

RUSSO
DESIGN + BUILD
WHERE QUALITY AND CRAFTSMANSHIP MEET

PLANNING GUIDE

SECRETS TO BUILDING A
QUALITY HOME

4 AREAS TO FOCUS YOUR RESEARCH



MISTAKES TO AVOID

Too often I see people getting overwhelmed from the process of building a new home - giving up before they even get started. Here are some of the most common mistakes I see people making when it comes to building:

- **Focusing on a floor plan.** When you work with a builder it's important to understand the personalize/build process. *You're not buying a floor plan, you're partnering with a firm to personalize and build a home to your specifications within your established budget.*
- **Getting 3 bids.** Now I know what you're thinking - here's a builder I might choose to build my home and he's telling me not to check my price! Let me explain. There is a specific process of obtaining competitive bids which I will explain in detail in the **Pricing section**. What I'm referring to is using a low bid to choose a builder. This normally ends in disaster for you as the consumer. I will help you find potential builders to work with in my **Choosing a Builder section** - including giving you detailed questions to ask any potential candidates.
- **Not allowing enough time.** We're all busy juggling work, family and everything else in our lives. It's important for you to realize building a new home is an investment of both money and time. And think about this. How many years do you want to live in your new home? Isn't it worth taking the time to make sure your new home is designed and built just the way you want it?
- **Settling on a used house.** There's a good chance you may be looking at used houses right now or have done so in the past. Maybe you're using a Realtor® too. That's okay. Just keep a couple of things in mind. Used houses are attractive for a couple of reasons. They're already built and you can move right in plus used houses are priced lower than a brand new home. In my **Price section** I'm going to share with you the difference between low price and low cost. A lot of people buy a used house based on a low price only to realize the house needs remodeling for antiquated design and deferred maintenance. When you add all the extra costs of ownership up you could have built a brand new home for less than the cost of the used house.
- **Building a new home is too expensive.** Probably the biggest mistake I see. The #1 cost of ownership home buyers don't take into consideration is remodeling. Remodelers get calls all the time from people who own homes that are less than 10 years old. They're requesting new kitchens, bathrooms, owner's suites and additions. These projects can run from \$20,000 - \$200,000+ and when they're done you still own someone else's dream home. *The #1 reason to build a new home is to avoid having to remodel because the home was designed for someone else!*

4 AREAS OF RESEARCH

1. **Design:** We'll take a look at how to determine the right design for you, photo galleries, floor plan libraries, what makes a great kitchen and bathroom plus a lot more to make sure you have plenty of ideas for your own home.
2. **Location:** I'll help you with criteria to choose the right city, neighborhood and specific homesite to build on.
3. **Price:** The 3 costs of your new home are the location/land you choose, the materials/lumber you specify and the installation methods/labor your builder uses to assemble all the materials. Land cost is land cost and there are no variables there. Most lumber and products are priced on a world-wide commodities market so the variance between home builders is typically pennies. Labor, however, has huge variances depending on the skill set of the trades and how the materials are specified to be installed. I'll go over all of the items you need to be aware of so you don't end up with shotty workmanship. We'll discuss design elements that can add dollars to your project too.
4. **Choosing a builder:** Every builder you meet will tell you they are a quality, family owned business that has great customer service at a competitive price. So how are you supposed to find the best builder to work with? Building a new home is a partnership between you and the builder. Before you ever talk price with your builder you need to determine if they're a good fit. I'll go into detail of the questions to ask and tips for picking the right partner.

If you have ideas or questions about your specific project that were not addressed here, please give us a call at 484-939-9654.

RUSSO
DESIGN + BUILD
WHERE QUALITY AND CRAFTSMANSHIP MEET

KEY TERMS

- **Value Engineer:** The process a builder employs to maximize the value of a floor plan. This includes using customer feedback to improve livability and lowering costs through efficient design elements.
- **Personalize/Build:** The process of personalizing a home and building from the chosen floor plan, specifications and scope of work.
- **Semi-custom:** Modifying an existing floor plan to better suit a desired lifestyle.
- **Budget:** A listing of all the items involved in building in order to come up with total price.
- **Price per square foot:** The total cost of a new home including architectural design, product features and scope of work divided by total square feet of finished living space. Land costs, garage space and unfinished space do not apply in this equation. Lower level (below grade) finished space is sometimes part of this equation (if applicable).
- **Price:** The total price you pay for your new home at the time of completion.
- **Cost:** The operating or ownership cost of living in the home after it is completed.
- **Financing:** Bank loans and other sources of funds needed for building projects. The two types of loans used in new home construction are Construction-to-Perm and End loans.
- **Finishes:** The hardware and materials applied to your home in the last phase of a building project. Examples include countertops, light fixtures, floor covering, cabinets, and appliances. (The term stems from "finishing touches.").
- **Scope of work:** A document that specifies the exact work to be accomplished, including installing the finishes and other materials. Used as a guide for the person doing the work and as a checklist for the builder's quality control process.
- **Specs:** The specifications for the materials used in the build. Used as a reference for producing a budget and ultimately becomes the purchase order for suppliers at the time of construction.
- **Square footage:** The total size of the new home; floor plan area measured in square feet.

- **Turn Key:** When a new home is completed and handed over to a customer completely finished and ready to occupy; no more work is required except to turn the key and step inside.

DISCLAIMER

This content is a work of advice and opinion. Neither the authors nor the publisher is responsible for actions based on this content. It should be used as a general guide and is not intended as a definitive source on the subject of house building. Moreover, materials, techniques, and codes are continuously changing, and the information here may not be the most current information available.