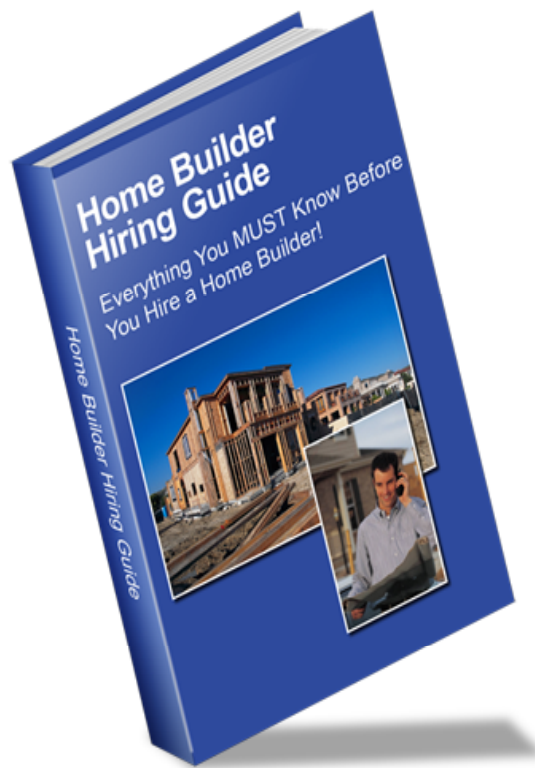


Home Builder Hiring Guide

Everything You *MUST* Know When
Choosing a Home Builder



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INTRODUCTION

You're about to build a home! Congratulations, it's such an exciting time! You probably have all kinds of visions of what you want in your new dream home, and are thinking about where you're going to put your couch and hang that piece of art. But wait. It's great to get caught up in the excitement, *as long as you have a chance to*. Why wouldn't you? You won't, if you choose the wrong homebuilder!

A homebuilder who isn't licensed, qualified, or capable of building your home in a timely manner, at the cost specified, and with the least amount of stress to you possible, will only make building your home a miserable experience. Building a home is very stressful; and how much responsibility lies on you and how much of a say you have in the whole process will depend on the homebuilder you choose.

A good homebuilder on the other hand, will make your homebuilding experience everything you're dreaming it will be, and will allow you to get caught up in all the excitement of it! So how do you find a good homebuilder? By doing a lot of research and knowing a lot about the homebuilder before you sign on the dotted line.

And, you don't only need to know about the homebuilder you ultimately end up choosing to build your home, but also any other homebuilder you're considering. This is so that you can gain as much knowledge as you can about all the homebuilders available to you, cross compare them, and then decide which one is going to be the right homebuilder for you.

There really is a lot to know about different homebuilders. You need to know if they are certified, licensed, and have the proper registrations; what sub-trades they work with; how their bids work; if they have references; information about their model homes; and so much more!

It can definitely seem overwhelming but it's so important that you take the time to research all of the homebuilders, and definitely the one you end up using. Skipping even one step or one question could mean damage to your home that you'll have to live with as long as you're in it.

So how do you know what to ask and what to research in a homebuilder? And what if you don't even have a list of potential homebuilders made yet, let alone know how to start making one? Don't worry, you don't have to get lost in it.

After all, the reason you're investing so much time in researching is so that your homebuilding process is stress-free! Follow this guide on how to start looking for a homebuilder, and what to ask of the few you find once you do. Here you'll find everything you *must* know when choosing a homebuilder!

WHO DO YOU NEED?

There are a lot of different terms out there for homebuilders and if you're looking for one, it's easy to become confused on who's who. And it's important to know the difference because it could affect the style of home you get. Or, you could just waste a lot of time researching a company that can't build you the kind of home you want anyway!

Developers

Developers sometimes build homes but they usually just develop large plots of land for building. This means that they'll take an empty lot, that has had nothing done to it, and turn it into an area that's suitable for building. This includes things such as getting it serviced with utilities, roads, and sewers. If you don't already have a lot of land you want to build your home on, you may need a developer. If you already do have a lot of land, you probably don't.

Large Building Companies

These companies usually purchase large tracts of homes and build lots of homes with a few different styles among them on that tract. While this allows for some customization by the homeowner, choices are limited so make sure that you either like the model homes that the builder has available to show, or that you don't have a huge list of custom 'must-haves' for your home.

