

advantages **architect** vs. disadvantages **general contractor / developer**

1. The general contractor (GC) has a "fixed price"?

This is the most common bogus argument why people have been thinking about deviating from the tried and tested, conventional construction method for a number of years and hiring general contractors (GC), which didn't exist before.

Unfortunately, the so-called "fixed price" is not a real and therefore reliable final price.

- Only state-trained, licensed and legally monitored architects (= legally protected professional title (for reasons of better readability, etc., the generic masculine is used below)) have the obligation to determine ALL construction costs up to ready-to-use use and separately and for the builders to be broken down in a verifiable manner, no hidden costs are permitted.
- Architects build turnkey and not just turnkey (there is no accepted definition of turnkey).
- Only architects must determine and constantly update all construction costs, including development, all ancillary construction costs, etc., as well as general market price increases up to the project completion with cost reserve according to legal regulations, including DIN 276 etc.
- However, the client always only pays the actual, always transparent costs, without hidden profit or reserves - and therefore (after examination and approval by the architect) directly to the service providers, such as entrepreneurs, craftsmen, planners, building authorities, public utilities.
- Cash discounts, rebates, etc. are not or only partially passed on to the builders by the GC. Since the client pays the architects directly, as explained above, the client also receives the discounts himself.
- Everything remains transparent.

The GC must have a planning basis for pricing.

- Therefore, he either calculates a standard building "work" (e.g. with a "guide price", which we already have here anyway) which does not, or only very insufficiently, correspond to the actual desired project solution of the client,
- or he must have a planning order beforehand, which also triggers fee costs, but with much less individuality, quality and independence.
- In order for the general contractor to actually receive the order, he must initially calculate very low. Necessities or things that make sense (e.g. to permanently reduce later maintenance costs) are not taken into account / not offered - which cannot be checked by the client.

Should the client (or an expensive project tax) notice this during the course of the project, or because it is necessary (e.g. by law) and the building authority, for example, requests it, so-called "additional services" or "supplements" will be added at high additional costs. offered" or "additionally".

This is usually not verifiable for the client, and these costs are no longer calculated under competitive conditions.

(There is also an extra seminar for "supplement management" for general contractors, general contractors and property developers).

Motto: Initially offer cheaply for project acquisition, generate the (excessive) profits later / during the course of the project.

(Additional services are no longer available from third parties, or no longer on good terms.)

2. The general contractor (GU) builds more cost-effectively?

This is the second most frequently mentioned bogus argument.

- If the general contractor actually builds cheaper, does the builder also benefit? Is the project scope, completeness and quality the same?

- On the one hand, there are also planning costs for the general contractor, which are also based on the HOAI (which has been in use and proven for decades) (the EU judgment has not changed this recently, because in the case of unclear fee/contractual relationships, the "customary" fee is the basis to be laid: the HOAI).

- On the other hand, the profit margin at the GC is much higher.

- As well as the significantly higher management costs surcharges for (always!) purchased subcontractors. (The GU can never provide all services with its own companies, employees.)

- If the GC uses its own construction company to utilize capacity, there is no guarantee that this is the most economical provider.

- Except that all these costs do not have to be reported by the general contractor and remain non-transparent for the client one way or the other.

- The general contractor risk in the event of liability (e.g. insolvency of his subcontractors), surcharge for calculation and calculation errors, priced-in cost increases and safety reserves, surcharge for planning fees and also the profit is always paid by the client - unnecessarily.

Architects are not allowed to add any profits to their (legally capped) fees, since they are freelancers and not traders and are only allowed to act in the interests of the client.

- It never gets cheaper for the builder.

The GU will only report accordingly in the event of additional costs.

- As part of a nationwide pilot project in 1998, different models for the construction of the Ludwigsburg tax office were examined. The individual models were those of a general contractor, bills of quantities according to specialist lots (conventional individual assignment via architect), financing offers and investor solutions.

Result: The assignment according to specialist lots, i.e. individual trades, was the most cost-effective for the state.

In second place with additional costs of 5.18% was a general contractor with a service program, followed by an investor model with additional costs of 9.24% and a general contractor with specialist lots with additional costs of 15.74% (!).

- More transparent and competitive comparisons of offers are only possible through detailed advice, needs analysis (what is necessary, what makes sense in the future?), several concepts / preliminary design ideas, precise client-oriented planning and tenders based on this.

