

Build Your
New Home

Build Your New Home



The Big Picture

New Year's we spent the day with good friends, enjoying ourselves with food and watching football. On my way to get pizza in the kitchen I noticed one of the most difficult jigsaw puzzles I had ever seen on the dining room table. Our friend said it had been a very **mean** Christmas gift. She truly felt overwhelmed by it. Just looking at this started puzzle on the table and the box picture gave me a headache.

Some of us feel that way about building a home. It sounds like a nice idea we'd love to have a home that was not only brand new, but had a floorplan well-suited to how we wanted to live. And the kind of design inside and out that really felt like it represented who we are and what we value.

However, many of us feel overwhelmed by the idea of the process and all the puzzle pieces that need to be worked out. **We are afraid it will be too expensive, with too many decisions and too many chances for mistakes.**



Build Your New Home

Many of us have heard a few disheartening stories of others working with builders. Countless miscommunications and cost overruns left them feeling dissatisfied with the process and we don't want that to happen to us.

When we stood looking at that crazy-tough puzzle, we had an idea that with some help our friend could get it done. So we sat down and added our eyes and effort to the task. We also laughed a lot and encouraged each other, making it a great deal more fun. By the time we left, the puzzle was more than halfway completed and her despair was gone (she finished the puzzle 2 weeks later).

Just some help from her friends made all the difference.

We offer this ebook in that spirit.

This ebook

This is a remarkable time to build a home with low prices, low interest rates, and builders wanting your business more than ever.

We will show you how to minimize common problems that can occur during the building process. It is our hope this ebook will build your confidence to build a home, whether you build with Breeden Homes or another builder of your choice.

We divided this ebook into three sections:

- **How to Get What You Want from a Builder**
- **How to Get the Price You Need**
- **The Design Process**



Get What You Want from a Builder

Ask Good Questions

One of the best ways to get what you want from builder is ask some key questions right from the start. Find out all you can about their process, communications, documents, and other things you should expect as you work together.

What is your design and communication process?

If you are doing a custom design or customizing a plan, the builder should be able to tell you the general process they take their customers through. Ask what the process is and who will assist you. Do they have design experts to help? How experienced are they?

What is your change process?

How long do they allow changes to your plan? What is their change order process? Will you know fairly quickly if your changes will add to the cost and/or the timeline?



You want a builder who knows how to work things out fairly and promptly.

What about visiting my construction site?

Ask about visiting your home construction site. Do they give regular inspections to their buyers?

What was the experience of some of your past customers?

Ask for the names of 2 or 3 of their past customers that would be willing to talk to you. Find out what their experience was with the builder. One of the most important questions is, “how did they resolve problems?” In the home building process there will always be some issues or miscommunications along the way. You want a builder who knows how to work things out fairly and promptly.

What is your home warranty coverage?

Ask about warranty coverage. How is the house covered and for how long? Is there personal service coverage by the builder for the first years, as well as independent coverage for longer? Look for both.



How to Get the Price You Need

An experienced lender can be your advocate during the process, alerting you to problems.

Talk with an Experienced Lender

A well-experienced lender in the home building process can be one of your best resources. We have noticed over the years this makes a huge difference for our customers, as everything tends to go much smoother.

An experienced lender understands the difference between a resell purchase vs. a new home purchase. They know to allocate money for change orders, they understand how the loan approval process is different, and they are familiar with the different way the appraisal process is done on the home. They can also be your advocate during the process, alerting you if they see any problems.

Communicate with your lender frequently through the building process. Share money changes along the way and get their advice.

For a recommendation of a local lender we know first hand understands the building process and advocates for the buyer, go to our information page (last page of this ebook).



Build Your New Home

With your lender, determine where you definitely want to be with your mortgage payment and get clear about the home price you will need. Also, ask your lender what is needed for a construction loan as these are different from the mortgage (which you convert to at closing). Get specific numbers like in the chart below.

	Home Purchase Example
Home Purchase Price	\$240,000
Down Payment (10%)	-\$12,000
Loan Amount	\$228,000
Approximate Closing Costs The builder may be able to assist with closing costs, be sure and ask.	\$6,000
Monthly Mortgage Payment	Monthly Payment Example
Principal and Interest Example is a 30yr fixed 5.3% loan	\$1,266.09
Taxes Example is Junction City's Tax Rate	\$256
Homeowners Insurance	Varies

Ask if the builder has a construction loan program, it may save you money.

