THE ULTIMATE GUIDE TO PLANNING & BUILDING YOUR NEW HOME

A STEP-BY-STEP BLUEPRINT FOR SUCCESS



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CUSTOM HOMES, BEAUTIFUL DESIGNS

AUTHOR BIO

Hello, My name is Jim Haeck I'm the owner of Lavish Builders. I have been in the construction industry of over 20 years. My decision to enter the home building industry wasn't one I arrived at overnight. It was the result of a lifelong fascination with how spaces are created, the ways they shape our lives, and the profound impact they have on our sense of belonging and security. For me, building homes is not just about bricks, wood, or blueprints; it's about creating a foundation for dreams, memories, and futures. Growing up, I was always captivated by construction sites. I would watch the walls rise, walk through the new homes being built. There was something almost magical about the process. As a child, I didn't just play with building blocks and Legos; I envisioned neighborhoods, communities, and even entire cities. Those early experiences planted a seed that would eventually grow into a career.

As I got older, I realized that my fascination wasn't just about the structures themselves. It was about the stories those structures would witness. Every home tells a tale: the first steps taken on its floors, the milestones celebrated within its walls, and the quiet moments that make life beautiful. I wanted to be part of that story. I wanted to build not just houses, but the spaces where life's most precious moments unfold.

But it wasn't just passion that led me here—it was also a deep desire to make a difference. I've seen how the right home can transform a family's circumstances, providing stability and hope. I've also seen the struggles of those who dream of a place to call their own but face seemingly insurmountable obstacles. Entering this industry was, for me, a way to merge my love for creation with a purpose-driven mission to improve lives. I created this guide to help people looking to build a new home. I hope this gives you a better understanding and makes your building process go smooth.



INTRODUCTION

- **Why Building Your Own Home is a Life-Changing Experience:** An overview of the benefits of building a home tailored to your needs, lifestyle, and dreams.
- **What This Guide Covers:** Explain the planning, budgeting, design, construction, and post-construction phases.
- **Who This Guide is For:** Anyone considering building a new home, whether it's a first-time home buyer or someone who has never built a new home.

CHAPTER 1: SETTING YOUR GOALS

1.1 Why Build a Home?

1. Customization

- **Tailored Design:** Building a home allows individuals to design every aspect to fit their specific lifestyle, preferences, and needs.
- **Room for Creativity:** From floor plans to fixtures, people enjoy creating a home that reflects their personality and vision.

2. Energy Efficiency

- **Modern Standards:** New homes often incorporate the latest energy-efficient materials, appliances, and systems, reducing utility bills.
- **Sustainability Goals:** Eco-conscious buyers may want to build green homes with renewable energy sources like solar panels or geothermal heating.

3. Avoiding Maintenance Costs

- **Brand-New Materials:** Everything in a new home is fresh, from plumbing to electrical systems, meaning fewer repairs are needed initially.
- **Warranties:** Many new builds come with warranties for appliances, roofing, and structural components.

4. Location Preferences

- **Optimal Placement:** People can choose the exact location that meets their needs, whether it's a quiet rural area, a bustling suburb, or proximity to work and schools.
- **Better Land Use:** Custom homes allow for strategic placement on a lot, maximizing views, privacy, or outdoor space.

5. Modern Features and Technology

- **Smart Home Integration:** Building new makes it easier to include advanced technology like smart lighting, security systems, and voice-controlled devices.
- **Open Floor Plans:** New homes are designed with contemporary layouts that cater to modern living, such as open-concept kitchens and multifunctional spaces.

6. Building for Future Needs

- **Family Growth:** Growing families may need additional bedrooms, larger kitchens, or outdoor spaces that older homes can't provide.
- **Aging in Place:** Older adults may build homes with accessibility features like single-story layouts, wider doorways, and step-free entries.

7. Cost Control

- **Avoiding Renovations:** Building new often costs less than buying and remodeling an older home to meet specific needs.
- **Long-Term Savings:** Energy-efficient features and low maintenance requirements save money over time.

8. Pride of Ownership

- **Dream Come True:** Building a new home is a milestone achievement and a chance to create a legacy.
- **Sense of Accomplishment:** Being involved in the process can bring immense personal satisfaction.

9. Market-Specific Motivations

- **Avoiding Competition:** In hot real estate markets, buyers may choose to build rather than compete for existing homes.
- **Investment Potential:** Custom homes in desirable areas can offer higher resale values.

10. Lifestyle Changes

- **Downsizing:** Retirees may want a smaller, more manageable home tailored to their current lifestyle.
- **Upgrading:** Families may build larger homes with luxurious features like pools, home theaters, or spacious outdoor patios.

11. Health and Safety

- **Modern Standards:** New homes meet current safety codes, including fire-resistant materials, better ventilation, and advanced structural integrity.
- **Allergy-Friendly:** Using new materials avoids issues like mold, lead paint, or asbestos found in older homes.

