



How To Buy A Home

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1. Organizing the Research and Planning

Building a custom home is a serious undertaking. An extensive period of planning, organizing and anticipation usually precedes it. Most new home buyers only build once or twice in their lifetime and are naturally inexperienced in making the many decisions that will be necessary in this planning process. The process can seem overwhelming and frustrating at times. Patience, understanding and a good source of information are the keys in planning and building your new custom home. The first step to start organizing your wants and needs for your home is to write down all the thoughts for each room that are important to describe to the builder and designer of your new home.

We recommend a three-ring notebook binder with pockets in the front and back to hold any drawings, notes and photos. We also recommend a tabbed organizer insert to separate each area of thought. Divide up these items as follows:

NOTEBOOK CATAGORIES

1. Top priority items
2. Wish list
3. Decorating allowances
4. Construction materials
5. Interior room sizes and designs
6. Exterior elevation styles and landscapes
7. Keeping your cost down
8. Specialty items

1. Top priority items (things you must have as a minimum); the number of bedrooms, bathrooms, garage requirements, etc.

2. Wish list (if you could find them to be within your budget).

3. Decorating allowances (budgeted amounts for appliances, light fixtures, carpet, marble, granite, tile, plumbing fixtures, hardware, wood floors and landscape, etc.).

4. Construction material selections (tile roof, composition roof, brick, stucco, stone, window type, electrical, plumbing, air-conditioning, insulation, trim woodwork, painting, tile work, and any special material instructions).

5. Interior room sizes and design (room sizes that you have reviewed and decided on; wall dimensions and decorating design work for special wall areas).

6. Exterior elevation style and landscaping (focus on a design or photo that appeals to your taste and style, landscape plant types, tree type, flower bed borders, stone walls, waterfalls and pools.)

7. Keeping your cost down (knowing the price for your selections will help you choose materials within your budget; knowledge and research about products is a key factor for your decisions; knowing your source for information through your builder, designer and the Internet).

8. Specialty items (such as closet designs, custom woodwork, energy efficiency products, wine storage, media room, beamed ceilings, special cabinetry, upgraded phone system, exercise room, workshop, summer kitchen, structured wiring and audiovisual equipment.)

Take pictures or cut out clippings you wish to use as your conceptual ideas for your new home design and/or floor plan. Keep these together in your planning organizer and do not collect more than a few photos of the same area. Write down all your thoughts and ideas about this project. The more organized you are the more accurate your project. Stay focused on the project when working on one area and put the project away when it becomes frustrating. Keep your thoughts organized and at your fingertips; this will help lower your level of frustration. Planning, designing and building should be an enjoyable experience for you if you take one step at a time and do not rush the planning and designing process. When working with your partner, remember to compromise and be considerate of each other's ideas and needs.

Research as much information as you need for making an educated decision. At GBN Construction, Inc. we have a list of suppliers and sales people to help with your product selections. Each supplier will give you a written price to keep in your organizer. The selection of products you should research are exterior finishes, windows, exterior doors, driveway finishes, roofing, appliances, hardware, flooring, cabinetry, interior trim work, plumbing fixtures, light fixtures, audiovisual systems, security systems, phone systems, and any special areas. Your selection of products will help set your estimated budget allowances for your new home. Using the Internet for research will help easily identify brand name products and specifications. Our team at GBN Construction, Inc. will share information and ideas to help you with your budgeting, financing, lot selection, home design and material specifications to make your planning and design decisions. Call us at GBN Construction, Inc. 904 725-3338.

2. Quality Builder Selection

You may wish to select your builder early on to get the benefit of an expert opinion on the estimated pricing, lot selection, designs, description of materials, product selections, building specifications and general construction consulting. Planning your custom home will require all the best information you can find. Choose an experienced State Certified Builder.

Choose a qualified reputable builder who has been building in your area for no less than ten years. The experienced builder will know the area landscape, storm drainage, property boundaries, property values, sewer and water locations, electrical power and natural gas availability, traffic patterns, building codes and inspections, and the neighborhood desirability. A good custom homebuilder and his trades will care about the construction of your new home as if it were their own. They should be willing to communicate with you as often as necessary and be willing to offer opinions or suggestions so you can make quality decisions.

Does this builder have good quality tradesman? Ask his previous clients about the contractor's ability to do a good job. Contractors may not always be perfect, but if they care about their work and care about customer satisfaction the finished work will be up to your expectations.

Ask each custom homebuilder if he will be overseeing the management of the construction site or will his superintendents be running the project? Even if the builder has superintendents, does he at least inspect the job site 4 to 5 times a week? What role does the builder play in the construction of your new home? Will he be the one in control and managing the project?

Will the builder be willing to walk you through the home before certain stages of construction to make sure of the designs and locations of built-ins, electrical switches and outlets, lighting and decorative features.

