



The 7 Planning Mistakes That *Derail* Custom Home Projects

What sophisticated buyers need to know before they build

SNOHOMISH COUNTY • WASHINGTON STATE

lockiehomes.com | Rev 2_062226

MISTAKE 01

Underestimating the Real Cost of Building

The number most buyers focus on is the construction cost per square foot. That number, while important, leaves out a significant portion of what you'll actually spend.

In Snohomish County, budget for the following before a single nail is driven:

- **Permit fees:** \$8,000–\$20,000 depending on jurisdiction and project complexity

- **Impact fees** (school, traffic, parks): \$15,000–\$35,000, paid at permit issuance

- **Site work** (clearing, grading, drainage, utilities): \$50,000–\$150,000+ depending on the parcel

- **Well and septic** on parcels without public utilities: \$15,000–\$40,000 each

- **Architectural and engineering fees** for a full permit-ready set of drawings: 8–15% of construction cost

- **Landscaping** after construction (rarely included in builder quotes): \$30,000–\$100,000+

- **Contingency:** 15–20% of total project cost — not a cushion for upgrades, but a realistic buffer for the unknowns that every project encounters

A custom home that feels like a \$900,000 project at the concept stage can easily reach \$1.2–\$1.3 million all-in once these items are accounted for. The buyers who stay on budget are the ones who know what they're budgeting for from the start.

*If you want a preliminary read on where your project might land, our **Project Scope Explorer** at lockiehomes.com can help you build a realistic number based on your specific priorities.*

Choosing the Wrong Builder

The custom home market has no shortage of builders capable of building a house. The question is whether they're capable of building your house — on time, on budget, with full transparency.

Before committing to a builder, verify the following.

Licensing: Look up the contractor's L&I license at the Washington State Department of Labor & Industries website. Confirm the license is active, bonded, and insured. A valid license number is publicly searchable and takes two minutes to check.

References: Ask for references from projects completed in the last 12 months. A list of names is not a reference — ask for contact information and call them. Ask specifically how the builder handled problems, not just whether the project went well.

Contract structure: Understand whether you're being offered a fixed-price contract or a cost-plus arrangement. Fixed-price contracts transfer risk to the builder on paper, but they also create incentives to cut costs in ways you may not see. Cost-plus contracts with full transparency — where you see every invoice — align the builder's incentives with yours. Ask to see a sample contract before you're in the sales process.

Active job site visit: Ask to walk a project the builder currently has under construction. How the site is managed, how organized the subcontractors are, and whether the builder is present are more informative than any sales presentation.

Red flags: pressure to sign quickly, vague allowances, reluctance to provide references from completed projects, or a contract that limits your access to cost information.

MISTAKE 03

Not Doing Your Homework on the Lot

The parcel you build on may be the single biggest variable in your project cost. Two lots at the same price can have construction cost differences of \$100,000 or more based on what's on or under them.

Before making an offer on land, investigate the following.

Critical areas: Wetlands, steep slopes, and flood zones trigger additional permit requirements and setbacks in Snohomish County. A parcel that looks buildable from the road may have its buildable area significantly reduced by critical area buffers.

CC&Rs and HOA requirements: Restrictive covenants can limit building height, exterior materials, and accessory structures. Read the full CC&Rs before purchase, not after.

Utilities: Confirm whether public water and sewer are available and at what cost to connect. On rural parcels, well and septic permitting adds significant time and cost, and some parcels have soil conditions that make conventional septic systems impossible.

Topography: A topographic survey before purchase is worth the cost. Steep grades increase foundation costs, retaining wall requirements, and drainage complexity in ways that flat-lot pricing doesn't reflect.

Fire district rating: The ISO rating of the fire district serving your parcel affects homeowner's insurance costs meaningfully, particularly on rural properties. Check it before you buy.

MISTAKE 04

Getting the Design Phase Wrong

Changes become exponentially more expensive as construction progresses. A modification that costs \$200 on paper during design can run \$3,000–\$8,000 after framing is complete, because it involves undoing work that's already been done and paid for.

Budget 3–6 months for a thorough design phase. Resist any pressure to break ground before decisions are finalized. Every item that enters construction marked "TBD" becomes a change order — with a change-order markup on top.

One decision that significantly affects both cost control and design quality is when you bring your builder into the process. The traditional sequence — hire an architect, complete full plans, then solicit bids — means your builder sees the design after all the major decisions are made. Cost problems get discovered at bid time, when the architect has to revise plans they thought were done and the surprises are expensive.