Small and Medium Sized Building Companies

The good news is that you can almost get anything you want with these companies. If you want a single family, duplex, or townhouse, a small or medium-sized can handle just about any project on any type of land – as long as it's low-rise! The drawback with these companies is that, because they're smaller, they build much fewer homes a year than larger companies. So you might not get your new home built as quickly as you would like.

Custom Builders

These builders will build you anything you want, with any finishes or materials that you want, as long as it falls within code. If you want a really unique home, that's truly all your own and not like any other, than you probably want to go with a custom builder. What's the drawback with these companies? They're expensive!

Manufactured Housing Builders

Many actually wonder if this can be considered 'new home building' or whether it's just 'new home assembling.' That's because these types of homes are constructed, either in different pieces or as one entire unit, in a factory before they are shipped to the home's job site. Upon arrival there, all of the pieces are then fitted together.

You can still get customization, and that will be done on site. How much time the assembly takes at the site will depend on that customization and the foundation that's required for the home. These homes often go up quicker because they are pre-made at a factory. But while you'll still get some customization and a quick process, you'll also be missing out on things like seeing your home being built from foundation to roof to finishing, and you might not be able to see the home at all until it's completely finished.

WHERE TO START

There are a few things that you need to do before you start to look for a homebuilder, and they don't involve talking to any homebuilders or even getting any references! The things you need to know are your budget, where you want to live, and what you want in your home.

You need to know your budget because different homebuilders will have different costs attached to their homes; and these costs could range from a couple of hundred thousand dollars to millions. How you set your budget is up to you but it's a good idea to remember that not only will you need the money for the home, but also possibly appliances, and any added features that may come up along the way.

The bottom line is, when you're setting your budget don't build a house that's going to take every penny out of that budget. Leave a little wiggle room so that if those double bathroom sinks are going to cost a little more, you can have it.

The next thing you're going to want to know is where you want to live, and this is for a few reasons. First obviously, you want to know that you will like that location for as long as you're going to live in your house. But even more importantly than that, you need to know what builders build in that area. You wouldn't want to spend weeks researching a homebuilder, only to find out that they don't even build in the area in which you want to live.

Lastly comes the fun part – you get to decide what you want in your home! Do you want three bedrooms or four? A master bath or just one bath on every floor? Walk-in shower, or huge whirlpool tub? Think about every detail of your new home, and every single thing that you want out of it. Yes, this is the part where you get to dream!

And you should dream as much as possible! Include every single detail that you want in your home because a good homebuilder will be asking you about everything you want in your home. Having all of the details nailed down about what you want will allow you to do an equal cross-comparison of all the homebuilders you're looking at.

You don't want to compare a price for a home that has a 500 square foot kitchen with an island and all the newest features, with one that's half that size and no upgrades. This is because you won't get a fair comparison; the latter kitchen is bound to be cheaper – no matter what builder you're going with!

Once you've decided on your budget, where you want to live, and what you want in your home, it's time to start looking for a builder who can do it!

BEGINNING YOUR SEARCH

So you know what you want in your home and now it's time to find someone to build it. But where do you look? Many people building a home have never done so before and so they have no idea where to look first. But you don't need to feel completely lost. There are a few key places to start looking for a homebuilder and once you've looked at just a few of them, you may be surprised at just how many names of different homebuilders you have!

Just like when you're looking for anything else, one place to start is in the newspaper. Don't flip to the classifieds though, go instead straight to the Homes section. This section will tell you about the builders in the area and may even have pictures of some of the homes that they've built.

Also, make sure to talk to anyone you know who has built a home lately, or know someone who has. If the person you speak to isn't the one who got the home built, ask for the name and number of the person that did, and if they would mind you calling them. Then you can ask what they liked about their builder, what they didn't like, and if they were happy with their home when it was finished.

Fortunately though, you don't only need to rely on newspapers and word of mouth. There are many professional associations and programs that you can look into that will give you some names of registered builders. The Home Builder's Association and new home warranty in your state will also have names of registered and licensed builders in your area.

Another place that many people don't think of is finding home shows. There are always tons of builders at home shows that are promoting themselves and their homes. They will have lots of brochures, pamphlets, pictures, and other information regarding the homes that they've built in the past and homes that they're currently building.

While you're there ask them any question you can think of, including what prices their homes are usually sold at. Collect as much information as you can, and then go home and compare everything. This is a great way to get a real feel for builders, and gain a better understanding of who they are, and what kind of home they'll give you.

