



10 WAYS

TO DRASTICALLY REDUCE
CONSTRUCTION COSTS FOR NEW
CLUBS AND RENOVATIONS

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Who We Are



01

40 + YEARS IN
BUSINESS

02

OVER 800
PROJECTS

03

48 STATES AND
33 COUNTRIES

Bruce Carter, Founder and CEO of Optimal Design Systems International

Interior designer and consultant for all types of facilities.

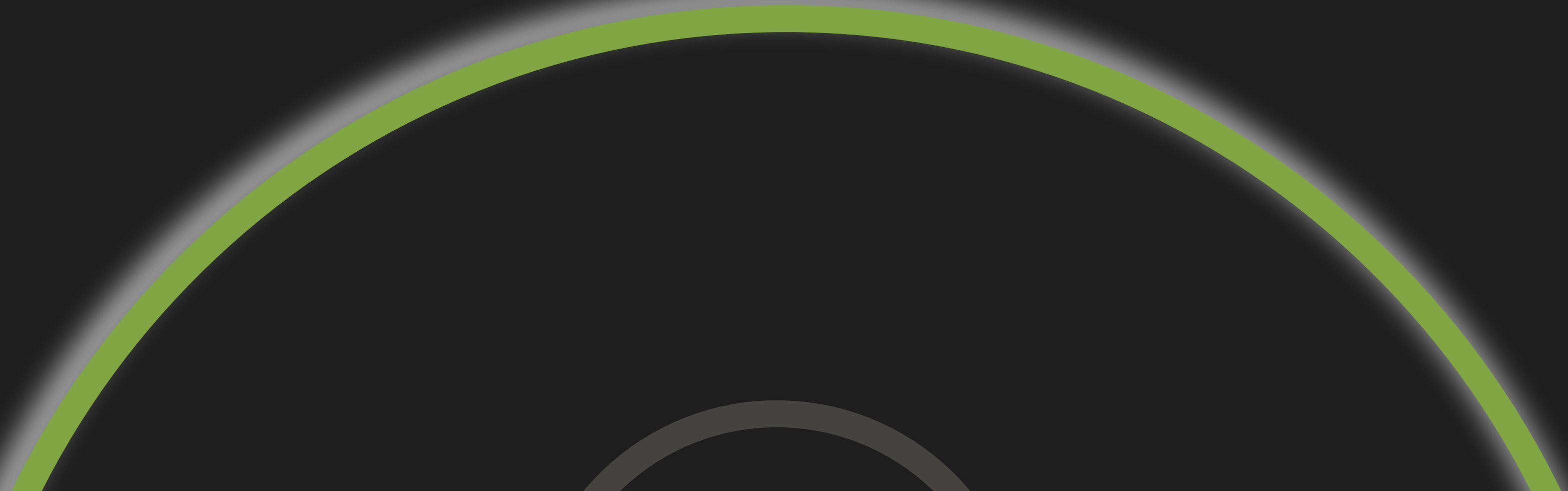
Partner in several different clubs providing a profound understanding of the club business.

