

Custom Home Builder Pricing Calculator

Price every custom home job to actually hit your margin. Add materials, labour, and overhead, set the margin you want, and get the number to quote.

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HOW IT WORKS

The math behind the number

Total your direct costs, meaning materials, labour at its true hourly cost, and any other direct items, then divide by one minus your target margin. That markup is what actually hits the margin. Adding a flat percentage on top of cost usually undershoots it, which is how a custom home builder job that looked profitable ends up losing money.

THE DEFAULTS

Custom Home Builder benchmarks for 2026

The worksheet starts from the sourced figures below, so the first number you see is realistic. You then replace each one with your own.

BENCHMARK	TYPICAL VALUE
Average job value	\$500,000
Gross margin	20.7%
Net profit margin	8.7%
Median field-tech wage	\$28.51/hr
Payroll burden	35%
Billable utilization	65%
Billed labour rate	\$50/hr
Close rate	20%

BENCHMARK	TYPICAL VALUE
Marketing % of revenue	5%

YOUR WORKSHEET

Fill in your own numbers

Write your figures into the blank column, on paper or on screen. The typical column is only a starting point, so replace it with what your business actually runs.

INPUT	YOUR NUMBER	TYPICAL
Material cost Everything that goes into the job		\$175,000
Labour hours Crew hours on the job		3000
Labour rate (true cost per hour) From the real-cost-of-labour worksheet		\$50
Other direct costs Permits, rentals, disposal		\$0
Target margin % The margin you want to keep		20.7%

OUTPUT	HOW IT IS BUILT	YOUR RESULT
Labour cost	hours x rate	
Total cost	materials + labour + other	
Price to quote	cost / (1 - margin / 100)	
Profit	price - cost	

WORKED EXAMPLE

A Custom Home Builder example

Material cost	\$175,000
Labour hours	3000
Labour rate (true cost per hour)	\$50
Other direct costs	\$0
Target margin %	20.7%
Labour cost	\$150,000
Total cost	\$325,000
Price to quote	\$409,836
Profit	\$84,836

WHERE THE DEFAULTS COME FROM

NAHB – New Study Provides Statistics on Builder Financial Performance (Cost of Doing Business 2025, 2023 data)

NAHB Eye on Housing – Builders' Profit Margins Improved in 2023 (20.7% gross / 8.7% net, \$11.3M avg revenue, cost-of-sales 79.3%, opex 12.0%)

BLS Occupational Outlook Handbook – Carpenters (May 2024 median \$59,310/yr = \$28.51/hr)

BLS Occupational Outlook Handbook – Construction Laborers and Helpers (May 2024 median \$46,050/yr = \$22.14/hr)

SmartBarrel – Labor Burden in Construction (30–40% of base wage typical)

Bridgit – Construction Workforce Utilization Rate (40–70% typical)

Bokka Group – Average Conversion Rates for Home Builder Sales (~20% appointment-to-sale, ~4% lead-to-sale)

HomeAdvisor – How Much Does a Carpenter Cost per Hour (2025, \$40–\$70/hr billed)

EPCON Franchising / NAHB & SBA marketing-budget guidance (~5% of revenue, 1–2% advertising)

Sweeten – Average Cost to Build a House in 2025 (~\$428K standard build / \$350K–\$1.5M custom)

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