12. Emotional and Personal Reasons

- **Fresh Start:** A new home can symbolize a fresh chapter in life, whether after marriage, retirement, or relocating to a new area.
- **Community Selection:** Many new builds are in planned neighborhoods with desirable amenities like parks, schools, or recreational facilities.

1.2 Determining the Scope

- Size of the home and layout preferences. (Square footage of home, bedrooms, bathrooms, open floor plan ect..)
- **Type of home:** Single-family, Ranch, Two Story, Farm house, Barndominium, Contemporary or maybe a duplex.
- Must-haves vs. nice-to-haves.

1.3 Establishing Your Timeline

- Typical construction timeline for different types of homes. New homes can take 6-12 months to build. If you're looking for a quality home the time frame will usually be on the higher end of this time frame. Homes that go up very fast tend to not have as much attention to detail. Sometimes faster is not always better.
- Key factors can delay or speed up the process.

CHAPTER 2: BUDGETING FOR YOUR NEW HOME

2.1 Understanding Your Budget

- Fixed costs (land, permits, materials).
- Variable costs (upgrades, customizations, change orders, unexpected delays).

2.2 Financing Options

- Mortgages for new construction.
- Construction loans: How they work and what's required.
- Cash

We recommend talking with local banks and credit unions to see what they can offer for a new construction loan.

If you already own land some lenders can use your land as collateral so you don't need a large down payment. Most builders require a deposit to build a new home; the average is 5% to 10% of the contract price. Beware of builders asking for very large deposits.

2.3 Avoiding Budget Pitfalls

1. Start with a Realistic Budget
Define All Costs

- **Land Costs:** Include the price of the plot, site preparation, and utility hookups.
- **Construction Costs:** Account for materials, labor, and contingencies.

- **Soft Costs:** Don't forget permits, design fees (e.g., architect or engineer), and inspections.
- **Additional Costs:** Landscaping, appliances, and furniture often get overlooked.

Plan for Contingencies

- Set aside 10-15% of your total budget for unexpected expenses, such as delays, price increases, or upgrades during construction.

Get Multiple Quotes

- Compare quotes from at least three builders or contractors to understand the market rate and avoid overpaying. With the three builders quotes a lot of times you will find two of the three are similar in price and one is way lower in price and seems like a great deal. Be very careful with the very low price quote. There are usually two reasons for this.
- Some builders will quote the job very low just to get the job and then the cost will go up and you will end up paying more in the end.
- They are new, inexperienced, missed things in estimating or building a lower quality home.

2. Work With a Fixed-Price Contract

Understand the Agreement

- Opt for a **fixed-price contract** with your builder to lock in costs for materials and labor.
- Avoid "cost-plus" contracts unless you have strict oversight, as they can lead to escalating costs.

Specify Details Upfront

- Include detailed specifications in the contract to avoid surprises. For example:
  - Exact brands and models for appliances.
  - Types of flooring, countertops, and finishes.
- Clarify what's included and what's considered an "upgrade."

3. Avoid Scope Creep

Stick to Your Plan

- Once the project begins, resist the temptation to make changes or upgrades that aren't essential.
- If changes are unavoidable, discuss the cost implications immediately and adjust the budget accordingly.
- Most builders charge change order fees for changes on top of the cost of the work.

Prioritize Features

- Distinguish between "must-haves" and "nice-to-haves" to avoid adding unnecessary expenses.

4. Monitor Material Costs

Lock in Prices Early

- Material prices can fluctuate due to market conditions. Lock in prices for materials like lumber, steel, and concrete as early as possible. (Sometimes this is not possible with certain items and really depends on the market conditions. For example, during covid prices changed so often no one would lock in prices because the market was so unpredictable.)

Consider Alternatives

- If material prices spike, explore cost-effective alternatives that offer similar quality and durability.

5. Plan for Site Preparation

Assess the Land

- Unexpected site preparation costs can derail your budget. Ensure a thorough land survey to account for:
  - Soil testing.
  - Perk Test. Drain field type: conventional or engineered? Engineered systems are a large extra cost.
  - Grading and leveling.
  - Utility installations (e.g., water, electricity, sewage).

Most builders will help you with this step at Lavish builders. We will meet our clients onsite and help them with this process.

Understand Zoning and Permits

- Research local zoning laws and building codes to avoid costly redesigns or delays due to noncompliance.

6. Avoid Underestimating Labor Costs

Vet Your Contractor

- Hire a reputable contractor with a history of completing projects on budget.
- Be wary of low bids, which may lead to poor quality or hidden charges.
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Understand Labor Estimates

- Ensure the labor costs in your contract reflect the time required for your specific project.