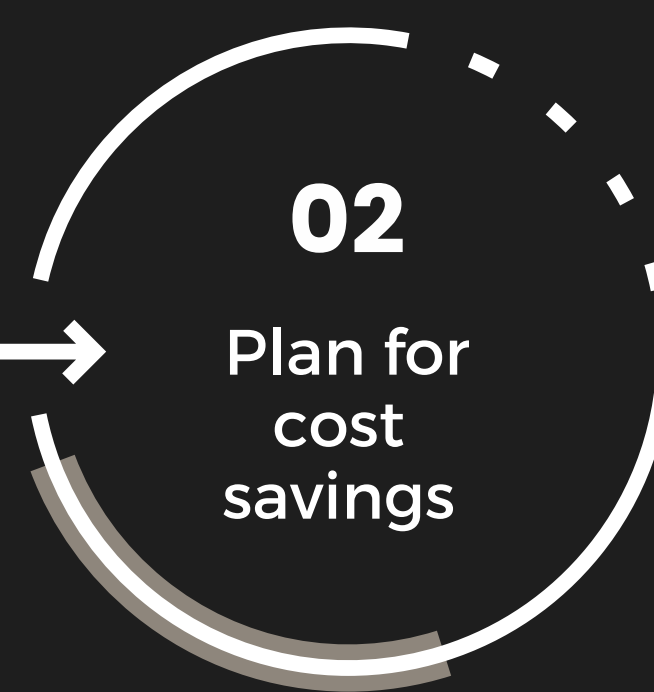
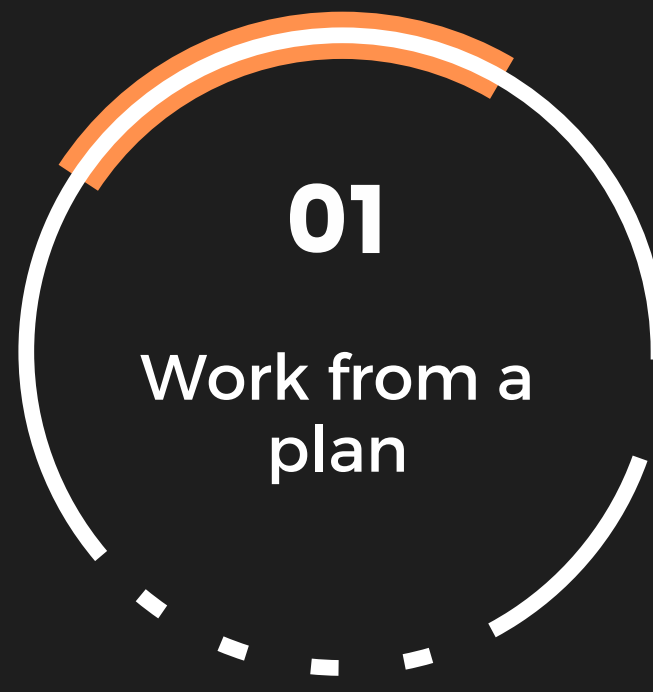
In our 40+ years of experience designing gyms and healthclubs, here is what we have learned about cutting costs and creating world-class facilities.

Moving forward in a post-Covid economy, one of the profound effects is rising prices. There are other contributing factors but the end result for new clubs or renovations of any kind or size is that it is going to cost approximately 20-30% more to do so, than a couple of years ago. Not surprisingly, many experts predict this will continue.

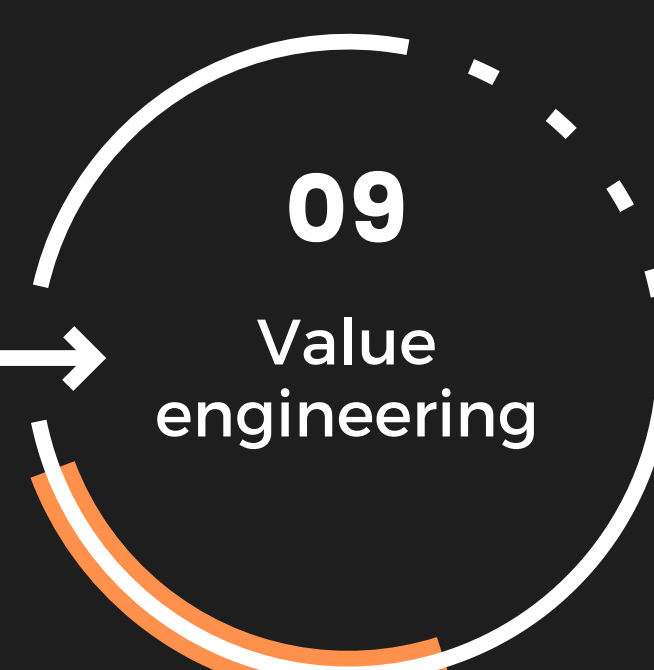
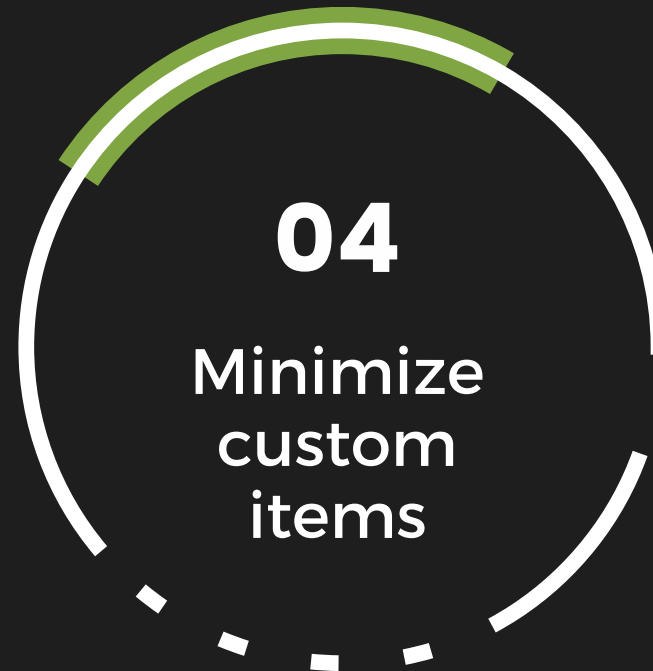
Therefore, the need to reduce increasing construction costs for new clubs and renovations is critical to the future profitability of the club.

