



Home-Buying Process

Building as an Option

Home-Buying Process: Building as an Option

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If you are in the market to build a new house, shop for your builder as carefully as you shop for your house. Whether you are buying a condo, townhouse, house in a subdivision or custom-built house, you want to know you are buying a quality house from a reputable builder. Some tips to help you choose a builder are:

• Make A List of Possible Builders

The local homebuilders association can provide a list of builders in your area. You also can look in the real estate section of your local newspaper for builders and their projects. Looking through the ads and reading the articles can help you learn which builders are active in your area, the types of houses they are building and the prices you can expect to pay. Local real estate professionals also may be able to help in your search. Ask friends and relatives about builders they have dealt with directly, or for names of acquaintances that have recently had a good experience with a builder. You also can check with the Better Business Bureau (BBB). From your research, make a list of builders who build the type of house you are looking for in your price range.

• Do Your Homework

Once you have a list of builders, investigate their reputations and the quality of their work. The best way to learn about builders is to visit houses they have built and talk with the owners. Ask builders on your list for the addresses of their recently built houses and subdivisions. Builders

may provide names of some homeowners who would be willing to talk with you.

Drive by on a Saturday morning when homeowners may be outside doing chores or errands. Introduce yourself and say you are considering buying a house from the builder who built their houses. Talk to several owners and try to get a random sample of opinions. The more people with whom you talk, the more accurate impression of a builder you are likely to get. At the very least, drive by and see if the houses are visually appealing. When you talk to builders and homeowners, take along a notebook to record the information and your personal impressions about specific builders and houses. Doing so will help you to make comparisons later.

Some questions you can ask people include: Are you happy with your home? If you had any problems, were they fixed promptly and properly? Would you buy another house from this builder? Usually, people tell you if they are pleased with their houses. If they are not pleased, they will probably want to tell you why.

• Shop for Quality and Value

Look at new houses whenever you can. Home shows and open houses sponsored by builders are great opportunities. Model homes or displays in home shows are often furnished to give you ideas for using the space.

When examining a home, look at the quality of

the construction features. Inspect the quality of the cabinetry, carpeting, trim work and paint. Ask the builder or the builder's representative a lot of questions. Get as many specifics as possible. If you receive the answers verbally rather than in writing, take notes. Never hesitate to ask a question. What seems like an insignificant question might yield an important answer. Some suggested questions are:

- How long have you been building houses?
- What are your standard warranties?
- What additional warranties can be purchased? What are the differences?
- What options do I have to personalize my house?
- How many houses have you built?
- How long will the building process take?
- What products and appliances do you use in your houses?
- Do you offer special financing for first-time homebuyers?
- What floor plan options are available?
- Are referrals available from recent homebuyers?
- What are the advantages and disadvantages of having you build my house versus other homebuilders?

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This resource is one in a series on the Home-Buying Process which include:

Financial Readiness

What Creditors Look For
Finding Mortgage Money
Types of Financial Institutions
Mortgage Options
Down Payment and Closing Costs
Pre-Qualification or Pre-Approval

Factors to Consider in Housing Selection

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Type of Construction
Interior and Exterior Space
Special Needs
Building as an Option

Locating a House

Finding the House
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Acceptance

Home Inspections

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Stability of the Insurance Company
Costs and Coverage
Customer Service

Warranties

The Closing

Preparation for Closing
Final Walk Through
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