



## BEST PLACES TO BUILD YOUR HIGH-END VACATION HOME

Tuesday, 3 Jul 2012 | 10:59 AM ET

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Hammers are coming down on the high end again, as the ritziest in real estate finally come out of hiding. Vacation homes in some of the most coveted locales are seeing price gains again, so potential buyers are now looking to builders.

The question is, where are you getting the most bang for your big bucks?



Not in Hawaii, according to a new study from real estate advisory firm Chris Pollack, Ltd, which looked at project costs per square foot in some of the swankiest summer and overall vacation destinations. The total project costs include not just construction, but building materials, architectural fees, and permitting.

Hawaii topped the list at \$1300 per square foot for an ultra, high-end beach house. Malibu, California was a close second at \$1,170 and Palm Beach, Florida rounded out the top three at \$1,105 per square foot for the total project.

“The island locations are more expensive because of costs associated with importing materials and labor,” notes Chris Pollack. That put Nantucket, MA on the top ten most expensive list, but still lower at just \$975 per square foot, according to the survey.

Labor costs are rising, up 13.8 percent from 2007 in these high-end markets, says Pollack, and that has many investors using “value engineering” to offset the costs.

“Project teams have put an emphasis on value engineering in a tighter economy and have come up with solutions such as using PEX piping in place of copper, or traditional fiber glass insulation versus spray foam due to the significant cost savings,” Pollack continued. “These choices render some functional differences, but keep the quality products high-end clientele desire, and deliver a cost savings in the 20-30 percent range.”

Going green in the construction project can also offer savings, thanks to tax incentive programs, so builders are often choosing such upgrades as geothermal heating systems.

The best bargain beach destinations on the high end? Cape Cod, Massachusetts at \$650 per square foot, Lake Geneva, WI at \$618 and Kiawah Island, SC at a mere \$585 per square foot, nearly one third of the cost to build in Hawaii.

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