At Lockie Homes, we formalized a different approach through what we call the Feasibility and Construction Agreement — our FCA. It's a single agreement that covers the full arc of the project, beginning with a structured pre-construction phase where we work alongside your architect from the early stages. During that phase, our role is specific: realistic costing, buildability feedback, and coordination support. We do not perform architectural services, and we do not alter your architect's design intent without their prior approval. The architect remains the designer of record, and we're formally accountable to them in that role.

When the pre-construction work is complete, we present a bid-backed budget — numbers based on actual subcontractor bids against completed plans. If you approve that budget, the agreement moves directly into construction. No new contract, no renegotiation. If the budget doesn't work for you, everything produced during the pre-construction phase — plans, estimates, schedules, permit coordination — belongs to you. You leave with something useful regardless of what you decide.

Before construction begins, these should be resolved in writing regardless of how you structure the design phase:

- All structural and mechanical systems

- Window and door specifications

- Flooring and finish selections — or allowances that reflect current pricing, not optimism

- Lighting plan and electrical rough-in locations

Not sure where to start? *Many clients come to us before they have an architect, a property, or both. Our pre-construction process works at whatever stage you're at. We can recommend architects whose work and approach aligns with yours, or work with stock plans you'd like modified to fit how you actually live. If you haven't found land yet, we can help evaluate parcels for feasibility — topography, utilities, critical areas, buildability — before you commit to a purchase. The FCA covers all of it.*

Ignoring Energy Performance Until It's Too Late

Energy efficiency decisions are made during design and framing. Once walls are closed, the opportunity is largely gone — and the cost to retrofit is significant.

Washington State's energy code has tightened substantially in recent years. A home that merely meets code minimums will have a HERS (Home Energy Rating System) score of roughly 55–65. A home built with deliberate attention to the envelope — air sealing, continuous insulation, high-efficiency mechanical systems — can achieve a HERS score of 30–45. That difference translates to \$1,500–\$4,000 per year in energy costs, compounding over the life of the home.

Air sealing is more impactful than insulation R-value alone and requires deliberate detailing and a blower door test to verify. **Mechanical system sizing** should be based on a Manual J load calculation, not a rule of thumb from square footage — oversized systems cost more to install and operate less efficiently. **Window specifications** — U-factor and solar heat gain coefficient — matter as much as the number of panes, and these decisions are made during design, not at the showroom. **Continuous exterior insulation** breaks the thermal bridge that wood framing creates — the cost difference at time of construction is modest; the performance difference over decades is not.

These conversations belong in the design phase, when they're cheap to address. Ask your builder and architect to treat energy performance as a design criterion, not an afterthought.

MISTAKE 06

Failing to Plan for How You'll Live Long-Term

A custom home is the one opportunity to build exactly for how you'll live — not just now, but twenty years from now. The decisions that cost almost nothing during construction become expensive renovations later.

Adding backing for grab bars in bathroom walls costs \$100–\$300 during framing. Retrofitting them later requires opening walls — typically \$500–\$2,000 per location. Wider doorways (36" instead of 32") cost almost nothing during framing and make the home workable for wheelchairs, large furniture, and aging in place.

Rough-in for a 240V EV circuit in the garage during construction costs \$300–\$600. Running that circuit after drywall and finished surfaces are complete costs \$1,500–\$4,000 or more. Running empty conduit from your electrical panel to key locations during construction costs almost nothing and preserves the option to add systems later without opening finished walls.

The common thread is that the cost of optionality is low during construction and high afterward. Walk through the home on paper with a 20-year lens before you finalize the design.

MISTAKE 07

Underestimating the Importance of Communication

The custom home building process runs 12–18 months or more. The buyers who finish with the experience they expected are the ones who established clear communication structures from the beginning.

Regular OAC meetings — Owner, Architect, Contractor — should be scheduled at predictable intervals throughout construction, not called reactively when problems arise.

Written change orders for every scope, specification, or budget change should be documented before the work begins, with cost and schedule impact clearly stated. Verbal agreements don't hold up when the invoice arrives.

Access to project management — ask what platform your builder uses to track the project and whether you'll have direct access to it. Visibility into schedule and budget in real time is not a luxury; it's how you catch problems before they compound. **Allowances** for items not yet selected should reflect what they'll actually buy. If they're set artificially low to keep the contract number attractive, you'll pay the difference later under time pressure as change orders.

At each payment milestone, your builder should provide **conditional lien waivers** from subcontractors and suppliers, confirming they've been paid and protecting you from liens on your property for work you've already funded.

The best insurance against a bad experience isn't a lower price — it's a builder who documents everything and a client who reads it.

A FINAL NOTE

Every one of these mistakes is avoidable with the right information and the right team. If you're in the early stages of planning and want a starting point for what your project might

realistically cost, our **Project Scope Explorer** at lockiehomes.com walks you through the key variables and builds a preliminary budget range based on your specific situation.