



How to price a job as a contractor: how to quote for a job when self-employed

by Jessie Day

Hello, we are Simply Business

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How to estimate cost for a job as a contractor depends on a few key factors, whatever your trade or line of work. The key is experience, so here's a guide to pricing up jobs, learning as you go.

It doesn't matter what trade you're in, how to quote for a job is a fundamental part of running your business. Whether it's how to price a painting job, or the basics of how to write a quote for a job, potential customers these days are time-poor and the market is demand-driven. They want to know right away how much their dream extension or emergency plumbing work is going to cost.

Ideally, you'll be able to take an enquiry and then price a job within a day or two, and if it's a bigger job, try to visit the customer and discuss an initial project outline. They'll still want an estimate and a follow-up quote, but running through a project in person establishes trust and allows you to see what shape the project will take and its potential risk factors.

Here are the basics you need to plan for when working out how to quote a price for a job.

Know what you're up against when bidding for work

From market conditions and materials prices to your local competitor rates, it pays to understand what can affect your costs.

Market conditions

First, you need to look at the economy in general, and whether there's a widespread belt-tightening that could affect your customers' budgets and appetite. Second, it's important to understand whether there's anything impacting your specific trade or market (tax, import duties, employment law, changes in regulation, etc), which could drive your prices up or down.

Find a good resource for keeping up to date on market news and regulation changes

– the [Simply Business Knowledge centre](#) is a good place to start, along with our [newsletters](#), and make sure your prices are current. Check that your website, brochures, and other marketing materials are up to date, with any new prices added – there’s nothing worse for a customer than reading a guide price, only to see it shoot up when you quote the price of the contract.

Price of resources

Get re-acquainted with the materials, parts, and labour you’re working with. With a potential Brexit around the corner, doing a full inventory now is a great plan, so that you know where the peaks and dips in costs may lie for anything being imported from overseas, even if you’re just buying it in bulk at your local merchants’.

We’ve seen UK construction growth bolstering the economy this year, but we know that this comes alongside a reliance on migrant labour and raw materials from overseas. With Brexit set to change the parameters, highlight the resources you’re relying on and prepare to shift your costs.

Again, find a good resource to keep you up to date with any fluctuations, whether it’s online or through a professional group or paper.

Competitor rates

This one doesn’t really need any explanation – no one knows your competition better than you. But while you may be aware of who they are and what they do, do you know what they’re charging customers, and whether this is above or under what you’re offering?

People may have a rough outline of costs on their website or printed materials, but that really just gives you a guideline. You might not want to ask people outright what they’re charging, but check in with friends and family on the quotes they’re getting. Check online review sites for chat about price. Build a relationship with your suppliers and ask about any trends they’re seeing, or drop-offs in orders.

Assess the location

There are three crucial things to take into consideration here: access, proximity, and the conditions of the premises or site.

For example, if you're working out how to price a decorating job and the customer is a couple of streets away from you, easily accessible through a ground floor front door and conditions aren't a problem, you won't need to factor much into your costs. On the other hand, if you're looking at how to price at job in construction and the site is an hour's drive away down a narrow rough track and the conditions are challenging, you may need to reflect these things in your costs.

Itemise the materials you need

The key part of most cost plans and quotes rests on your resources. What do you need to get the job done? This isn't just about paint, sand, tools, and stock. It's also about 'human resources' (do you need to take on an extra pair of hands?), and bear in mind that if you do need to employ someone, you'll need to factor in their pay and things like [employers' liability insurance](#) and [workplace safety](#).



As soon as you're confident about the brief or job from your customer, draw up a full list of everything you're going to need to complete it, and the cost to you. Use this to build out your quote, marking up and down where sensible and remembering to add on a percentage cost for waste and your service, if you're sourcing these (see below for a basic cost structure example when working out how to quote for a job).

Experience is golden

There's nothing like working out how to price up a painting job for the first time. You'll be more confident on your second and third jobs, right up to your multi-property renovation fifteen years in.

Learning as much as possible from each project is what will give you the most accurate, attractive, and profitable quotes in the business. So note learnings as you go and learn what to watch for, which suppliers to trust, and where to draw your boundaries – it's better to say no to a job than to get knee-deep in a nightmare project that you weren't keen to take anyway.

How to price a job as a contractor: basic cost structure

This basic cost structure is designed to help you work out your first draft. You'll need to add to it and take specific advice from an accountant though, depending on your trade and market.

[Hourly rate](#) x hours estimate

+ cost of materials (with waste/service percentage) + % for overheads ([business insurance](#), transport costs, etc)

Example

£12.07/hour x 28 hours

+ £150 in materials

£15 waste/service percentage (10% of materials cost)

£40 overheads

£542.96 = total cost

Sense-checked quote = £540.00

Once you're happy, build in a margin for things to go wrong, and provide a schedule for your customer so that they know the plan for the project and when they can expect certain milestones to be completed.

How to price a painting job: 5 top tips

- Clarify with the customer any areas that don't need painting (doors and windows etc)
- Paint is personal! Expect your customer to change their mind, even if they've seen a sample
- Talk to your customer about paint brand and quality when pricing
- Who will be removing the furniture? Remember to factor this in or out
- Agree up-front who will be buying the paint, as this will affect your costs

For more information, check out our article on [how to become a painter and decorator in the UK](#).

How to price up a plastering job: 5 top tips

- Get clear on all the elements that don't need plastering (fireplaces, windows, etc)
- Will you need to remove any existing plastering?
- Check the site's access points before quoting
- Include sheeting up and cleaning in your estimate
- Base your cost on all furniture being removed before you start, and increase if necessary

How to write a quote for a building job: 5 top tips

- Arrange a 'walk-through' of the site before you provide any quote or estimate
- Ask for any mock-ups or drawings that the client has already had
- Get a clear picture of any subcontractors you're going to need (and keep in mind that

you'll need to cover labour-only subbies with employers' liability, an added cost)

- Try to deliver the quote in person...
- ...and walk through each aspect with your customer. Trust is often more important than price

How to price a renovation job: 5 top tips

- Allow for delays and, if in doubt, extend your timings estimate

- Get damage limitation plans in place to protect the rest of the property
- Investigate all travel, parking, and access issues ahead of quoting
- Ask whether the property will be occupied throughout the project, and whether daily clean-ups will need to be factored in
- Depending on the property, you may need to call in an expert. Prepare your customer for this



How to price a plumbing job: 5 top tips

- Arrange to see the site and get to know the damage/project before you quote
- Charge a bit more for emergency call-outs, or if you haven't seen the property before
- Be clear that the job may take longer, depending on what you find
- Factor in all access issues and clean-up time
- Itemise your materials costs and explain these to your customer

How to price an electrical job: 5 top tips

- Are any other contractors working on the site? Factor in delay time for these
- Be clear about the hours you'll be working, and explain these
- Run through your quote in person with the customer, answering any questions and putting them at ease
- Pay attention to the detail in your quote, from screws and grommets to finish options
- Keep a list of everything you use in a job, add to it over time, and use it as a draft checklist for future projects

Check out our guide to [becoming a self-employed electrician in the UK](#).

Further reading

How to set a freelance hourly rate: what hourly rate should I charge?

[Click here for more >](#)

Self-employed benefits entitlement: what you should know

[Click here for more >](#)

Unemployed? Start your business with over £2,000 from the New Enterprise Allowance

[Click here for more >](#)