7. Manage Financing Wisely

Shop for Loans

- Compare construction loans or home-building mortgages for the best interest rates and terms.

Avoid Over-Borrowing

- Borrow only what you need to avoid paying unnecessary interest or running into debt.

Track Disbursements

- Monitor loan disbursements to ensure funds are allocated correctly.

8. Plan for Utility and Infrastructure Costs
Utility Connections

- Budget for connecting electricity, water, and gas to the property.

(Most builders include these costs into the build cost.)

Infrastructure Costs

9. Stay Involved During Construction
Regular Site Visits. Ask your builder if you are allowed to visit the site. Avoid builders that do not allow you to visit the site. Do not try to stay at the site all day everyday it is unsafe and slows the building process down.

- Visit the construction site at least once a week to monitor progress and identify potential issues early.

Communication

- Maintain open communication with your builder to avoid misunderstandings about costs or timelines.

(Remember the construction of the home is not the finished product until the end of the build and most builders will know the things that need attention or repaired.)

10. Be Wary of Hidden Costs

Common Hidden Costs

- Site cleanup and debris removal.
- Weather-related delays or damage.
- Storage fees for materials.

Ask for Transparency

- Ask your builder upfront if there's any hidden cost not included or any potential additional costs.

11. Plan Post-Construction Expenses

Final Touches

- Budget for landscaping, window treatments, and décor.

Warranty

- Budget for minor repairs not covered by warranties.
- Ask for a copy of the builders warranty so you know what’s covered.

12. Learn From Others

- Talk to people who’ve recently built homes to understand common pitfalls and unexpected costs they faced.
- Join local or online home-building forums for advice and recommendations.

CHAPTER 3: CHOOSING YOUR TEAM

3.1 Finding the Right Builder

- Qualities to look for: Experience, portfolio, and customer reviews.
- Interviewing builders: What to ask.

1. General Experience and Background

- **How long have you been in the home-building business?**
  - Look for experience that aligns with your project's complexity and scope.
- **How many homes have you built, and can I see examples of your work?**
  - Request photos, floor plans, or a portfolio to gauge quality.
- **Do you specialize in a particular type of home?**
  - Ensure their expertise matches your needs (e.g., custom homes, eco-friendly
  - builds, or specific styles).

How many homes do you build in a year?

- Different builders build different amounts of homes. Ranging from a few to hundreds a year. What type of builder are you looking for? A production builder, Custom builder, Semi Custom and spec builder.

2. Licensing, Insurance, and Warranty

- **Are you licensed and insured?**
  - Verify their licensing is up to date and covers both liability and workers' compensation.

- **What warranties do you offer?**
  - Ask about structural warranties, material guarantees, and workmanship warranties.

3. Financial and Business Stability

- **Can you provide references from past clients?**
  - Speak to at least 2–3 previous clients to ask about their experience, satisfaction, and whether the project stayed on budget.

- **Are you financially stable?**
  - While this can be a sensitive topic, a reputable builder should have no issue demonstrating financial stability (e.g., through trade references or proof of business longevity).

- **What is your payment schedule?**
  - Understand how payments will be structured (e.g., deposits, progress payments, final payment) and ensure it aligns with your financing plan.

This is important with some builders. Builders that are not financially stable and don't pay their bills can hurt you in the long run. Subcontractors, suppliers etc will put liens on your house if not paid and you will be responsible for paying for it in the long run.

4. Project Management and Team

- **Who will oversee the construction of my home?**
  - Find out whether the builder personally supervises or delegates to a project manager.
- **Will I have a dedicated point of contact?**
  - Ensure you'll have consistent communication with someone who knows the details of your project.
- **Do you use subcontractors? If so, how are they selected and managed?**
  - Ask about their vetting process to ensure quality workmanship.

Most builders will have project managers or superintendents helping with projects. Don't let this scare you. Also most builders will use subcontractors as they are not licensed to do plumbing, HVAC and can't do all the jobs. Most builders have long standing relationships with the subcontractors.

5. Timeline and Process

- **What is the estimated timeline for my project?**
  - Discuss the expected start and completion dates and factors that could cause delays.

- **What is your process for handling delays or unexpected issues?**
  - Understand their approach to problem-solving and keeping the project on track.
- **How many projects are you currently managing?**
  - This will help you gauge whether they can give your project the attention it deserves.

6. Budget and Pricing

- **What happens if my costs exceed the budget?**
  - Ensure they have a process for discussing and approving additional expenses (e.g., change orders).
- **How do you handle allowances for materials and finishes?**
  - Discuss how they manage selections and whether you'll face restrictions on quality or price.

7. Quality and Materials

- **What materials do you use?**
  - Ask about brands, quality standards, and where materials are sourced.
- **How do you ensure quality control during the build?**
  - Learn about their inspection process at different stages of construction.
- **Do you build energy-efficient or green-certified homes?**
  - If sustainability is important, inquire about their experience with energy-efficient designs.

