DEVELOPMENT BUDGET CHECKLIST

ACQUISITION COSTS
Purchase price
Carrying costs of site ownership pre-closing: insurance, taxes, utilities, security
Closing costs of site ownership: legal fees, filing fees

HARD COSTS
Construction
- Cost estimating services
- Demolition of existing structures
- Environmental remediation
- Utility connection fees (gas, electricity, water and sewer, cable, internet)
- Special green elements (e.g., solar panels, special windows, geothermal)

Construction Contingency
During project planning, a minimum of 10-15%
At closing, 5% for new and 10%+ for rehab

SOFT COSTS
Professional Fees and Services
- Architecture and engineering
  - Design phase and construction administration by architect
  - Civil or site engineering
  - Specialists: HVAC, Teledata
  - Consultants for conservation, historic, wetlands
  - Energy analysis
  - Special design for green elements: solar, wind, geothermal
  - Graphics for public or community presentations (e.g., models, renderings, drawings)
  - Code consultant
  - Technical plan review for owner
- Construction phase technical testing and inspection (e.g., concrete, soils compaction, blower door tests)
- Commissioning of buildings
- Site surveys: boundary and topographic
- Survey of each completed unit for homeownership sales
- Geotechnical exploration for new construction (soils borings)
- Environmental engineering (prepare 21E report, hire/supervise remediation contractors, testing, DEP reports)
- Owner’s construction representative or clerk of the works
- Legal
  - Attorneys’ fees for project funders
- Accounting/auditing for each year of development
- Cost certification
- Development and/or financial consulting
- Appraisal for acquisition or for completed project
- Market study to verify rents or sales prices
- Property management
- Funders’ construction inspection

Public Permits and Fees
- Filing fees for zoning, planning, conservation board approvals
Inclusionary fees charged by municipality for affordable housing

**Financing Related Costs**
- Application fees
- Loan interest on acquisition and/or predevelopment loans
- Interest on construction-period loan(s)
- Financing closing costs
- Filing fees

**Marketing Costs; FF&E**
- Personnel costs to manage rent-up
- Brokers' or realtors’ fees for sales
- Fees to conduct lottery for affordable home buyers
- Advertising, Website, brochure
- Model unit furnishings
- Counseling pre- and post-purchase for affordable home buyers
- FF&E: furniture, fixtures and equipment for management office, maintenance staff, common areas and/or social service space

**Relocation Costs (Existing Tenants)**
- Relocation consultant
- Relocation expenses (e.g., moving costs, rent payments)

**Reserves for Rental Projects**
- Operating reserves, typically six months of operating costs
- Social service reserves in special needs housing
- Operating costs prior to full rent-up

**Carrying Costs During Sales Period for Ownership Projects**
- Interest on construction loan, insurance, taxes, utilities, security

**Soft Cost Contingency**
- At least 5% of costs above until budget is fixed. At closing, 2-3% of above items

**DEVELOPER FEE AND OVERHEAD**

**SPECIAL COSTS FOR COMMERCIAL DEVELOPMENT**
- Broker’s fee for leasing (often a percentage of revenue from the entire lease period)
- Tenant improvement funds
- Additional architectural fees for tenant improvement
- Tenant improvement reserve
- Retail or commercial operating reserve

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**Please Note** | Effort has been made by the author and sponsoring organizations to provide current and accurate information. However, readers should not rely on the information and are urged to review source material and consult with appropriate funding sources, practitioners and legal counsel before embarking on a particular course of action.