RESEARCH, RESEARCH, RESEARCH

Most of the research you do on different homebuilders will be directly with the homebuilders, asking lots of questions and getting the answers that you need. But before you start calling homebuilders to interview them, there are a few things you can do beforehand to find out if there's a builder you're most interested in, or one you want to cross off your list.

Model Homes

More and more builders today are setting up model homes for their potential clients. This is beneficial for both the builder and the homeowners. It helps the builder because they don't always have to keep printing more blueprints for other homeowners. Of course, it helps the homeowner because you'll be able to see the home that you'll be getting and have the opportunity to look around at the materials and finishes they use.

It's important to keep in mind when you visit model homes that you only pay particular attention to things like the floor plan and the basics of the home. This is because model homes are used to *sell* to the homeowner. Because of this, they usually have tons of upgrades in them! It would be very disappointing to expect to get granite countertops and then, be disappointed when the countertops come in and you find that they're laminate countertops.

Of course, you do want to make sure that you look at some of the things in the model home. Pull out drawers, open cupboards, and open windows. Make sure that everything is working properly and smoothly, and that you don't see any signs of poor workmanship.

Job Sites

We have all walked by a construction site at one time or another, or seen a new home going up in our neighborhood and watched the entire process from start to finish. Drive around and look for new home job sites just like these. Once you find one, get out and have a look around. Of course, you probably won't be able to go in the partially constructed home or maybe even get close to it, but there's a lot you can tell just from looking around.

Is the construction site messy and sloppy? Are there lots of materials lying around everywhere? Are tools and equipment stored neatly and nicely put away? Is everyone on the job site wearing harnesses, hard hats, and other safety equipment? All of these things will tell you if the company takes their job seriously and if they're professional, even if you can only take a quick walk around.

Visit Their Website

Just like you can tell a lot about a company by their job sites, you can also tell a lot about a homebuilder by their website. A homebuilder's website will give you much more information about the company but you won't be any under pressure to hire them to build your home.

You'll be able to see some of the projects that they've worked on in the past and also read some testimonials from past clients. Again, you may not be able to make your final decision based on the website alone, but it will give you a better indication of the company, and of what you can expect from them.

Talking To Builders

Once you have done all the research that you can do on your own, it's time to start talking to builders. Be warned that it's this part of the process that will probably take you the longest time. There are LOTS of questions you want to ask and again, missing even just one can result in you not having the home of your dreams when all is said and done. And, not only do you have to ask a lot of questions, but you also have to ask them to a lot of builders – every builder you're considering, in fact.

Don't know where to start? Don't worry. Below is a list of questions that you can start with, and of course, add your own to. And most people will tell you to write all of your questions down before you go so you don't forget any. You don't need to write them down, because all of the questions are listed at the end of the report for you! But, you might want to write down the different answers you receive. You'll be talking to a few homebuilders and you don't want to confuse one company's answers for another.

THE 27 MUST-KNOW QUESTIONS TO ASK A POTENTIAL HOME BUILDER

Do you have all the required licenses, registrations, and certifications?

This is the most important question and should always be asked first! If any builder tells you that they don't have all the necessary documentation but tries to give you an excuse such as 'They're coming' or, 'That's set up for next week,' then drop them and find another builder. A good builder will have all of these things in place before they even start talking to new homeowners. And, if they say that those documents are coming, you can pretty much guarantee that they're not.

How can I make sure that the home will comply to all codes when finished?

There are all kinds of codes that homebuilders need to adhere to, and tons of licenses and permits they'll need to get along the way. Make sure that you know that your home will meet all industry standards, and that you have a way to verify that it is.

How long have you been in business?

This question doesn't mean that *new* homebuilders are *bad* homebuilders, but it does mean that you want to get an idea of the homebuilder's experience. If they've been in the business for 25 years, you'll pretty much know that they have a lot of experience and knowledge. If the builder has only been in the business for a year, you might want to find out what other credentials they have.

Are you a full-time builder or part-time?

Again, this will give you an idea as to how established the company is and how serious they are about their business. When you're building a home, you want to make sure that you have a

dedicated builder who will stay focused on the project from beginning to end, not one that's just building your home on weekends.

How many people work for your company?

This doesn't include all of the trades and sub-trades. What you want to know is how many people are reporting for work to that company's office every single day. This will tell you whether the company has a lot of depth and whether they are professional, or whether it's a guy working out of his truck.

