

Building Your Dream Home

Would you like to build your dream home but you're not quite sure where to start? Well, you are certainly not alone. So many decisions need to be made. Do you want to live in a lot or a subdivision? Do you want a two story home or a ranch? Is a basement important to you? How do you choose a good house plan? How do you know it works for the lot or land you choose? How do you choose the right builder and negotiate the construction contract? Where do you go for financing? And, most importantly, in what order do you put all of these pieces together?

You may start by deciding where you would like to live. Is a subdivision to your liking? If so, look into the size and price of the lot, read over the neighborhood covenants & restrictions, find out about availability of natural gas, water source, and sewer system vs. septic. When making an offer, be sure to find out what is required and who is going to pay for it (for example: sidewalks, street trees, water & sewer hook-on fees, etc.). It is also important to make an offer contingent upon the ability to fit the house plan to the lot. You will need to think about the dimensions of your intended home and match them to the lot dimensions. Watch for setbacks and easements as indicated on the plat, you can't build over them.

Looking for that lovely large homestead in a country setting? Be sure to see what sorts of improvements have been made to the site. Consider the amenities you will need to service the home. Look into the need for a road and/or driveway for ingress/egress; access to water and/or sewer; access to power, gas, cable, telephone and the availability of those amenities to the area. If the nearest hook on is very far from the site, the utility companies may charge considerable fees to bring that service to you.

Deciding on a basement will depend upon your lifestyle and your bank account. If the basement is important to you, be sure to find out if the lot is suitable. A gentle slope can provide a wonderful setting for a walk-out. When it comes to appraisals, basements will be valued for a little less than they cost to install. A finished basement will be valued at much less than its cost. Obviously it depends on how the basement is finished, but these ratios can sometimes come in at 50% of value to the finishing cost. If you plan on staying in the house for a very long time, this really will not be of extreme importance to you. However, it will affect the loan amount as typical loan to value ratios are about 85% for a primary residence, meaning you may have more cash out of pocket to build the home. Average costs of a basement is \$15 per square foot which should include 8 foot poured concrete walls, plumbing roughed in, a few windows and a door, and a minimal amount of interior framing. If a basement doesn't interest you, it's smart to analyze the lay of the building site. If it does have a slope think about how deep the crawl space may be at its lowest point. The costs can be substantial when the grade of the site is steep.

Choosing the right house plan is often the most exciting but most stressful part of building a home. Styles are important to consider and will affect the size and price tag of the home. A ranch is generally your most expensive type of home to build. They have a large span and require more materials than other types of homes. If space is what you need a two story or multi-level home is the most economical. Bi-levels and Tri-levels will certainly get the most bang for the buck.

When reviewing a floor plan, visualize a walk-through. When you enter the front door what is in front of you? Hopefully not the kitchen or a bathroom, and if you have young children you probably prefer not to walk into a great room. The key here is that guests enter your front door much more often than you do. What do you want them looking at? Many homes today are no longer featuring that unused formal living room. Rather, they are including a study, library, or music room of some sort. The ability to close the room off with glass doors or to adorn it with built-in bookshelves is becoming more and more popular. Dining rooms, family rooms, and kitchens are larger these days, providing more living and gathering space. A master suite with a private bath has become the standard with many building plans and is important to the resale factor. Functionality is winning out more often these days with moms preferring laundry rooms near the bedrooms, even when they are upstairs, and kitchens just off the garage or mud room making it easy to unload groceries. The mud room with hooks and shoe shelves rather than a coat closet make it easy for the family to store coats, boots, etc. during the sloppy months.

The bonus room concept is extremely popular, working well with many two story plans and in some ranch homes. It is so very versatile being used as a play room for small children, a family room, movie room, study or library, hobby room, or just whatever you want to use it for. Because these are built over unused garage space with raised trusses you will often have a slant or slope to the ceiling and not a lot of wall space for windows, you may consider a couple of skylights to bring in additional light. A closet is an important feature in this room as well. For resale, the closet will allow it to be marketed with one additional bedroom. For function, the closet will also provide critical storage space for blankets, games, photos, or any other storage needs.

Searching for a builder and negotiating a contract will be the most important step in your endeavor. The Monroe County Builders Association is filled with builder members who have agreed to build by a standard that is equal to and in many ways more stringent than the local building codes. If you have a relationship with a Realtor, that agent may have some builder experience. If not, you might drive around in new neighborhoods where a lot of construction is underway. Look around at the contractor signs and begin to gather names. Look at the quality of their work, go through their completed homes when they are open, check out their job sites. You can learn a lot from observing. Do your homework, ask your Realtor, ask your friends, ask for references. Some of the things to ask the builder about include: What is the time frame to build the home you have in mind; How many homes does the builder have going and where are they; How many homes does the builder construct in an average year; Who supervises the jobsite on a daily basis; What lumber yard do they purchase materials from; Are their subcontractors local? Keep in mind, a good builder will oversee the project to the best of his or her ability, he or she will provide solid and experienced advice to you when you need to make decisions, and will keep the process going forward in a timely manner with solid supervision.

Once you have narrowed your builder search to a couple of candidates, these candidates may take the plan and the lot and help you move forward. Let them look at the plan you have in mind and the lot you wish to place it on. Listen carefully to their evaluation of your plans and site. The builder will understand how important it is to position the home on the lot and get it out of the ground properly. Elevations are complicated and their match to the plan you have in mind will have an impact on the construction costs. The builder should help you understand the nature of

your project at this point. You need to request an estimate for construction from these builders and compare the results.

Estimates are difficult to interpret if you are relatively inexperienced in this process. Make sure you are comparing apples to apples on the estimates. What do you look for? Start with materials. Shingles: May be a 20, 25 or 30 year, they may be flat or dimensional. Windows: Anderson or Pella vs. vinyl clad, single-hung, double hung, or casement. Trim: width of trim, crown molding, doors & windows trimmed or just drywall wrapped, wood doors or masonite, six panel or flat. Plumbing Fixtures: chrome, brass, etc. They may offer allowances for lighting, cabinets, floor coverings, appliances, and landscaping. This is an easier way to determine actual construction costs and compare the estimates. Be sure their contracts and estimates include lawn installation, concrete drive-way and sidewalks from the driveway to the garage and across the front of the lot if required, installation of septic or hook-on fees for public sewer systems, installation of street trees if required, permits and application fees.

When you think you know which builder you prefer it is very important to check out references. Realtors who represent builders can often provide references but you may also want to get the names of a few clients the builder has recently worked for and talk to them. Professional references are also reliable, such as the local lumber yard, building supply or concrete representative. These are people a builder will come to rely on and will have a relationship with in order to provide a better product to you.

After you have found the perfect place to live and just the right builder, how are you going to acquire the land and get started? Well, there are several loans available for just this purpose. If you have equity in your home you may want to refinance and use the equity to purchase land and make a down payment to your builder. Local lenders will often be an excellent source of council in this area. A good loan officer will look at your current financial situation, analyze your personal objectives, and then recommend the best method of financing for you.

A Realtor who is experienced in negotiating construction contracts with builders will provide value by helping both you and the builder to get everything in writing, the process for change orders worked out, and the construction contract to be thorough. This is an excellent way to prevent future misunderstandings between you and your builder. If you prefer, you may want to have an attorney look over the construction contract before signing. It is also important to let your lender review the contract to approve any down payment and construction loan draw schedules.