



## ***Selecting Your Custom Home Team***

Building a custom home is an exciting experience. A great deal of your time, thought, and personality will go into the design and specifications as your housing ideas come together to form a home that is uniquely yours.

To accomplish your goal, you might engage professionals from separate organizations. In addition to establishing your budget and selecting a builder, you may engage the services of an architect, an interior designer, and a landscape architect. Often one team member leads the rest through referrals. An architect whose work you like may recommend a builder or a builder whose quality meets your standards may suggest an architect, and so on.

Perhaps you will work with a design-build firm. The design-build approach brings together design and construction expertise, usually resulting in greater continuity of service. The joining of design and construction can save you time and money. However you organize your team, keep these points in mind.



- ❖ Check with relatives, friends, and colleagues for recommendations
- ❖ What are the firm's design specialties?
- ❖ Does the style and quality the designers are known for coincide with your needs and wants? Look at examples of their work.
- ❖ Can this team accommodate the special needs you have such as creating a historically accurate design, maximizing a view, achieving accessibility, or incorporating special amenities?
- ❖ How do they charge? What's included? What's extra?
- ❖ Does their client load permit acceptable scheduling?
- ❖ Ask about formal training, professional memberships, (such as the Home Builders Association), and check references.

### **Assembling Your Team**

The responsibilities of the professionals on your design team may vary. However, the items you need to consider typically include the following categories –

**Financing** – Whether you will be paying cash or working with a lender, determining your budget at the onset is wise. Compare loan programs from two or more sources. If you own the lot, you may arrange for construction and mortgage financing. Many lenders offer an express or one-time close package that combines the two. This reduces paperwork, closing fees, and time.

**Builder** - Ultimately your home plans are transformed into reality by the builder. He or she assists with your plans, specifications, establishing a budget, selects the trade contractors and material suppliers, schedules the work, and oversees each step of construction. After move-in, the builder will provide a limited warranty covering materials and workmanship, typically for one year.

**Architect** - Depending on the terms of your contract or the relationship between the builder and home designer, the architect may remain involved throughout the construction process or may simply develop the plans then serve as a consultant of questions arise. The terms of your written agreements with the architect and builder should cover this point.

**Interior Designer** - You can rely on this professional to coordinate design details, finishes, and color selections for your home's interior. The same designer can assist you in selecting window coverings and furnishings, or this relationship can continue long after the move-in.

**Landscape Architect** - Decisions about placement of your home on a lot, preservation of trees, and configuration of the drive and walks affect your landscape plan and its cost. If you're building in a covenant-protected community, make certain that your landscape designer is familiar with the association's requirements and approval process.

**Real Estate Agent** - A real estate agent familiar with available land and new construction in the area can guide you through much of this process. Be certain the professional you select specialize in custom building and knows the custom builders and related professionals in the area.

### **Location: Design Team Guidance**

Your design team may help you select a location for your new home. They may know of sites in your price range with the characteristics needed for your home plan.

The feasibility of the site for the style of your home is an important issue. An architect's or builder's experience studying a lot, evaluating a set of plans, and determining how the two might fit together can provide you with options you might overlook. For instance, not all sites accommodate a walkout style home. A walkout site has enough slope to expose part of the foundation and permit access to the yard from the lower level. Possibilities the design team mentions might affect design, budget, schedule - or all three. Your builder can obtain information on the development status of a proposed lot. The cost difference between raw land (with no utility services or road) and a finished lot (road installed and utilities available) is usually significant.

### **Design Agreement**

Unless you already have a complete set of house plans, you may begin with a design agreement, also called a pre-construction or professional services agreement. This document defines the working relationship between you and your design team. A design agreement does not commit you to build the home, but describes the steps followed to create your home plans.

Typically, three phases are covered in a design agreement: design schematics, preliminary design, and working drawings. You review each phase of the work and discuss desired refinements. Each phase may require several meetings. Between meetings you make choices, list questions, and continue to imagining your new home.

**Design Schematics** – The design process begins with rough sketches called schematics usually drawn at 1/8" scale. Each 1/8" represents a foot; a wall that will be 8 feet long is one-inch long in these sketches. These drawings show the style, size, and

layout of the home you want. Sketches show how the home fits on the lot and suggest elevations (exterior design).

