

BUILDING A QUALITY CUSTOM HOME



What You Need To Know



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Jonathon Casada
& Mike Adalis

with Dave Konkol



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This book is a work of advice and opinion. Neither the authors nor the publisher is responsible for actions based on the content of this book. It is not the purpose of this book to include all information about building a house. The book should be used as a general guide and not as a totality of information on the subject. In addition, materials, techniques and codes are continuously changing so please understand what is printed here may not be the most current information available.

This book contains numerous case histories and client stories. In order to preserve the privacy of the people involved, the authors have disguised their names, appearances, and aspects of their personal stories so that they are not identifiable. Stories may also include composite characters.

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DEDICATION



This book is dedicated to our families and friends who supported and inspired us every step of the way. We would also like to dedicate this book to our children and grandchildren, who are also the loves of our lives.

This book would also not be possible without the inspiring mentors we encountered in our lives, especially fellow builder and friend David Weekley.

Jonathon Casada and Mike Adalis

A final personal thank you to my close friend and mentor Bud Inscho for enlightening me on what is truly important in life. You showed me how to become a better man, and I am forever grateful for our friendship.

Jonathon Casada

AN IMPORTANT NOTE FROM THE AUTHORS



Please note: Although there are three co-authors on the book, they have chosen to write in the first person singular (I, me, my, etc.), as if only one person were speaking. This makes both the writing and reading much easier. So, although stories, illustrations, or examples may come from either author, they have been written as if coming from “one voice.”

Also note: In order to achieve an easy flow of language, this book has been written using the singular pronoun “he” when referring to a builder. The authors realize there are many wonderful builders who are women, but have chosen to avoid the awkward use of “he/she” and have chosen instead to use the traditional masculine pronoun when referring to a builder. No offense is intended in this regard; the decision was made merely to achieve simplicity and flow of language.

BEFORE YOU BEGIN



I am very proud of my family's legacy in the homebuilding industry. I come from three generations of builders, and my grandfather and father showed me how the "old school" way of homebuilding was done. From an early age growing up in Michigan, I remember learning how to mix concrete in a wheelbarrow, pick up shingles and carry lumber, and learning the intricacies of plumbing and roofing, electrical, heating and air conditioning. My grandfather had a big influence on me because of his love for homebuilding. My earliest recollection of wanting to be a homebuilder comes from working side by side with my dad. He was always doing projects for others and making repairs to homes. I noticed how grateful people were when he visited a homeowner and helped them out. It made me feel good that I was helping out in a very small way.

Now, as I look back on my 38 years of experience, I recall the countless questions about the things people need to know before building a customized home. To me, it's a simple and straightforward process for several reasons. I've been creating dream home for clients just like you—it's what I know best. Whether you've built a custom home before or are just starting out, this book is for you! The book is a quick read that gets straight to the point and provides the answers you need to make informed decisions about every step of the home building process. You can probably read the whole book in a couple of hours and walk away confident that you can create the home of your dreams side by side with a master builder.

So why did I decide to write a book on what you need to know before building your one-of-a-kind custom home? First, I wrote this book because I believe it can save you thousands (if not tens of thousands) of dollars. More importantly, it can save you lots of headaches and heartaches. This book delivers practical information in an easy-to-read format to guide you through the entire homebuilding process (from pre-planning, designing and building). My goal is for you to be satisfied with the overall home building experience and love the home that we've built for you. I also hope you get to understand how Jonathon Casada Custom Homes and Champion Custom Home Builders can deliver quality and assurances that you won't get with any other builder. Our clients have been very pleased with our



one-on-one consultations and helping them decide what's most important to them. We give them choices—and choices help empower our homeowners to make the best decisions for their individual family's needs and lifestyles.

The values and principles behind Jonathon Casada Custom Homes and Champions Custom Homebuilders are evident from the moment a client walks into my office. There is a plaque on the wall that clearly spells out our company's mission statement. It says, "We are a creative custom home and design building team. Our team helps in planning, designing style concepts, coordinating quality materials and workmanship, managing accounts and budgets, supervising daily construction schedules, and giving personal attention to our clients' new home details and special requests." This serves as a powerful reminder every day of the principles and values that I learned years ago from my father and grandfather. Do the best you can do. Making money was not the most important part of what you do. What you say and what you do really has a big effect on what people think of you. The quality of what you do is also very important. I keep these life lessons in high regard and pass on these same principles to my three sons, all of whom work in the homebuilding industry. Now there's another generation of Casadas bringing these shared values to new customers.