- Only architects can deliver the above and only they have long-standing business relationships with the authorities regionally, like we do in Euskirchen and the surrounding area (that's how we managed to get the city of Euskirchen to allow a significantly larger building than specified in the development plan, thanks to us) and to the executing and supplying companies.

- In addition, we are a trained and experienced specialist office for cost-saving construction. See also: <https://strick-architekten.de/dienstleistungen/kosten-sparen>

With the compensatory contingency fee (because our fees also decrease when chargeable costs decrease), we are really motivated to avoid cost increases and to really make additional savings and to check them again and again, provided these do not negatively affect the quality and thus the added value or maintenance costs.

- Our previous fee will be credited / deducted.

3. Only one contact at GU?

- That's true, but that's exactly what STRICK Architects + Engineers also offers, via the so-called general planning, i.e. with us our builders only have one contact person and responsible person.

- Dipl.-Ing. Dietmar M. Strick is also trained in "Project Control" and "Project Management".

- The only advantage that the GU organized the construction you also have with us,

but with many other very important advantages:

- For example, as the client, you always remain "master of the process" with us, so you can always see what something costs, why, and how much. And we (explain) this BEFORE execution, and:

4. Does a GC actually guarantee performance and quality?

- It is undisputed that you can only get individual, creative planning from architects.

- Instead of creative designs and highly qualified planning, the GU stands for simpler, standardized execution, instead of innovation, future-oriented value creation, sustainability, or future lower energy (!) and maintenance costs (facilities management) for the builder.

- Outside of the simple standard, the general contractor can, as already explained, only - if at all - make the planning and calculation more difficult.

- Alternative considerations and queries, planning optimizations are only carried out by qualified architects and changes (such as changes (in the past and currently again) in KfW funding), or in the selection of materials, aesthetic, technical and economic details or personal contributions possible for the builder to the end.

- The general contractor plans, designs and monitors the execution (own) profit-oriented. I.e. due to the all-inclusive "fixed" price, the GC strives to actually achieve its profit, at best to maximize it, so it

naturally strives to reduce the expenses for planning and execution, which i. i.e. R. often happens at the expense of quality.

5. Where does the client have influence on the choice of contractors?

- The builder has no right of co-determination in the GU on the choice of entrepreneurs and craftsmen.
- In addition, no right of inspection or disclosure of the calculation and the actual costs and
- No right to issue instructions on the construction site.
- All this is only available from architects.

We even regularly ask our builders before each tender for the trades whether we should ask companies (with whom the builder has business connections, obligations or very good experience) to submit a bid based on our precise specifications.

6. Who better supervises the work on site?

- That the local proximity and thus the knowledge of the regional - suitable - supplier market are very important for the tendering phase is just as obvious,
- as local proximity is even more important for committed, regular construction management. (We also drive to the construction site (here only 10 minutes by car) if the client wishes, even if it is not always technically necessary.)
- The local proximity also brought advantages to (reaching the larger) hall area.
- The GU site manager will and must work in the interests of the GU and not in the sense and as a representative of the client, he does not have to do that either, the architect is legally obliged to do so.

Naturally, the GC cannot be expected to provide objective and actually independent property monitoring.

7. Can the general contractor, like the architect, be the builder's trustee?

- Neutral advice is only available with real independence,
- This is exactly why the legislature (the federal government is itself the largest real estate owner and builder) has made architects (= legally protected professional title) compulsory, with qualified, long-term training, certified approval, compulsory further training and (as the only professional group in the construction sector) with high compulsory insurance.
- The architect is the only legally appointed client representative, - trustee and attorney.
- He must always advise and enlighten the client, possibly also against his own interests, in the interest and to the advantage of the client.

- The client has unrestricted freedom of choice and, based on the level of information he has, is able to make the right decisions that are important to him.
- Higher architectural quality also ensures cost-effectiveness during construction and long-term use, sustainability, flexibility with future-oriented use and thus the best added value for owner use, rental or sale.
- Extensive building description after detailed consultation and in close coordination with the client and in his spirit, updated cost statements according to planning progress, becoming more and more precise, compliance with the very numerous and constantly changing regulations can only be obtained from highly qualified architects.
- GU, as well as large property developers, work nationwide, not infrequently Europe-wide. If there are major defects, they "move" to other regions, while the local architect and entrepreneur, craftsman must be very careful not to lose his good reputation and future orders, i.e. his company.

