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How to Build a House Cheap: 7 Sneaky Ways to Save on Home Construction

By [Margaret Heidenry](#) | Jan 29, 2018



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Want to know how to build a house cheap? That's understandable, given the [median price of erecting a single-family home](#) is \$289,415. That's more than it costs to [buy a house that's already built](#) (currently \$270,000).

Yet if your heart is set on building your own home from the ground up, rest assured that there are ways to lower the expenses entailed. Here's some advice on how to build a house cheap.

1. Expand up rather than out

Start saving by simplifying the design of your home. Face reality: Building a geodesic dome will clearly cost a lot more than constructing a traditional rectangular box. And the cost lowers further if you opt for a two-story home (or three) over a one-story house of equal square footage, since the foundation of the two-story home will be smaller—and the foundation's the pricey part. In fact, excavation and foundation work are by far the most significant cost when building a home, according to **Morgan Franklin** of Kentucky's LexHomeHub.

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So anything you can do to tighten the footprint translates into savings.

2. Do your homework when hiring a homebuilder

It may sound counterintuitive, but in order to build a house cheap, you need to hire the best home builder, even if he costs a bit more. Why? Because an inexperienced, unlicensed, or uninsured homebuilder can end up costing you a fortune if construction goes over budget, says **Angie Hicks**, founder of Angie's List.

"An experienced builder will save you big bucks by knowing how to avoid problems," Hicks says.

Start by searching for reputable local contractors with experience in completing the type of home you want to construct. And make sure to see proof that they're appropriately licensed, bonded, and insured. Here's more advice on [how to find a good contractor](#).

3. Become your own general contractor

If you are willing and able to get more hands-on with the homebuilding process, consider becoming a general contractor—which can save you about 20% on the cost of building a home. It's not as far-fetched as you might think.

"I did this," says **Sam Jernigan**, an interior designer in Northern California who built her own home. She recommends using "[The Owner-Builder Book](#)," by **Mark and Elaine Smith**, which includes a variety of DIY forms to facilitate the building process.

You'll want to bring in subcontractors, of course, for the things you aren't comfortable doing—like bidding on materials and plumbing. Here's more advice on [how to become a contractor](#).

4. Submit paperwork promptly

One of the most costly types of building delays is getting your plans approved. Avoid this fate by seeking the input of the folks who have to sign off on your project early, and ensure you're filing paperwork in the way they specify, says Jernigan. Here's more info and advice on [how to get a building permit](#).

5. Save on building materials

Make sure to price out every single item needed to build your house—down to nails and drawer handles—to make sure you can afford what you want.

Another tip: Know that your bottom line will be greatly effected by what *type* of building materials you use. On the pricier end is "custom grade"; the cheaper materials are called "quality grade" and, cheaper still, "builder grade."

But don't buy on price alone. Builder grade may *sound* fine, but it's important to understand the consequences of opting for less durable products. You might likely end up having to replace a failing roof sooner than one that cost more initially. As a fail-safe, always opt for grades that offer long-term warranties.

6. Plan carefully on the front end to avoid costly change orders

A change order essentially means you want to send back an appliance or tile and pick out a different one. This entails waiting for the new item to arrive, which often adds substantial fees by your general contractor, says Jernigan. Change orders also threaten to upend the apple cart of what is typically a tightly sequenced scheduling of subcontractors, each doing their part in the detailed construction process.

And as we all know, time equals money.

7. Add energy-efficient features, which come with rebates, tax credits, and more

Many energy-efficient home features come with tax credits, rebates, and other savings. To search for ways to save where you live, go to energy.gov/savings/search, where you can check by state and feature.

While energy-efficient features may cost more than not adding them at all, consider the long-term savings once your home is built: According to the U.S. Department of Energy, 56% of the typical U.S. home expenses reside in heating and cooling.

One no-brainer to add? Blow-in insulation in the attic, where nearly a third of the energy typically escapes as air rises. The return on investment for [attic insulation](#) is 107.7%, which means you'll make back all the money you invested and more once you sell.

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