**Preliminary Design** - Incorporating your comments about the schematic design, the design team redraws the home, typically at ¼" scale. These larger drawings show more detail in both floor plan and elevations. Meetings include discussion of materials and their relative costs.

**Working Drawings** - These plans include fully dimensional drawings and details required for the building permit. Besides the floor plans and elevations, working drawings include a foundation plan, electrical details, cabinet layouts, and framing layouts for floors, walls, and roof. Using these, the builder can obtain prices from trades and suppliers to develop a budget.

The design agreement also lists the cost and payment schedule for each step of this process and identifies who owns the completed plans and who will pay for services of outside professionals such as an engineer.

**Computer-Aided Design** – The use of computer-aided design, or CAD systems, is increasing. This technology allows you to see the results of changes you are considering quickly. Depending on the software in use, both 2- and 3-dimensional viewing is possible. Changes can be made in a few keystrokes – adding a wall, moving windows, or changing room sizes. The CAD operator inputs your requirements and the system identifies the plans that builder has that meet or nearly meet your criteria.

### **How Much Will The House Cost?**

The exact price of your home can be determined only after the design and all your selections are complete. Throughout the design process, watch for items you want that you can add later if the total price exceeds your budget. A good design team can help you identify these details and point out many alternatives. Your builder can assist with a rough budget from the beginning, but the numbers change with each choice you make. The working budget is constantly fluctuating.

Builders use three basic methods to price homes. One is **fixed-price**. This means you and the builder both know the cost of the home described in the plans and that is the price you pay unless you and the builder agree to changes later. Another method is **cost plus**. The "plus" refers to a percentage of the cost of building the home, the builder's margin for overhead and profit. The percentage is fixed but the dollar amount you pay may change, depending on material prices and decisions you make during construction. The third method is **fixed fee**. The builder sets a fee for managing construction of your home and that fee remains unchanged. The cost of the home itself can change if you make changes or site conditions result in extra charges.

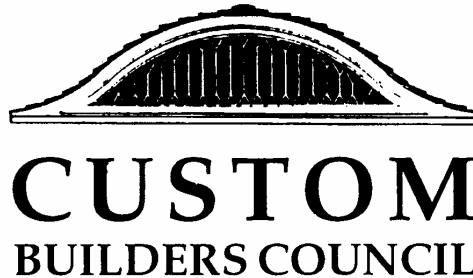
However it is calculated, the price of the home appears in the purchase or construction agreement along with a draw schedule as determined by the construction lender. A draw schedule sets out the timetable and procedures for paying bills during construction. Keep in mind that your home is being built for the first time. As construction progresses, some modification may be necessary to make all the components work together successfully on the site. The final cost of your home may also change due to items such as-

**Allowances** – If you have not made all final decisions in certain areas- for instance, floor coverings – an "allowance" will be included in the pricing. This gives you more time to consider these selections while a definite price for your home can be set. If the allowance is \$1500 and your final choice is \$1650, you will pay the additional \$150 when you sign the order. If the total is \$1400, the difference is credited to you at closing.

**Reimbursable Expenses** - The cost of some aspects of construction cannot be determined in advance. Your contract might provide for reimbursable expenses. These include such items as establishing a well for your water supply or handling unexpected site conditions such as large rock formations.

**Change Orders** - Although changes are possible during the building process, once blueprints have been drawn, engineering completed, and a building permit obtained, even a minor change can necessitated redrawing, re-engineering, and re-approval by the building department or homeowners association—costing both time and money. Take full advantage of your design meetings to arrive at a plan that expresses your new home dream and minimize changes to avoid extra costs or extending your home's construction schedule.

Many buyers begin this process with a great deal of construction knowledge. Others know what they like in a home but have not been exposed to the technical side of home building. Wherever you are on this continuum, when your new home is complete, you will have acquired considerably more construction knowledge. Do not hesitate to ask for an explanation at any point. Your design team expects and welcomes your questions, and they look forward to working with you to create your unique new home.



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