

How Much Does It Cost to Build a Home in Oregon?

By Jordan Matin / December 16, 2024 [Comment](#)

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If you're considering building a house in Oregon, you might wonder about the costs involved. On average, you could expect to spend anywhere from \$500,000 to \$700,000 for a typical 2,000 sq. ft. home, but this doesn't include land, permits, and other variables. With material prices rising considerably in recent years, your budget can be affected in ways you might not anticipate. Understanding the price breakdown and factors that influence these cost of **new construction homes** is essential—so where do you start?



- The average cost to build a house in Oregon is approximately \$510,580, excluding land and permits.
- Construction costs for a 2,000 sq. ft. home range from \$500,000 to \$700,000.
- Essential expenses include land purchase, permits, and consultations, with permits costing up to \$5,000.
- Foundation and framing costs are significant, averaging around \$15,000 and \$30,000 or more, respectively.
- Landscaping and interior finishing can add \$100,000 to \$150,000 to the total building costs.

What's the Average Cost to Build a Home in Oregon?

The average cost to build a home in Oregon is around \$510,580.

Building costs can vary greatly, with a price per square foot averaging \$143.75, depending on materials and location. For a standard 2,000-square-foot home, expect total home construction costs between \$500,000 and \$700,000, excluding land and permits.

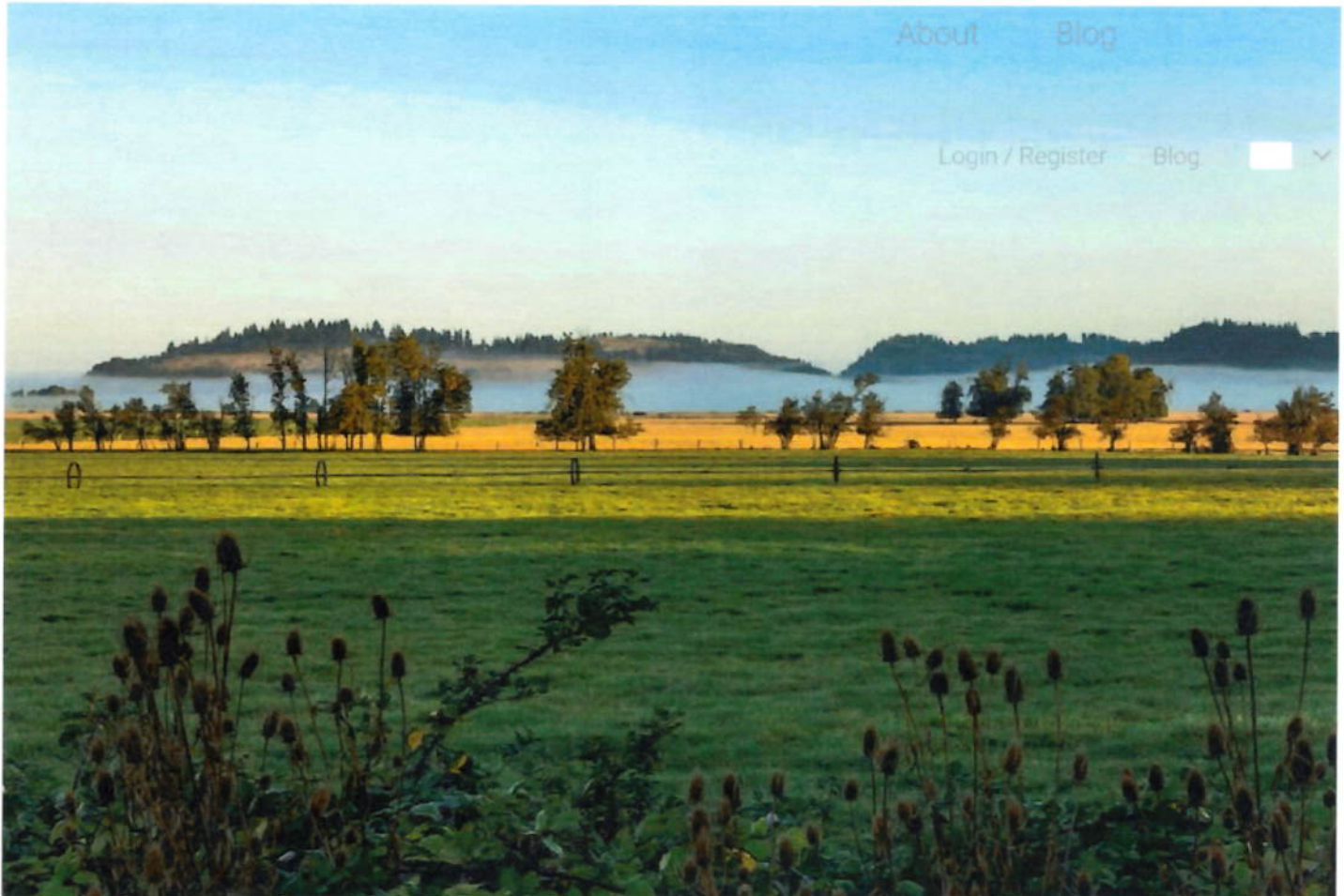
Factors influencing these costs include labor shortages and rising materials prices, which have **increased by 31% since January 2020**.

