

Custom Home Builder Real Cost of Labour Calculator

What you pay a custom home tech and what an hour of their time actually costs you are two different numbers. See your true cost per billable hour once payroll burden and non-billable time are in.

- FREE TOOL
- CUSTOM HOME BUILDER
- PRINT OR FILL ON SCREEN
- BUILT BY FERVOR STUDIO

HOW IT WORKS

The math behind the number

What you pay a custom home builder tech and what an hour of their time actually costs you are two different numbers. The real cost is the burdened wage, meaning pay plus taxes, insurance, and benefits, divided by the share of paid time that is actually billable. Non-billable hours spread the same cost over fewer billable hours, so the true number sits well above the wage.

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%

BENCHMARK	TYPICAL VALUE
Billed labour rate	\$50/hr
Close rate	20%
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
Hourly wage What you pay per hour		\$29
Payroll burden % Taxes, insurance, benefits, paid time off		35%
Billable utilization % Share of paid hours that are billable		65%
Overhead per billable hour Tools, vehicle, and admin allocated per hour		\$15

OUTPUT	HOW IT IS BUILT	YOUR RESULT
Burdened wage	$\text{wage} \times (1 + \text{burden} / 100)$	
True cost per billable hour	$\text{burdened} / (\text{utilization} / 100) + \text{overhead}$	

WORKED EXAMPLE

A Custom Home Builder example

Hourly wage	\$29
Payroll burden %	35%
Billable utilization %	65%
Overhead per billable hour	\$15
Burdened wage	\$38
True cost per billable hour	\$74

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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