When I think back to my early days as a child working side by side with my father and grandfather, I think about all the sacrifices they made to consistently deliver a product they could stand by. Both men helped me learn every aspect of homebuilding the old-fashioned way. We didn't have all the fancy power tools and electronics that builders have today. As I got older, I knew that homebuilding was the profession for me, but it was very hard to get my foot in the door. When I was 18 years old, I had saved enough money to buy a piece of property on a lake in Michigan. A few years later, I worked with a local builder to build my first home. It turned out, however, that I knew more about the process than the builder's superintendent. Through a process called homeowner participation, I was able to do all the painting, the flooring, septic and well systems and the cleanup. It really gave homeowners a sense of ownership—the builder did the shell work and the owners finished the details. After my home was finished, the builder gave me a job working for him. I jumped at the chance and poured my enthusiasm and passion into my work. I was working 17 hours a day, 7 days a week to prove myself. He took me on as a superintendent, and I was working with guys who were twice my age. I started working on several projects and taking over different areas that

weren't as productive. Pretty soon, I was recognized as the "go to guy" in the company and helped turn around three pending lawsuits. Homeowners knew that I was the man to get the job done for them.

In the mid-1970s, my boss offered me an opportunity to relocate to the Houston area. He was starting up a new homebuilding business and was only offering a select few employees to join him. It turned out I was one of the lucky two. My family and I came down for a two-week vacation and loved the area so much that we decided to move here permanently. That was 1975.

I'm very proud of the work that Jonathon Casada Custom Homes and Champion Custom Homebuilders put into every home we build. We help people plan out and identify what is important to them. Maybe a chef's kitchen for the wife or a glamorous master bathroom, or specialty items for the children like a hideaway room. Perhaps the husband desires a two-story study with a balcony that accesses another area upstairs or a specialty wine room, or an easy flowing floor plan that works best for the family's lifestyle. We create character in every home we build based around what our homeowners envision. I enjoy meeting clients for the first time and putting their ideas on paper and coming up with creative solutions, but you won't find me in the office every day. You'll find me on the construction site overseeing every detail of the client's custom-built dream home.

Any builder can build a house, but Jonathon Casada Custom Homes and Champion Custom Homebuilders wants to build you a home. A home should meet an individual's ideas of what they like and what they perceive their home to be. They've envisioned this dream home for their family for years, and in a short amount of time, we help bring that dream to life. We are in the business of building homes with character for people, and I think you'll see that when you step inside our offices. We are as much of a part of the community as the people we build homes for.

There are few things in life as personal as your home. Making the choice to build a custom-built home can be one of life's most rewarding adventures. Without the right information, however, it can be filled with unforeseen problems and delays. Jonathon Casada Custom Homes and Champion Custom Homebuilders want you to have the best possible experience with your homebuilding process. Let this book be an essential and helpful resource. The information in this guide, based on decades of family experience, will help you make more informed choices, have less stress and greater confidence throughout the entire process. Be proud of the home

you build! Your dreams of creating your luxurious custom-built home await you. Are you ready to get started? Please visit our websites at **www.JonathonCustomHomes.com** or **www.ChampionHB.com** for more information.

Jonathon Casada and Mike Adalis





PART I

BEFORE
YOU BUILD



Oaks
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Remain
Section II

Should I Build, or Should I Buy an Existing Home?

10 Questions to Help You Decide

“To build or to buy.” That’s the primary question to answer before building a new custom home. To help you decide, ask yourself these ten important questions. Be very honest. Answer each one carefully. Keep in mind that there are no right or wrong answers. You’re simply trying to determine the best course of action at this point in your life.

Questions to consider: (Yes or No)

-
- | | | |
|--|-------------------------------------|--------------------------|
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 1. Do I have a hard time making decisions? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Once I make decisions, do I struggle with wanting to change them? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Am I a perfectionist? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is my schedule so busy it's difficult to find time to do the things I enjoy? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Does uncertainty and lack of control add stress to my life? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Am I regularly disappointed by interactions with other people? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Do I handle conflict by looking for the win/win solution? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Do I have some available time in my life for the next 18 months to two years? | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Am I realistic enough to recognize that things aren't always perfect? | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Is our family life stable enough to handle the additional activity? | <input type="checkbox"/> | <input type="checkbox"/> |

If you answered “no” to the first six questions, and “yes” to the last four, you’re ready to build! If not, you may want to consider waiting on the building process. If your answers were different on more than three or four questions, I suggest you buy a house that is already built.

