

# 4 Questions every person should ask before building a home on their own land

Building a home can be a stressful and mind numbing ordeal, if you allow it. The best way to avoid the headaches that generally are associated with building a new home are, like anything else in life, do your research up front. No one wants to get smacked in the face with unexpected problems, especially when they are directly associated with unexpected costs.

## **Should I hire sub-contractors and build the home myself?**

Ten or twenty years ago, being your own General Contractor to build a house was fairly simple. Get the building permits, call subcontractors and build away. It's just not that simple anymore. Every township, borough and municipality has different rules and requirements. Building codes are constantly changing and the amount of required government inspections (homeowner funded, of course) are increasing. Things like Erosion and Sediment plans, traffic impact fees and storm water infiltration designs are constantly altering construction plans and pricing. In addition, every home plan must be individually engineered and approved before construction can start.

## **How should I go about choosing a builder?**

There are numerous items to think about when choosing a builder; some are simple and haven't changed over the years. The builder's reputation, available floor plans and options shown in model homes have always been a staple and, for the most part, remain good places to start. Other important questions that many people don't think about, especially when receiving written proposals. When builders give you pricing, they are doing it to their specifications, so be sure they tell you exactly what is included in that pricing, so you can compare apples to apples. Some builders include wells, septic systems, seeded yards, driveways on your own land, while these items are not included at all with other builders.

A builder should customize their home plans to fit your needs and desires, so liking one of their general floor plans shouldn't be a big factor while choosing your builder. (See Greth Homes article titled "7 Things every person should know before customizing their new home" for more information on this topic.) Be sure to talk with the builder in detail about what is included and feel completely comfortable with the products going into your home. Other things that should be done when choosing your builder is that you should knock on doors of people that have worked with that builder in the past. Anyone can hand out names of 4 or 5 people that are happy with their company, so don't let the builder give you names, go and ask on your own. You will be amazed how many people love to talk about their building experience, whether its' been good or bad. If you feel uncomfortable doing this, remember how much of your own money you are spending on this project, that should be motivation enough to hit the pavement and ask the questions. If a builder has not been around long enough to build up an extensive list of past clients, you need to decide if this is someone that you want to hire to build your Dream home.

## **What other things should I look at when checking into builders?**

- Be sure the builder has current paid Workers' Compensation and liability insurance coverage. If a worker is injured working on your property and the builder doesn't have the correct or ample insurance, you could be required to pay for injuries and rehabilitation through your homeowners insurance.
- What is the builder's credit standing? If a builder isn't in business, they can't cover you on the warranty of the home, so be sure to check into their financial standing to be sure they will be around to service your home through the warranty period, and beyond. Also, if the builder isn't paying their sub-contractors for work done on your property, all liens will be put against your property and you will end up possibly paying twice for the same work.

- Be sure to see a copy of the builder's warranties, in writing. This will be a good indication of the kind of builder you are dealing with. A short warranty that is full of exclusions should raise a red flag during your selection process. Also, be sure that this is the same warranty you will receive at settlement.

### **What should I do to figure out all my costs up front?**

There are essentially 3 separate entities to building a home

1. The cost of the land
2. The cost of the house
3. The cost to improve the land and place house on it

The first two items are fairly simple and straightforward, you know the cost of the land and the cost of the house itself is simple and you should be given all pricing for this up front. The actual cost of putting the house on the land is where you need to really pay attention. Here are some other items to talk with the builder's about regarding placing the home on the site.

**Driveway** – Is a driveway included in the base price? Is it a stone base only or a paved driveway? What is the total driveway square footage included in the base price? How much driveway will my job require? How much more will it cost for me to do this additional driveway?

**Clearing of trees and removal of stumps and tops** – If you have a wooded site, will there need to be any clearing of trees/stumps required? Is there a cost associated with this in the builder's base price? If not, how much more will this cost? If so, will yours cost more or less than the amount in the base price? Will you receive a credit if it's less?

**Septic system** – What type of septic system is included in the base price, if any. What would the "additional" pricing for the type of septic system (or sewer hookup, when applicable) that will be required on your land. Is there money in the base price for the septic permit? Also, if you aren't sure what type of septic system is needed for your site, you should look into having a perc test done on your property. You can either do this yourself or have your builder to it.

**Well** – Is a well included in the base price? If so, what is the maximum depth the well will go to get a satisfactory water yield, before you get additional charges.

**Electric and utility trenching/hookups, topsoil and fill and raking and seeding of lawn for all cleared/disturbed areas** – What exactly is in the base price for these items and what would additional costs associate for my actual home site?

**Stormwater infiltration** – There is a wide variety of water management requirements for home sites, depending on subdivision plans and township requirements. What is included in the base price? What additional costs could be associated to my actual home site?

If a builder only gives you estimated costs for any of these items, be sure that you know actual costs for all of these items before entering into an agreement of sale with any builder.

**By: Greth Homes**