Work with the Builder

Talk to the builder and tell them your price range as well as your home requirements. Be sure and give a range so you aren't locked into a price. It will leave you room to negotiate when that time comes. Get information: like funds needed for construction, total rough price of the home and land, and if the builder has a construction loan plan of their own (this can save you money).

Ask about Money Saving Alternatives

Ask the builder about products that are good alternatives to high priced items on your list.

Ask about ways to save money or continue to save money through maintenance and energy efficiency, such as lower exterior watering requirements, reduce lawn size through attractive design and low maintenance plants, and crushed stone pathways versus concrete,

A bigger room or home may not be better. Ask about ways to get efficiency in storage and functionality of a room. For instance, design a room that works as an office space, a den, and a guest bedroom.

Get Specific about the Features

Develop a list of options you want for your home.

Work with builder to develop a list of options and changes for your design. Insist on getting prices promptly on your items (that differ from the builder's "standard" products). Expect 2 to 3 working days turnaround (complicated things may take a little longer).

Create a list of variables for your design and interior amenities:

1. Different kitchen sink and faucet
2. Change master bath floorplan to add tub or Jacuzzi
3. Change the design to add covered patio
4. Get the cost of Cherry cabinets for whole house
5. Get the cost of hardwood floors in kitchen and dining area
6. Get the cost of larger tile entry and pathway to kitchen
7. Ask about special electronics or electronic outlets
8. Ask about exterior paver treatments
9. Consider special window or skylights
10. Consider options on doors and door hardware
11. Ask about special plumbing- i.e. utility sink, fixtures
12. Consider lighting needs: low wattage ideas, task lighting, etc.
13. Explore upgrades to the heating and cooling design



Wait to negotiate your price until you are ready to sign the contract. Resist negotiating over small details, you'll likely get a better deal once your home package is decided.

Ask your builder to create a spreadsheet of all options and prices. Use the spreadsheet to keep track of what has been added and what has been removed. The spreadsheet should keep the bottomline clear for all parties and can be used through-out the process.

Explore with the builder things like storage shelves, desk nooks, parts of the landscaping that can often be done much cheaper during construction. If you had planned on doing it anyway, see if your builder can do it cheaper than you doing it yourself.

Negotiating Your Price

Wait to negotiate the full purchase price when you are done selecting from your options/upgrade list. Negotiating should begin when you are ready to sign the contract. Why? The builder is not motivated to discuss this until it looks as though the buyer is ready to sign. Also, if pricing is not done, both parties are working with a moving target. And finally, you are more likely to get a better deal once the home package is decided.



The Design Process

The design process is where you make a house YOUR home.

While we can't tell you the exact process of other builders, we can give you one of our processes as an example. **Many of our customers customize one of our standard plans when building a home with us.** Below is the general process our customers go through. (You can get a more detailed explanation on our website and see our custom design process).

Customizing a Plan with Breeden's lets you:

- **Start with a tested and well-designed floor plan**
- **Save money**
- **Speed up the process**

1. Pick a Plan- To get started customizing a plan first pick one of our plans. Either use our website or meet with us.

2. Meet with Us- Now is the time to bring your ideas and learn about the process of designing and building a home.



3. Idea Review Meeting- When you meet with our Home Consultant you'll do a number of things:

- Review your ideas and get ours
- Make your initial choices

4. Your Initial Design and Price- We'll develop your design and initial price. This would be a good time to communicate with your lender.

5. Refining Your Design- Next, you may want to meet with our Home and Interior Designers and consider options to further personalize your home or save costs.

6. Design Package Approval- You and your Home Consultant will go over the final Design Package and price in detail for your approval.

7. Lender Pre-Loan Approval- You'll need to ask your lender, with final purchase price in hand, "Does this work?"

8. Home Purchase Contract (HPA) is signed.

9. We Start the Construction Process



Helpful Links

Please let us know if we can answer any questions or if you would like to explore building options with us. And be sure and visit our website for lots more information about building with Breeden. Use the links below to get more information.

Tax Credit Information Links

- federalhousingtaxcredit.com
- irs.gov/newsroom/article
- nahb.org

Experienced Lenders

- Alpine Mortgage - Laurie Willis

Breeden Website Links

- Floorplans
- Current Available Homes
- Neighborhoods
- Customize a Plan
- Build a Custom Design
- Contact Us

Call Us at 541-995-4767