In a consumer-driven economy, many families have been stretched and stressed because the timing wasn't right or they weren't the right profile of person to be building a custom home. They would've been better off buying an existing home than going through a process that wasn't suited for their life stage, temperament, or timing.

Let's look at an example of a couple that wasn't ready for the custom homebuilding process: In some ways, Josh and Melinda seemed to be ideal candidates to custom design and build a new home. However, it soon became apparent they had difficulty making decisions (see question #1). In addition, Josh was consumed by the demands of his business since he had just launched his own company three years before (see questions #4 and #8).

Josh and Melinda were habitually late for their appointments. In addition to the pressing demands of business, it turned out they were in the midst of an intensely personal family situation that was consuming their time and attention (see question #10). It became apparent that this lovely couple did not have the time at this point in their lives to spend custom designing and building a home. A quick look at the 10 questions above clearly indicated it wasn't an ideal time for Josh and Melinda to build a new home.

BOTTOM LINE

Carefully consider the decision to build or to buy before beginning the design/build process.

Which Comes First: The Builder or the Designer?

Just like the proverbial “chicken and egg” question, “Which comes first?” is a question that confuses some people, but must be answered before you start the custom, homebuilding process. While the answer may seem obvious, it’s important to know the right answer in order to avoid problems from the beginning. The architect designer comes before the builder, right?

Wrong! Read on...

Sometimes people get the cart before the horse, and in all the excitement, they get ahead of themselves. Mike and Janine thought they had done it all right. They had a roll of plans tucked under their arms, a sparkle in their eyes, and a skip in their steps because they knew they had something very special—they had the plans to their dream home.

During the last several months, Mike and Janine had spent countless hours dreaming about their new home and holding meetings with their architect designer. They went through revision after revision poring over the plans until late in the evenings. The couple worked tirelessly to make every room just right—put the baby’s room here, move the daughter’s room there, make that closet just a bit wider, add two feet to the kitchen—giving instruction upon instruction to their designer about each room.

Their dream home included the newest ideas from *This Old House*, the latest trends in low voltage lighting, and cutting-edge insulation that could lower energy bills by up to 90 percent. It had a cabana like the one they saw while vacationing in Acapulco, layers upon layers of moldings, extra tall ceilings, an additional bay in the garage, a steeper roof that was changed—not twice, but three times—because their friends told them it looked too shallow.

Mike and Janine were now ready to find a builder. They were so excited! Janine was bubbling over with her plans—holiday decorations, birthday parties, and dinners with all the aunts, uncles, cousins, and grandma. They had their finished plans, and they were now ready to build. They could see it; they could taste it; they could hear the sounds of laughter around the table.

And then the moment of truth arrived.

They were ready to talk to a builder and get him started on their new house. But here was the problem: the actual cost to build this house—the house they had labored over for so many hours, over so many months—ended up costing 40 percent more to build than they expected.

How did this happen? Well—they asked the architect designer and he gave them his estimate of what it would cost. That's what they based their plans on. *The architect designer's estimate.*

And that is the problem. The architect designer is not trained in doing cost estimates. This news was so devastating to them that Mike and Janine just rolled up their plans, walked out the door, and... sold their lot.

Their dreams had been shattered and they were crushed. After all their initial efforts, they couldn't gather the energy to start the process all over again. But it could have been different. If only this enthusiastic couple had known the importance of which comes first: the builder, not the designer.

A meeting with a qualified planning builder will help you identify the type of home that fits your pocketbook. Choosing a style of materials and cost of finishes will help you establish a rough estimated price before you start your plan design. For example: choose the type of exterior brick, stucco or stone, roof, windows, doors, energy-efficient appliances and plumbing, insulation, lighting, cabinetry and designer finishes like staircases.

If you're in this predicament and you're unwilling to sell your lot, turn the page and discover what happens next by reading Jim and Linda's story.

BOTTOM LINE

*Meet with your builder and discuss your budget before
you meet with an architect designer.*

Forcing a Round Peg Into a Square Hole

Finding a Competent Builder

Jim and Linda were the kind of people who refuse to give up. Sometimes persistence is a good thing, but there are times when pushing too hard is unwise. This couple, for instance, were unwilling to listen to sound, professional advice. They forced their opinions and ideas on a builder—and it was like forcing a round peg into a square hole. It just didn't work. Even when they realized they had received inaccurate advice from their architect designer about their homebuilding costs, they wouldn't give up their dream.

So they began to shop in earnest for a builder who would build their home for the price they were told. Would Jim and Linda find a satisfactory and skilled homebuilder?