The goal is to make creative decisions that will achieve the objective of creating exciting state-of-the-art facilities at reduce expense.





What are the key controllable factors that will noticeably reduce construction costs?





1. Work from a Plan

Your Plan

- Work from a plan of who you want to be in the marketplace - your image, programs, facilities, pricing, and competitive advantage.
- Work with a design professional that can create this environment.
- Research your desired plan aggressively while also asking the question, “can you work with less square footage”, which will affect the construction and operating costs.

Plan for Cost Savings

- Plan ahead what you might cut if need be.
- Be ready to compare what you think you have to have (spaces, finishes, lighting, and mechanicals) with the construction costs once you get your bids.
- Know ahead of time what you would cut or reduce if costs get too high.





3. Spend Where You Need To

Spend Where You Need To

- Spend where it will do the most good and cut costs elsewhere.
- The reception/lobby and locker room area should always be a priority.
- Lighting should be dynamic and a strong focus. Always check with local utility companies for rebates in using energy-saving lighting.
- Accent finishes can be added for a profound effect and yet can be inexpensive.

Minimize Custom Items

- While you may want to stand out in the marketplace with a unique look, it's best to avoid custom-designed architectural features.
- There are wonderful standardized items when combine together will give your club a spectacular look.





5. Competitive Bids

Competitive Bids

- It is more important than ever to get competitive bids. Only get bids from contractors you know from referrals that are honest, reliable, and have a history of completing a job at their bid price.
- If you are doing a small renovation and not using a GC once again use only subcontractors that you know have a good reputation.
- Before accepting a bid, always ask the contractor what potential roadblocks or other challenges they see. How they answer this question will tell you a lot about them as a potential team member.

Minimize Change Orders

- One of the biggest ways to let construction costs get out of control is to end up with a lot of change orders.
- Change orders result when something is changed that is different than on the bid set of drawings. How do you get good bids that minimize change orders along the way? Make sure your drawings (including mechanicals) are accurate and detailed so bids are “apples to apples”. Often very low bids have left out certain items and then the project is filled with change orders totally nullifying the lower bid. This is a practice used by different contractors.
- Also, make a disciplined effort to know what you want ahead of time in your initial planning, and don't make changes after construction has started, unless absolutely necessary.





7. Lead Time Awareness

Lead Time Awareness

- Be prepared ahead of time for longer lead times and discontinued items. From the beginning, have communication with your contractor and or subs to know what items will have long lead times or may be discontinued.
- Avoid waiting until the last minute to place your orders, thus increasing the chances of having to change an item that is less desired or a more expensive option.

Online Shopping

- In a renovation where you do a lot of the choosing of the finishes and lighting on your own, online shopping and competitive pricing can be very effective for lower priced options.
- For finishes and materials, always get samples first, before making a final choice. This takes time but is necessary.





9. Value Engineering

Value Engineering

- Value engineering is the common process of going back into a project and making decisions on where costs can be cut once prices have been determined.
- In today's inflationary times, value engineering should be a process that starts at the beginning of a plan and continues throughout.
- Just assume that what you plan to build or renovate will end up costing more than you initially want to spend so be very disciplined from the start.

Overly Optimistic

- Don't let an overly optimistic attitude get the best of you. Don't think you can get something built or renovated at "yesterday's" prices.
- Yes, there are clear ways to reduce pricing, but "hoping" that your construction project will cost less because you "want it to" just leads to disappointment and bad decisions.





The Bottom Line

- From the start, instruct your interior designer and/or architect to shop for cost-effective items such as lighting and finishes. In this era of rising costs, product shortages, and long lead times, planning and communication is critical.
- You need to have done your homework and planned for a new facility or renovation that achieves your objectives while also *“cutting the fat and leaving the muscle”* in what you will spend.
- People need clubs more than ever. The demand for physical, mental, spiritual, and social health is at an all-time high.

Looking to reduce costs on your gym or health club project? Email, bruce@optimaldsi.com or call 954.888.5960 to schedule a free consultation.