

What is a Cost Estimate?

A cost estimate is a rough calculation of the total cost for a design or construction project that is typically prepared by either an architect or contractor. Cost estimates are helpful to aid in determining the feasibility of a scope of work, or to identify and itemize the key costs for a project; including overhead, profits, and contingencies.

Example

Today's Date

Director of Childcare Center
123 Fourth Street
Rhode Island

Re: Cost Estimate

Dear Director of Childcare Center,

Below please find a preliminary cost estimate for the renovated Room #1 at your center. The costs outlines below include overhead and profits.

Room #1 – Scope of Work:

1. Demolition	\$ 4,000
Demolish partition walls, cabinetry, and countertop	
Demolish partition wall room dividers	
Demolish portion of restroom partition wall	
Demolish existing showers	
Remove and salvage existing vanity and lavatories	
2. New Construction	\$ 10,000
New partial divider walls	
New Restroom partitions and framed opening	
Reinstalled vanity and lavatories	
New Changing cabinetry, countertop, and sink	
Patch and repair of floors and ceilings	
Paint entire room	
Base Total	\$ 14,000
Contingency (15%)	\$ 2,100
Total	\$ 16,100

If you have any questions, please feel free to let me know.

Thank you,

Your Contractor