Maybe. But the builder they seemed to want—one who would be the answer to all their problems—would have been either a builder who was desperate for work or one who didn't know how to price a home.

Finding a competent builder can be challenging, but when you know what to look for, you'll get an accurate estimate and good advice. Many builders won't (or don't know how to) price a home while it's still in the concept stage. If most *builders* can't do this, it certainly makes sense that most *architect designers* can't either. After all, architect designers are trained and skilled in *designing* and creating what they are asked to create.

Homeowners who don't have a good handle on pricing will tell the designer what they want and the designer will only do what he was retained to do.

I'm not blaming designers for not knowing about estimating accurate costs; it's not their area of expertise.

After dozens of exhausting interviews with many builders, Jim and Linda got their homebuilding costs down to a price that was only 20 or 30 percent less than the initial estimate—still well over their budget. But they didn't want to give up their dream; they were willing to do anything to bring their dream to fruition.

At this point, Jim and Linda had some choices to make. Instead of cutting their losses and stopping the spending, they continued to pour more and more money into a project that wasn't suitable.

There are plenty of potential homeowners who receive bad advice from a builder and find out one or two years later that their building project is a disaster. Sometimes they begin frantically calling reputable builders in the middle of a project, pleading for help because they finally realize they have relied on poor advice and ended up involved in a lawsuit with their builder.

Please don't do this to yourself. Save yourself and your family the agony of lost time, lost dreams, or lawsuits. Life is too short. It's not worth it.

Get good advice from a competent builder. Interview several first to determine the right one for you and your custom home project. A competent builder will explain the homebuilding process and all the steps along the way. He can guide you through the entire process so you feel confident and secure in your purchase decisions. His firm will have an excellent reputation and be up-to-date on building codes, land, and procedures. Check out the company's references and previous projects completed.

BOTTOM LINE

Make sure you get good advice from a competent builder.

Don't Buy That Lot!

Call Your Builder First

People sometimes call me when they are “almost” ready to talk to a builder. They’ve been looking at lots and have narrowed their choice down to two or three options. As soon as they purchase their land, they want to talk with the builder to discuss the home they want to build on it.

Instead of buying a lot first, we advise people to first talk to a builder. Request a meeting with your builder to look at the lots *before* you buy one. If you’ve never purchased a lot (and most people haven’t), you could be walking into serious issues that you’re unprepared to handle. Before you buy a lot, there are several things to consider. If you purchase land based primarily on price, you may discover unexpected additional costs and issues later on. Here are just a few items you need to know:

- ↳ Fill dirt may be needed that may cost thousands of dollars.
- ↳ Often it’s necessary (especially on lakefront lots) to do soil testing to ensure that the soils are suitable to hold the home in place.
- ↳ Testing for the suitability of a septic system (if applicable) may need to be conducted. Often, local health departments will increase their requirements for septic systems. Sometimes they require a mounded septic system, and that can be an unexpected additional cost. The homeowners may look at the lots adjacent to theirs and assume that the septic system can be placed below ground, only to find that a raised mound system is now required by the local municipality, and that can be very unsightly in the front yard.
- ↳ Local zoning requirements may have restrictions regarding the front, side, and rear setbacks that may be more limiting than a buyer realizes.

➤ Some municipalities have lot area coverage ratios. That means restrictions are placed on how large a home you can build on the lot. In some cases, there may be existing proposals to restrict lot coverage ratios. If you unknowingly have outdated information, you may be designing a home that is too large for your particular lot. You can spend six to twelve months designing a home, only to discover that local municipality restrictions preclude the building of the home you just designed, and that may mean thousands of dollars of expenses and many months of wasted effort.

Other things to consider include:

- Is there an old home to demolish, and how much will it cost to remove?
- Sewer and water capacity will need to be checked with local municipality for approval.
- Drainage is an issue that can cost you thousands of dollars. Be aware of the local requirements and restrictions in these areas.

Of course, this is just a short list of issues to consider before you buy a lot. I suggest you meet with an experienced, professional builder and area realtor before you sign on the dotted line to purchase your lot. Obtaining current, accurate information allows you to make an informed buying decision.

BOTTOM LINE

Talk to your builder first; buy the lot second.

Do I Have to Like My Builder?



So now you've selected a competent builder. But you may ask, "Do I have to like the guy? If he has a good reputation as a builder, does it really matter if I like him?"

Yes, it matters. Don't sign a contract with a builder you don't like, trust, or respect. If you do, you could be headed for trouble.

