

### Step 3: Understanding the costs of goods vs. labor

Of course, it is important to understand what a reasonable breakdown is for the costs of goods vs the costs of labor so that you can manage your project and carve out anything you plan to do yourself.

Below is a table that breaks these costs out, again according to a combination of national averages (via NKBA statistics) and the experience of our parent company, Henrybuilt, based on experience with hundreds of kitchens throughout the country, but concentrated on the coasts.

#### Allocation percentages

The percentage for labor allocations are unique to each line item, and will vary with your choices and situation. 18% is a general industry average for cabinetry installation costs, but may vary according to your situation.

#### Budget Calculator

Once you have reviewed this sample budget, download our budget calculator to input your own information and refine your budget.

**Home value: \$ 500,000**

			Goods and Labor Breakdown			
% of home value	% of total	total budget	costs of goods	% for labor	costs of labor	notes
<b>8%</b>	budget	<b>\$ 40,000.00</b>				
Cabinetry	48%	19,200.00	15,744.00	18%	3,456.00	Labor allocation is for removal and installation of new cabinetry.
Countertops	15%	\$ 6,000	4,920.00	18%	1,080.00	Varies with volume and type of countertop as well as complexity of layout.
Appliances	19%	\$ 7,600	7,068.00	7%	532.00	Will vary with the specific appliances you select, and their features.
Fixtures	5%	\$ 2,000	1,640.00	18%	360.00	Assumes 1 sink and faucet being replaced and located at or close to original location.
Lighting and electrical	5%	\$ 2,000	1,400.00	30%	600.00	This number varies widely depending on the scope of work and cost of fixtures.
Flooring	5%	\$ 2,000	1,200.00	40%	800.00	This number varies widely depending on the cost and type of material selected.
Walls and Trim	3%	\$ 1,200	600.00	50%	600.00	This number varies according the nature of the project.
	<b>100%</b>	<b>40,000.00</b>	<b>32,572.00</b>		<b>7,428.00</b>	

#### Additional costs you may need to budget for depending on your situation:

Demolition	If you are removing walls, or difficult-to-remove flooring, for example, additional costs may be incurred.
Backplash	If you are tiling a backplash, for example, these costs may need to be added.
Work in adjacent areas	If flooring or other work extends into other areas, this needs to be considered
General Contracting	Depending on your situation, these fees may be covered by the above budget, or additional
Additional Appliances	Additional ovens, cooktops, refrigerators, built-in coffee makers etc.
Additional construction costs	If you are moving walls, for example, you will need to consider those additional costs.