

5 WAYS TO SAVE

ON YOUR NEXT CHURCH BUILDING PROJECT

1. START BY TRULY COUNTING THE COSTS

There are a number of costs that are often overlooked during the early planning stages of a building project. Make sure you are taking into account the entirety of **potential construction costs** during the preliminary design phase, including general conditions, site costs, and building costs. General conditions can include costs such as permitting, nuisance fees, dumpsters, safety meetings, insurance, and accounting-costs that have to be paid.

Being responsible stewards also requires an in-depth understanding of your church's total funding capacity. Before you begin talking to an architect or contractor, take the time to truly understand your ministry's financial position. Have a certified public accountant or another financial expert provide you with a comprehensive financial overview, reviewing at least 3 years of financials, cash flow statements, savings, fundraising history, future capital campaign potential and borrowing possibilities. This will help ministry leaders set realistic goals at the beginning of the project and avoid the pitfalls associated with designing a building the ministry simply cannot afford to build.

If your ministry plans to borrow funds for the project, start preparing for the loan process as soon as possible. Scrub your budget and look for any areas of excess where you can scale back, such as reducing travel or keeping those old chairs one more year. Don't jeopardize your core ministry, but exercise discipline and start making mock mortgage payments to a dedicated account. This helps avoid payment shock and builds confidence to take your ministry to the next level.

If you plan to enter into a capital funding campaign, do your homework and prayerfully consider all the available options. The results of capital campaigns can range anywhere from 1 to 3 times your annual income over a 2-3 year period when utilizing a professional consultant. Many consultants charge a percentage fee based on the amount of funds raised. Look for companies that offer a flat-fee structure based on the size of the congregation. Also, consider other fundraising strategies besides just a capital campaign, such as planned giving (legacy giving), crowd funding and strategies that engage the entrepreneurs and business owners within the church.

2. STEWARDSHIP - FOCUSED DESIGN

Reducing the cost of construction must begin with a design philosophy that is God-centered and **stewardship focused**. Ministries should look for an architect that approaches the design process as an opportunity to use their talents to honor God through the building, not to build monuments or enhance a portfolio. The focus should be on designing spaces that are aesthetically appealing but cost-effective. One of the key components of this is full control by the architect over the mechanical, electrical, plumbing, A/V/L and structural systems that go into the building, allowing for complete design integration on every project. The architect should also be willing to gather input from the subcontractors and incorporate those ideas into the drawings that can bring value and savings to the ministry.

Another key element is the preliminary design process. This should be a process that is collaborative, cost-effective and efficient and helps the ministry to cast a vision in less than a week.

3. CONSIDER REPURPOSING

When it comes to planning for future growth, churches traditionally have thought in terms of buying land and building a new facility. But in today's market, there are a number of reasons churches should seriously explore the potential of purchasing and renovating an existing commercial or retail building to meet their expansion needs. Adaptive re-use or "**Repurposing**" of existing buildings can offer numerous advantages to a ministry. Ideal buildings are in a highly visible and accessible location, have ceilings of 18' or higher for sanctuary space, have ample parking available, and offer a sales price that is up to 75% less than the cost to build a new facility.

4. CONSIDER INTEGRATING FOR-PROFIT MODELS FOR FINANCIAL SUSTAINABILITY

Churches and Christian non-profits are facing ever-increasing challenges to sustaining their ministries, including cultural shifts in views toward church and changes in charitable giving and tax legislation. Church facilities are also among the least utilized buildings in America, sitting empty throughout most of the week. When planning for the future, consider how your building can be used to reach the community during the week, including methods of generating revenue that can sustain and expand ministry opportunities. This offers ministries the ability to pay for the debt service as well as maintenance and utilities of the facility, freeing the church up to focus on ministry, not finances. Churches across the country are integrating financially sustainable models such as **child care centers**, event centers, senior care facilities, community athletic centers and even hotels.

5. MANUFACTURER-DIRECT PURCHASING

Ministries should not have to sacrifice quality in order to be good stewards of God's resources. When selecting building supplies and furnishings for your project, look for opportunities to purchase direct from the manufacturer to eliminate one or more layers of mark-up. Don't focus solely on initial costs, but look for products that can help reduce monthly utility expenses and ongoing maintenance costs on your building for years to come, so that these dollars can be invested back into ministry objectives.

TO LEARN MORE ABOUT HOW YOU CAN INCORPORATE THESE 5 STRATEGIES INTO YOUR NEXT BUILDING OR REMODEL PROJECT, CONTACT BUILDING GOD'S WAY TODAY.

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