Why? Because this is a long-term relationship and a long-term relationship with someone you don't like, trust, or respect can be challenging, frustrating, and more than disappointing. The planning stages of custom building a new home can take anywhere from months to years. Actual construction may range from six months to 24 months or longer, depending on the size and scope of your home. Add to that a one- or two-year limited warranty time period, as well as the fact that you may need additional information from your builder for many years to come regarding warranty information, vendor and subcontractor contacts, and other nuances.

In this business, it's not uncommon to lose some contracts to other builders and it usually boils down to *perceived* costs. A prospective homeowner may initially think our pricing is higher than our competitor, but most often that's because we didn't have the opportunity to thoroughly compare the two proposals. In most cases the additional increase in pricing is a more detailed description of the spec (higher quality of materials and labor), or an increase in selectable allowances.

We like to ask our homeowners why they chose us to build their home. Often the answer is trust. When challenges arise in your project and you call to ask questions, it's important to know that you'll get a straight and honest answer.

Do you respect your builder's values? You don't have to socialize together, but sometimes people choose a builder they actually dislike. Maybe the husband likes the builder or his price, but his wife doesn't care for his style, approach, or manners. Ask yourself this question: Is there a reason you're uncomfortable with this person? If so, why in the world would you trust him to build your single most important investment? If you or your spouse sense that a potential builder operates from a less-than-honest value system, why would you trust him to operate his business with honest values?



During the construction process, there will be times when your builder will be making some judgment calls. Many of these will be unknown to you, and that's just part of the business. When it comes to your home, you'll want to know that your builder will be making choices *as if it's his own home, as if his own family's safety depended on the choices he makes.* Not just what will pass code inspections. No shortcuts for a quick profit.

Are values important? You bet they are!

BOTTOM LINE

*Don't sign a contract with someone you don't like, trust,
or respect.*

Pick Three Out of Four

Quality, Speed, Service, Price

Jim and Susan had six—count ‘em, six—separate flooring companies at their home in a three week period providing estimates to sand and refinish their hardwood floors. About a month later, an unusual sound came from Jim and Susan’s house, loud enough that everyone in the neighborhood heard it. There was an explosion of screaming and yelling that continued for several minutes. A hardwood flooring van was parked out front; can you guess what happened? The couple expected a beautiful, high-quality floor, but what they got was what they paid for. They were not happy.

Jim and Susan had selected their hardwood flooring contractor based strictly on price, but somehow they expected they would receive quality, speed, service, *and* the best price. Sure, they probably got the lowest price, but with it came a lot of heartache because they expected more and got a lot less.

It’s no different than selecting a builder for your custom home. You need to determine what you value and decide what’s most important: quality, speed, service, or price. Of course, you want all four components, but most often you will need to find a builder who can provide three out of four. That’s reality.

Is it reasonable to expect that you’ll get a builder who will give you the lowest price with great quality, great service, and a timely finish? Let’s consider the merits of each:

1. **QUALITY:** A good company prides itself on providing a quality product, especially in the custom home market. They encourage prospective homeowners to look closely at the work they’ve done for other homeowners and affirm they would be pleased with the excellent workmanship the company provides. Comfort with quality, luxury with outstanding craftsmanship.
2. **SPEED:** An on-time finish is important, but there may be times, especially in a busy market, when a builder misses some deadlines. If that happens, you want your builder to proactively communicate with you, and, if possible, find a way to make up the time and get it done quickly.

3. **SERVICE:** A builder with exceptional customer care will provide good communication and attend to the homeowners needs before, during, and after their home is completed.

4. **PRICE:** The best companies aren't usually the cheapest, but consider this: they're probably not the most expensive either. Great companies deliver good value. An honest builder charges at or below market value for the level of service and quality product they provide. Very seldom is the cheapest price the best choice for a homebuilder.

Don't make the mistake of thinking you can have all four qualities in one builder. A Lexus or a Mercedes is priced differently than a Pontiac. If you pay Pontiac pricing (like Jim and Susan) and still expect a Lexus or Mercedes level of performance, you are setting yourself up for disappointment, conflict, and sometimes even a lawsuit.

Know what's important to you and adjust your expectations. If cost is your most important value, then choose the contract with the lowest price. However, if you value quality, be sure you look for excellent workmanship. You can get the results you want in a quality, custom home; just be sure to select your builder based on what you truly value.

BOTTOM LINE

Realistically expect to get three out of four components from your homebuilder. Decide what's important to you.