real estate marketing.

This article was originally published by Annie Rosellini on 2020-08-03. It was updated on 2024-03-22 by Ryan Crownholm, following the release of new data from the US Census and the National Association of Home Builders (NAHB).