Additionally, specific hard costs, such as framing and foundation, can take up a substantial portion of your budget, making it essential to plan accordingly for the overall investment required.

Price Breakdown of New Construction Homes

Understanding the price breakdown is essential for budgeting effectively when planning to build a new home in Oregon.

Buying Land



Land prices vary considerably. In Junction City, one of the **cheapest cities in Oregon**, you might find costs as low as \$50,000. Meanwhile, **vacant land in Portland**, Eugene, and other dense urban areas where you may wind up building an **infill home** can range from \$150,000 to \$250,000. **The average land cost in Oregon is about \$19,200 per acre.**

When considering land acquisition, remember to factor in land preparation costs, which can range from \$1,500 to \$50,000, depending on the condition of the land.

Verify that the land is zoned for residential use to avoid complications later. Scenic view lots typically come at a premium, adding to overall expenses, so choose wisely based on your
 et.

Securing the necessary permits and utilities is a crucial step in the construction process for your new home in Oregon.

Building permits can cost up to \$5,000, depending on the county and home value. Specialized permits, such as HVAC, plumbing, and other **major home systems** will incur additional costs.

Utility installation covers water, sewer, and electricity and usually adds about \$10,000 to \$20,000 to the total construction budget, depending on location and complexity.

Clearing the lot may incur extra fees, especially if tree removal is necessary.

Factoring these estimated costs into your planning is essential to avoid surprises down the line.

Consultation With Architects and Engineers

Unless you're qualified to design and build your own home, you're likely going to need to consult with **popular home builders**, architects, and engineers.

The consultation with architects usually costs between \$125 and \$250 per hour, depending on their experience and the complexity of your project. If you're considering custom home plans, expect to pay between \$5,000 and \$20,000, while pre-designed plans can be more affordable, up to \$5,000.

Additionally, engineering services may add another \$5,000 to \$7,000 to your budget, with average rates of around \$150 per hour.

Architectural fees often represent 10% to 20% of total construction costs.

Collaborating with licensed professionals guarantees compliance with Oregon's building regulations, especially regarding seismic design and environmental standards, which is essential for your project's success.

When laying the foundation for your new home in Oregon, it's important to understand the associated costs.

Foundation costs typically range from \$5 to \$7 per square foot, with an overall estimate of about \$15,000 for an average-sized home. The type of foundation you choose—slab, crawl space, or basement—can greatly impact your total expenses, especially if you opt for a basement.

Proper soil preparation is necessary before starting, and depending on conditions, it might cost \$5,000 to \$50,000.

Building the Frame



Building the frame is one of the most critical stages in constructing a new home, and it can greatly impact your overall budget.

framing expenses to be as high as \$30,000 or more, a significant part of your construction budget.

Labor costs vary, averaging between \$25 and \$200 per hour, influenced by regional rates and project specifics. The price of lumber has risen, contributing to increased building material costs.

Proper planning and material selection can enhance your efficiency and cost-effectiveness when building a house, ensuring you stay within budget.

Completing the Exterior

After framing your new home, the next notable phase involves completing the exterior, which includes roofing, siding, and windows. The range of materials to choose from leads to even more cost variations.

Roofing costs vary greatly based on materials; for instance, asphalt roofing typically costs \$5 per square foot, while tile roofing costs between \$10 and \$15 per square foot.

The choice of siding options also directly impacts expenses, with vinyl siding averaging \$3 to \$7 per square foot and fiber cement ranging from \$5 to \$12.

Window installation can add another \$10,000 to \$30,000, depending on the number and style of windows selected.

Additionally, budgeting at least \$20,000 for landscaping and finishing touches to enhance your home's exterior appeal is advisable.

HVAC, Plumbing, and Electric

Essential systems like HVAC, plumbing, and electrical are essential to your new home's comfort and functionality and can greatly impact your budget.

fixtures and installation.

Meanwhile, electrical installation can range from \$7,500 to \$12,500, influenced by the home's size and system complexity. **Combined, these systems can represent a considerable portion of the hard costs in home construction, potentially totaling upward of \$35,000.**

Budgeting for these essential components early in the planning process is important, as they contribute to your home's overall functionality and comfort.

Finishing the Interior: Walls, Cabinets, Lighting, and Fixtures

The finishing touches play a huge role in completing your new home's aesthetics and functionality. **Depending on your selections, finishing the interior typically costs between \$100,000 and \$150,000.**

While interior design isn't going to make or break the functionality of your home, it's an important consideration in the overall investment. When you're designing your dream home, you want the inside to match the outside, whether it's a **charming bungalow** or a classic **Pacific Northwest style**.

Cabinets can range from \$20,000 to \$50,000, especially for custom designs. Wall finishes, which include drywall installation and painting, usually add another \$15,000 to \$25,000 to your budget.