How many jobs does your company have going currently?

You want to make sure that the company isn't just desperate for any job, so you want to know that the company has a few other jobs going at the same time – even just one or two is good! But also beware of any homebuilder that has too many jobs at one time. Your home might get lost among them.

Do you have any outstanding bids at the moment?

A bid is a homebuilder's quote. It's what they will give you to tell you how much approximately your house will cost to build. Ask this question for the same reason that you asked the above question – to make sure that your home won't get lost among jobs. Also, will your home move to the bottom of the list just because you got a later bid?

How do you manage your jobs on a day-to-day basis?

There is a lot that goes into building a home, and lots of people you have to rely on to make it happen. What's more is that all those people need to be managed by someone or there are bound to be mistakes! You need to know who checks the quality of work, who is responsible for correcting mistakes, and how progress is recorded.

Who on-site will be in charge of my house every day?

You definitely want to know who's going to be in charge of your house at the job site every day! Don't only get their name, but make sure you get their cell phone number and all other contact information as well.

Have you or your company ever been sued before?

If a job goes very wrong, or if a homebuilder doesn't take responsibility for mistakes after their job is done, homeowners have the option of suing. Of course, if your homebuilder has ever been sued before, this is a very bad sign! Any homebuilder is likely going to tell you that no, they have never been sued. But if you really want to get the truth, search the courthouse – all of the records will be there.

Have you or your company ever sued anyone or placed mechanics liens against a home before? What was the disagreement?

This will also tell you a lot about the company. While there are definitely instances that call for a lien to be placed against a home, this also isn't always necessary. Was it a problem with payment? Did the homebuilder try everything they could before placing the lien? Does the homebuilder seem reasonable? You definitely don't want to be worrying the whole time about whether or not they're going to sue you!

What is the worst building experience that ever happened to you?

There is no right answer here, but there's definitely a wrong answer. If a builder tells you that they've never had a bad building experience, find another builder. No one can have a perfect experience every single time they do something, no matter what they do. If they do have a story to tell you, listen! What does the story tell you? That the builder is lazy or sloppy in their work? Or that they really care about their customers and will do anything to make sure that they're happy? Bad experiences can shed both good and bad lights on companies, depending on what they tell you.

What is the best building experience that has ever happened to you?

Again, there really is no right answer here, but there's not really a wrong one either. (Unless of course, they tell you that they've never had one – which they're not likely to.) But really listen to the story the builder tells you, and take away from it whatever you can.

How long is your typical downtime between jobs?

A trusted, reputable contractor doesn't have a lot of time between jobs and usually, they won't have any. If your builder tells you that they usually have a week or two between jobs, they may not be taking their business seriously and they're obviously not very high in demand.

Describe your two best customers.

Here you're just really trying to get a feel for the builder and the relationship that you will have when working together. Listen to their description. Do those customers sound like you, or like the opposite of you? If they sound like you, you'll probably have a good rapport with your builder. If not, then you might not.

Describe your two worst customers.

Again, every builder has had a bad customer at some point. It's okay if the builder tells you that they love all of their customers, but some have been more challenging than others. If on the other hand, they only gush about how awesome their customers are, they're probably lying. And if they're lying now, they probably won't be entirely honest during your entire home building process.

Do you use sub-contractors and how long have you used them?

Most homebuilders will use sub-contractors. They have to simply because there are so many different elements of a home. But you'll definitely want to know how long they've been using them. This will give you an idea of how well the homebuilder and sub-contractors know each other, and whether or not they have a good relationship. If they do know each other well, and they've been working together for a long time, it's a good sign that there will be no problems on your home. Also, make sure you get a list of the sub-contractors they use. You don't need to contact them directly, but it is good to know who installed your floor and who put your lights in.

Do your sub-contractors have Worker's Comp and General Liability coverage, and can I see the documentation proving this?

This is a very important question. You don't want to be held responsible in any way in case someone gets injured while building your home. It's also very important that you ask for proof of this documentation. The homebuilder won't have this paperwork on them, but make sure

you get a date when they can provide this to you and write that date down so you can hold them to it!

Will you be available to speak with me at any point during my job?

Homebuilders sometimes go on vacations – everyone's entitled to one. That vacation may come while your home is being built and that's okay too. But you want to make sure that if the head contractor can't be there to speak with you or oversee your job, that someone else will and that you know who that someone is!