8. Less work for the client with GU?

It is actually necessary more input from the client,

- but that's why we independently ask everything from the client and the user.
- No builder wants to remain unasked and ignored - right?!
- There are also Mrs. Dipl.-Ing. Kirschberger to support this and to relieve the client.
- The general contractor has no (contractual) relationship with the planner and thus no right to information from his own architect, if such a thing even exists at the general contractor. Experience has shown that the general contractor even deliberately stops attempts to make contact by the client in order to avoid additional consulting and planning "effort" and thus "unnecessary" costs for the general contractor.

9. Same risk for builders when awarding architects and general contractors?

- The liability is low with GU, these are basically self-secured via GmbH, usually even with GmbH & Co. KG.
- It is therefore much more difficult for the builder to assert claims in the event of defects or damage to the general contractor. (The legal department of the GC is often larger than its planning department.)
- Only architects are legally obliged to take out professional liability insurance with €250,000 for property damage and €1.5 million for personal injury.
- STRICK Architects are voluntarily much better insured with € 1.0 million or € 3.0 million.
- In addition, (only) the architect has the so-called joint and several liability (unlike what is often misread on the Internet)!

The builder must (and only after completion of the project, the architect does this beforehand anyway, even if he is also fully commissioned as site manager) in the event of later discovered

execution errors first notify the contractor of his interests (STRICK Architects also does this for his builders, also for 5 years), after completion, if we are commissioned to do so). If the executing company is insolvent or no longer exists, the architect is automatically (again) liable.

- In the conventional construction method with an architect, there are no down payments, advances, according to brokerage or property developer regulations, etc. The builder only pays in small sections according to the planning and construction progress: First the service is rendered, then payment.

- Only architects have proven, detailed and legally secure construction contracts with the contractors.

- General contractors usually have long lead times before the start of planning, then until pricing and even longer waiting times until the start of execution.

- In contrast to architects, the general contractor can easily become insolvent,

since he has to cover all planning costs, but above all the extensive material and wage costs, such as construction site set-up and security costs, with his calculation price.

10. Advantages of separate planning with site management from execution.

- The GC naturally also lacks objectivity, and not just in the planning.

- Does this really ask, check, observe and monitor all client interests?

- Due to the lack of a (builder) architect, there is no independent and therefore no serious control of one's own planning and, above all, execution, due to a lack of distance / non-existing separation.

- Who monitors and admonishes the GU to avoid or eliminate execution errors, cost increases and missed deadlines?

- The general contractor constructs and monitors the planning and in particular the execution in a profit-oriented manner. The general contractor must constantly keep an eye on the costs and thus his profit. Experience has shown that the temptation to "save" on the planning and execution quality is obvious.

- The GC can make compromises, among other things, in the quality of materials and details that the client does not recognize or cannot check.

And:

The more complex and higher the demands on the project quality, the more architect.

Reputable sources with further arguments and easily understandable explanations can be found here:

<https://vialog-logistik.com/2022/04/generalunternehmer-or-architect/>

Falls der link nicht mehr funktioniert, [klicken sie bitte hier.](#)

<https://www.iww.de/pbp/archiv/architekt-versus-gu-eten-argumente-fuer-das-bauen-mit-einer-freie-architekten-f16432>

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Some of our former and current builders have already built and few have ever had a general contractor. Everyone has said to us, "once and not again".

I hope I was able to explain the important and complex topic in a way that is easy to understand, so that the right decision can be made.

With STRICK architects + Engineers you also have the following advantages:

- Over 40 years of professional experience.
- Over 30 years of self-employment.
- Hundreds of high-quality references
- We specialize in cost-saving construction.
- Qualified employees, graduate engineers or Masters, Bachelors, technicians, state-recognized Experts for noise and heat insulation, Energy consultants, trained experts for damage to buildings, urban planners, real estate agent.
- High professional liability insurance sums.
- You receive all planning services from us / from a single source:
As experienced general planners, we have a long-standing network of tried and tested Specialist engineering offices as sub-planners, which optimizes and accelerates the project implementation, additionally reduces the costs and so the Project success increased.

Forgive me if my English is not so good in writing.



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