Expect to spend around \$5,000 to \$15,000 on lighting fixtures, depending on your chosen type and amount. Additionally, plumbing fixtures, appliances, and flooring cost between \$25,000 and \$50,000, greatly impacting the overall expense of finishing your home's interior.

Landscaping and Hardscaping the Exterior



Landscaping and hardscaping your new home's exterior can significantly affect curb appeal and functionality.

Landscaping costs in Oregon typically range from \$5,000 to \$20,000, influenced by yard size and design complexity. Hardscaping elements, like patios and walkways, can add between \$5,000 and \$18,000 to your budget.

Before you start, consider grading and lot clearing, which can cost between \$1,500 and \$3,000, depending on the land's condition.

Installing irrigation systems, which ensure your plants thrive, costs an average of \$1,500 to \$3,500. If you're adding trees and shrubs, mature trees can cost between \$300 and \$1,200 each.

Labor and Contractor Costs

Labor costs for builders vary widely; roofers average \$25 per hour, flooring installers charge around \$30 per hour, and electricians can demand between \$90 and \$110 per hour.

Additionally, contractor charges typically range from 10% to 20% of the total construction value, further impacting your finances.

If you're considering custom features like in-ground pools, these can add substantial expenses, often between \$36,000 and \$100,000, so it's wise to include them early in the planning stages to save money.

How to Finance a New Construction Home in Oregon

Understanding the types of home loans for new construction homes will help you **set a budget**.

You can consider various types of loans, such as construction loans, FHA loans, and USDA construction loans, each with its own requirements and benefits.

Researching these options thoroughly is important to determine which is best for your financial situation and construction needs.

Construction Loans

Securing financing for your new home in Oregon often involves steering through the specifics of construction loans, which can be vital for covering land, labor, and materials.

These short-term financing options are disbursed in stages as your project progresses. You'll encounter two main types of construction loans: construction-to-permanent loans, which convert into a mortgage once construction is complete, and construction-only loans, requiring full repayment after the build.

options is important.

Consulting with experienced mortgage brokers can help you understand the complexities of securing your construction loan and the costs of building.

FHA Loan



If you're considering financing a new construction home in Oregon, an FHA loan might be a smart option.

These home construction loans offer lower standards for credit scores and down payments, making it easier for you to start building a home.



With a minimum FICO score of 580 required for a 3.5% down payment, FHA loans provide flexibility to help you achieve your dream of homeownership while managing costs effectively.

USDA Construction Loans

USDA construction loans provide a unique financing option for those looking to build a home in Oregon, especially in rural areas. These loans enable you to finance your home-building project often without a down payment, simplifying the process. **You'll need a minimum credit score of 640, and your debt-to-income ratio shouldn't exceed 41%.**

Frequently Asked Questions

Is It Cheaper to Buy a Home or Build a New One?

It's generally cheaper to buy an existing house than to build a new one. Building a new home typically ranges from \$250 to \$350 per square foot, while the average price for an existing home is around \$490,224.

How Can You Save Money When Building a New Home?

Building a new home in Oregon can be a significant investment, but there are several smart strategies for saving money throughout the process.

Start by opting for pre-designed building plans, which can cost up to \$5,000 less than custom designs. Choosing standard building materials instead of luxury options can also help keep your building costs down, with standard builds ranging from \$100 to \$200 per square foot.

Collaborate with experienced contractors to get accurate estimates and avoid costly overruns.

process.

Do You Have to Buy Land to Live in a New Construction House?

Purchasing land is usually necessary if you want to live in a new construction house, unless the builder already owns the property where your home will be built.



Can I Legally Build My Own House in Oregon?

Yes, you can legally build your own house in Oregon. You must obtain the necessary permits, follow building codes, and guarantee your plans meet environmental and seismic regulations to comply with local laws.

Can I Buy Land and Put a Tiny Home on It in Oregon?

You can buy land and **build a tiny house or casita** if it complies with the zoning laws and building codes of the city or county where the land is located.

Most **major cities in Oregon**, including Portland, designate tiny homes to be one of the **types of accessory dwelling units** (or ADUs), and they're permitted in all residential areas. This is why you'll find so many **homes with ADUs in Portland**. The challenge, however, is finding vacant land in major cities and highly populated areas.

Counties in Oregon that allow tiny homes:

- **Multnomah County**
- **Clackamas County**
- Lane County
- **Lincoln County**
- Wasco County

Understanding the Costs of Building a House in Oregon

Building a house in Oregon can be a significant investment and there are many **pros and cons to consider**. Understanding the average costs, price breakdowns, and financing options is essential for effective budgeting. By considering factors like material prices and necessary expenses, you can better prepare for your construction project. Make sure to research and plan accordingly to navigate the complexities of home building in Oregon successfully.

Want to live in Oregon? **Call Matin Real Estate at (503) 622-9601** today to talk with a local agent who can help you find your dream Oregon home.

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