Do you belong to any professional associations?

This isn't essential, but it is a good sign if a builder stays involved with his industry – even when he's not getting paid for it. If they are involved, ask if they hold an office or title within the association. This will tell you that you're not only dealing with a professional, but also someone who is highly valued within the industry amongst other like-minded professionals.

Have you ever declared bankruptcy or operated a business under a different name?

Just because a person has declared bankruptcy doesn't mean they're a bad person. But if they have, you do want to make sure that you know the reasons for it. Was the contractor at fault? Was it a result of careless spending, a bad economy, or bad business choices? The same goes for operating a different business. While that in itself is fine, you do want to know the reasons why they are no longer running that company.

How long will the construction process take?

This answer will depend on the home you're having built. But generally, it should take no longer than 4-5 weeks to build your home. This will also depend on whether or not the homebuilder has sub-trades for things like electrical and plumbing. If it's going to take much longer than that, you might want to find another builder who can dedicate more time each day to your home. If it's much shorter, you should be worried about the quality of your home.

What is the estimate of the construction?

Of course, you want to have an idea of what you're going to pay! Also ask how much of a difference for their jobs there usually is between the estimate and the actual price.

What type of warranty do you offer on the home?

You need to make sure that you're going to be taken care of after the home is built. Generally homes have a warranty of one year, but you'll want to get the specifics from the builder.

Do you need approval from me before changes are made in the home's design?

This needs to be a resounding 'Yes!' with no ifs, ands, or buts. You need to have the final say in everything that goes into your home!

Am I allowed to visit the home during the construction process?

You should be allowed to go check out the progress on your home. And you should even be allowed to walk around in it before it's finished so that you can check out the work and just get excited about your house!

Can I have a list of references from past clients?

This is also extremely important! Make sure that you get the numbers of past clients and that you actually do call them to talk to them. Perhaps nothing will tell you more about working with the builder than speaking to people who have already done it! And don't worry that you're being a nuisance. These clients have all already agreed to give out their phone numbers and speak to anyone who wishes to talk to them.

COMPARE AND HIRE

Once you've asked all the questions, it is then time to ask the contractors to submit their bids. These bids are simply the contractor's quotes and will tell you everything about the price and the costs that you can expect to pay.

The prices aren't as important as your feeling after asking the questions are though. If one bid is much higher or lower than another, you'll definitely want to find out why. But when it comes to the final decision in choosing a contractor, you should rely more on your gut feeling after speaking to the contractors than you should on the final price they've given you.

And, if you really, really liked *all* of the contractors while you were speaking to them, feel free to go ahead and just pick the lowest bidder!

CHECKLIST - QUESTIONS TO ASK TAKE THIS WITH YOU WHEN INTERVIEWING A HOME BUILDER.

1. Do you have all the required licenses, registrations, and certifications?
2. How can I make sure that the home complies to all codes when finished?
3. How long have you been in the business?
4. Are you a full-time builder or part-time?
5. How many people work for your company?
6. How many jobs does your company currently have going?
7. Do you have any outstanding bids at the moment?
8. How do you manage your jobs on a day-to-day basis?
9. Who on-site will be in charge of my house every day?
10. Have you or your company ever been sued before?
11. Have you or your company ever sued anyone or placed mechanic liens against a home before? What was the disagreement?
12. What is the worst building experience that ever happened to you?
13. What is the best building experience that ever happened to you?
14. How long is your downtime between jobs?
15. Describe your two best customers.
16. Describe your two worst customers.
17. Do you use sub-contractors and if so, how long have you worked with them?
18. Do your sub-contractors have Workman's Comp and General Liability coverage and can I see the documentation to prove this?
19. Will you be able to speak to me at any point during the job?
20. Do you belong to any professional associations?
21. Have you ever declared bankruptcy or operated under a different business name?
22. How long will the construction process take?

23. What is the estimate of the construction?
24. What type of warranty do you offer on the home?
25. Do you need approval from me before changes are made in the home's design?
26. Am I allowed to visit the home during the construction process?
27. Can I have a list of references from past clients?

CONCLUSION

Thank you again for downloading this free report. We hope that you found it useful and it has given you the confidence you need to find the perfect home builder for you.

If you would like help finding a top quality home builder please contact us at:

Your Recommended Home Builder



<http://PretoriaBuildingContractors.co.za>