8. Communication and Transparency

- **How will we communicate throughout the project?**
  - Understand whether updates will come via meetings, calls, emails, or a project management app.
- **Can I visit the construction site during the build?**
  - Confirm whether you'll have access to monitor progress and how frequently.
- **What happens if I have questions or concerns during construction?**
  - Ensure there's a clear process for addressing your concerns promptly.

9. After the Build

- **How do you handle final walkthroughs and punch lists?**
  - Discuss their process for identifying and resolving issues before move-in.
- **What post-construction support do you offer?**
  - Ask about service for repairs or adjustments after the home is completed.
- **Do you offer a maintenance guide or schedule?**
  - Some builders provide resources to help homeowners care for their new home.

Red Flags to Watch For

- Reluctance to share references or portfolios.
- Lack of licensing or insurance.
- Unrealistically low bids compared to other builders.
- Vague answers about processes, timelines, or warranties.
- Large amounts of negative reviews or unresolved complaints online.

3.2 Assembling a Team

- Architect or designer: When do you need one? Working with the builder's architect can be helpful vs hiring your own. Architects will draw you anything you ask for which might not be realistic for your budget. Working with the builders can help keep you on budget.
- Subcontractors: Specialists like electricians, plumbers, and landscapers.
- Project manager: DIY vs. hiring a pro.

CHAPTER 4: DESIGNING YOUR DREAM HOME

4.1 Understanding the Process

- Collaborating with your builder and architect.
- Floor plan essentials: Functionality vs. aesthetics.
- How many Bedrooms & Bathrooms.
- How large of a home do you need?
- Garage size.

4.2 Incorporating Your Lifestyle

- Open floor plans vs. traditional layouts.
- Creating spaces for work, play, and relaxation.

4.3 Sustainability and Smart Features

- Energy-efficient designs and materials.
- Solar panels, smart thermostats, and other technologies.
- Whole house generator.

CHAPTER 5: PREPARING YOUR LAND

5.1 Finding the Perfect Plot

- **Factors to consider:** Location, zoning laws, and soil quality.
- **Understanding utility access:** Water, electricity, sewage.
- Do your due diligence when buying land.
- Do you want a walk out basement? Is there a hill or slope that will accommodate for a walk out.
- What direction would the home face. A lot of people like south facing to get the most sunlight.

5.2 Site Preparation

- **Clearing the land and grading.**
- **Preparing for foundation work.**

CHAPTER 6: NAVIGATING PERMITS AND REGULATIONS

6.1 Understanding Local Codes

- Building codes and zoning laws in your area.
- Environmental regulations (e.g., floodplains, tree removal).

6.2 Permits You'll Need

- Building permits, electrical permits, plumbing permits, etc.
- Working with your builder to handle approvals.
- Most builders will take care of all the permits in their build price.

CHAPTER 7: BUILDING YOUR HOME

7.1 The Construction Process

- **Foundation:** Slab, crawl space, or basement.
- **Framing:** Walls, floors, and roof structures 2x4 walls vs 2x6.
- **Major systems:** Electrical, plumbing, and HVAC installation.
- **Finishing touches:** Flooring, cabinets, countertops and paint.

7.2 Communicating With Your Builder

- Regular updates and site visits.
- Handling change orders.

At Lavish Builders we give our clients a home building guide that brakes down the building process step by step to give our clients a good understanding and what to expect. You can ask the builder your working with if they have something similar.

CHAPTER 8: TOOLS TO STAY ORGANIZED

- Project management apps.
- Communication logs.
- Weekly/Biweekly updates.

Builders will use project management software that will share photos of the project and updates. This will let you know what's going on with your project.

CHAPTER 9: POST-CONSTRUCTION ESSENTIALS

9.1 Final Inspections

- Walkthrough with your builder.
- Addressing punch list items.

9.2 Moving In

- Coordinating with movers.
- Setting up utilities and services.

9.3 Maintenance Tips

- Seasonal maintenance checklist.
- Warranty coverage for your home.
- New homes still need regulator maintenance

CONCLUSION

Conclusion:

Building a new home is an exciting and deeply personal journey. It allows you to create a space that reflects your unique vision, meets your lifestyle needs, and adapts to future changes. While the process may involve challenges, careful planning, clear communication with your builder, and a focus on both functionality and aesthetics can lead to a rewarding outcome. By thoughtfully considering every aspect—from location and budget to design and sustainability—you ensure that your new home is not just a structure but a true sanctuary for you and your loved ones. Embrace the adventure and take pride in the opportunity to bring your dream home to life.

By keeping these considerations in mind, you can create a home that is not only beautiful but also functional and tailored to your lifestyle. Good luck on your journey of building a new home.

Sincerely,

Jim Haeck

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