



# ***Deciding to Buy a Home***

## ***Choosing Site-Built Homes***

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There are many choices to be made in finding your home. You may prefer an older home or the newest home in a planned development. Whether you choose old or new, examine the quality of materials and craftsmanship in the home and its installed equipment. Check out the quality and condition of the cabinetry, carpeting, trim work and paint. Note the brand and model of household systems and major appliances that are included in the sale of the home. You can research these later to find out more about their quality.

## **Existing Houses**

Older houses vary in condition. The time you have available and your remodeling abilities will influence whether you choose one that needs work, or one that is in the best possible condition for what you can afford. If you decide on an existing older house, you can get an idea of the condition by noting stains, leaks, rust, peeling paint and accumulated dirt. You may eliminate some houses with too much wear and tear from further consideration. The answers to these general questions will help you decide on good candidates:

- Is the house attractive?
- Does it fit in with the others in the neighborhood?
- Is it in good repair or are there obvious maintenance needs?
- How old is the furnace, air conditioner and water heater?

- What is the age of the major appliances included in the sale?
- Is the roof sound or does it need repair or replacement?
- How many square feet of living space does it have?
- What is the size of the bedrooms and baths?
- Is there adequate closet and storage space?
- Is the garage or basement space adequate?
- How big is the lot?
- Is the landscaping attractive and is it something you are willing to maintain?

## **Home Inspection**

If you are interested in making an offer on a house there are several types of inspections that can help you make a more informed decision. The most common type of inspection is the home inspection. Termite, lead, radon, asbestos and pool inspections should be considered, especially when purchasing an older house. The type of mortgage you get also will determine what inspections are mandatory. Although these inspections may be costly, the upfront expense might save you tremendous repair expenses later.

When you find a potential house and want to move forward with a contract, consider making your offer contingent on results of the home inspection. The professional that does this

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inspection is called a home inspector. By giving the house a thorough inspection, the home inspector may report information about the house you did not notice when first looking at the property. You do not want to discover serious problems too late.

During the inspection the inspector will make sure all the major components are in good working condition. Some of the components that will be looked at are the mechanical systems, structural faults, the condition of the finished materials, and the roof. With the inspection report, you will have a good idea of what type of potential repairs and costs will be associated with the purchase. If you decide there are too many repairs or the repair costs are too high, you can choose not to buy the house or to renegotiate the contract.

As a buyer, you should attend the home inspection, take notes during the process, ask questions and make sure you understand how to read the report. Some things to pay special attention to include:

- Property and landscaping
- Sidewalks and driveways
- Roof, chimney and gutters
- Foundation and structural support systems
- Doors and windows
- Insulation and ventilation
- Heating, plumbing and air conditioning
- Electrical system
- Safety devices

If the inspection is satisfactory and you choose to purchase the house, you and the seller will need to agree on the limit of liability. A limit of liability states a dollar amount the seller agrees to pay to make repairs prior to the purchase. Your

inspection report will state which repairs are needed and the costs for them. The seller will pay for repairs up to the liability cap. If the repairs needed exceed the cost of the liability cap, the seller is not obligated to pay for repairs. At the same time, you, as a buyer, are not obligated to purchase the house. This is why it is important that you do your homework when choosing a home inspector and make sure you are informed of all repair expense. Also, be sure that all details about “What ifs...” are stated in the contract.

### **Finding an Inspector**

When you have decided which inspections you want, it is essential to find reliable and experienced inspectors. Real estate professionals may provide a list of inspectors they have worked with in the past. Another option is to look in the yellow pages. There are some businesses that have more than one area of expertise. In the state of New Mexico, it is important to know that for some inspections the inspector is **not** required to have a license. Anyone can offer the service of home inspections. This is why it is important to ask for references and talk to people who have recently worked with the inspector you are considering. Consider using an inspector who is a member of the American Society of Home Inspectors. The American Society of Home Inspectors Web site is listed at the end of the module.

### **New Construction**

If the house is newly constructed as part of a development, you can ask the builder or the builder’s representative questions. New homes will not need inspections for the wear and tear problems of older houses. You still need to know about the quality of workmanship and durability of materials, appliances and mechanical systems. State or local inspectors will check the home for compliance with building codes but the codes set minimum standards. Get specific details and

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specifications and, if done verbally, take notes. Never hesitate to ask questions. Here are some suggestions:

- How long have you been building homes?
- What are your standard warranties?
- What additional warranties can be purchased?
- 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 to build 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 of having you build my house?

## **Building Your Own Home**

An alternative to buying an older home or an already finished, newly constructed home is to have one designed and built to suit your needs. If you want to build a new house, you should shop for your builder as carefully as you shop for your house so that you will end up with a quality house.

## **Make A List of Possible Builders**

Once you have thought about the type of house you want, you need to find a builder. Your local homebuilders association can provide a list of licensed builders in your area. You also can look in the real estate section of your local newspaper for builders and projects. Looking through the ads and reading the articles can help you to learn which builders are active in your area, the types of houses they build, and the prices

you can expect to pay. Ask friends and relatives for recommendations. Ask about builders they have dealt with directly, or ask them for names of acquaintances that have recently had a good experience with a builder. Check with the Better Business Bureau (BBB) for any problems. From your research, make a list of builders who build the type of home you are looking for in your price range. Real estate professionals also may help in your search.

## **Do Your Homework**

Once you have a list of builders, find out about their reputations and the quality of their work. The best way to learn about builders is to visit homes they have built and talk with the owners. Ask builders on your list for the addresses of their recently built houses and subdivisions. Reputable builders should be able to 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 house. Talk to several owners and try to get a random sample of opinions. The more people with whom you speak, 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 you find and your personal impressions about specific builders and houses. This 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 home. And if they are not, they will probably want to tell you why.

## **Deciding to Buy a Home: Choosing Site-Built Homes**

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## **Design for Present and Future Needs**

When you have a house built, you can include features that will meet present needs as well as changes in family composition and future special needs such as physical impairment. This is true if you plan to live in the house for many years and possibly enjoy it in retirement, or, if someone in your household currently uses a wheelchair, has a sight or hearing impairment or any other disability. You can build an accessible house that provides the privacy, safety, and security you desire.

Professional builders try to accommodate customer needs, especially when contacted before construction begins or soon after. The builder may be able to revise plans and install items such as the following:

- Wheelchair ramps
- Custom handrails and bars
- Specially designed toilets and bathroom fixtures
- Special locks and viewing devices for exterior doors
- Special shelving and kitchen cabinetry
- Special wiring
- Wider doorways
- Right or left-handed access and use

Depending upon the item and when you make the request, a builder may be able to include a special feature at very little or no extra cost. At a late stage of construction, customized items may be treated as change orders for which you could be charged a change order fee plus the cost of materials.

*This resource is one in a series on Deciding to Buy a Home which include:*

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### **Homeownership Considerations**

Deciding to Own

Needs and Wants

### **Finding the Right Home**

How Much House You Can Afford

The Cost of a Home

Shopping for a Home

### **Housing Types and Construction**

Types of Construction

Choosing Site-Built Homes

Choosing Manufactured Homes

### **Types of Homeownership**

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