Be sure the builder is financially sound enough to complete the project. Talk to homeowners he has built custom homes for about how well he had control over the construction project. Can he manage your construction loan draws to your satisfaction?

Ask about his budgeting system; is he fully computerized? Ask if the builder will show you the new home budget. Ask if the builder has a budget vs. cost accounting software designed for custom home-building. This will help assure you that he can stay on budget with his weekly reporting system.

Is the custom homebuilder a professional? Is he a member of the Northeast Florida Builders Association and the National Builders Association? Does this builder practice good building ethics with his clients? Does the builder have a good understanding of the building industry?

Ask a potential builder of their educational background in the field of construction. Do they hold a degree in building construction?

Does your builder participate in a continuing education program for builders?

Is the builder a state certified general contractor in good standing?

Does the builder's construction contract give a clear guideline for your building process? Is it thorough enough to cover the worst of problems? Does it cover insurance, change order procedures, warranties, construction time, disputes, financing, builder's liabilities, budgets, specifications of construction and allowances?

Does the homebuilder have written company procedures and construction manuals? GBN Construction, Inc. can answer yes to all of these questions and will look forward to your interview. We hope you will choose **GBN CONSTRUCTION, INC.** to build your new dream home.

3. Building A Budget

The third step in planning a new home should be to establish your best guess estimated budgets (the estimated cost to build). The best way to do this is to contact a reputable and experienced certified builder to set up a meeting to discuss your lot location, conceptual plans and ideas for building your new custom home. Knowing how much you want to spend for your home will help the builder and the mortgage bankers when they are offering advice. With a little planning we will be able to discuss some details about your new home regarding square footage, size of rooms and some of the amenities that you would enjoy in your new home. Have a good idea about what products you desire. Every homebuyer has different wants and needs and no two custom designed homes are the same. It is very difficult for a builder to give an exact price on just a concept. But you should be able to get a rough estimate within \$25,000 to \$75,000 of the total price provided you do not add items at blueprinting stage or later. A rough estimate can sometimes be calculated by price per square foot but again the builder is estimating a concept and not a completed blueprint drawing. You will need to know what you can and cannot afford to build when it comes down to lot selections, blueprint designing, mortgage financing, and selection allowances. Hard pricing will come after the plans, engineering, and soils reports are completed. This later bidding process will lead to your contract price.

4. Mortgage Banker Selection

There are many different types of home loans. Finding the right mortgage company with the terms you desire may take some research and analyzing. Select two or three recommended banks or mortgage companies that fit your personal and financial needs. Ask your builder for references of bankers and/or mortgage companies used most often and who are experienced. A certified custom homebuilder will have some recommendations from which to choose. When a new home mortgage is involved, a pre-approval should be obtained from a competent bank or mortgage company reflecting the maximum amount you are qualified to borrow. Choose your lender and loan officer carefully.

The complexities of financing the building of a new home are far different from a simple refinance or purchase of a pre-owned home. Lenders not experienced in new construction loans could cost you thousands of dollars in additional closing costs. You should contact these mortgage lenders or bankers to help establish how much you can afford to invest in a new home. Knowing the amount of money you can finance is important in planning and estimating your down payment, monthly payments, and terms of your mortgage loan. Your personal income, credit report, financial assets and liability risk are the areas that determine the bank's formula for loan approval. This knowledge will help you choose the total price of what you can afford to build and budget into a new home.

Some mortgage loan programs provide you with both construction financing and permanent financing. This is called a Construction/Permanent loan and involves only one closing. If you qualify, you should consider this program as this can offer substantial savings. There are many other financing programs available. Choose a loan program that best fits your needs as far as terms and interest rates. With construction financing and permanent financing in place, you are at a decided advantage knowing what you want to spend when dealing with the professionals who will design and build your new home.

5. Lot and Community Selection

Choosing a lot can be confusing and complicated. First you will need to choose the area in which you want to live. Whether your desired location is near Jacksonville's city center, in a Master planned community, in a Country estate or in a surrounding area, all have their own types of lifestyles and conveniences to be considered. Individual lifestyles are the first thing you will need to identify before you choose your area location. Lifestyles are conveniences and affordability within your daily living. Information and research will help in locating the areas to select. Your certified homebuilder will have experienced information to share with you about locations in his building areas. The Internet is also a great source for area

locations and descriptions of individual lifestyles. Here are some items to look for in selecting your location: trees, surrounding views, schools, shopping, drainage, traffic noise levels, street access, tax evaluations, home appraisals, security and life styles. Each area will have different restrictions and building code variations. Check with the neighbors about area flooding and drainage. The cost of the property has to be taken into account when you are trying to stay within a specific budgeted amount for your home. The general rule used is the lot price should not exceed one quarter of the entire cost of the project budget.

The size of the property is important if you want a larger home with a three-car garage, a large backyard and a swimming pool. The square footage of the lot is important but the home's building pad area is determined by the front, back, and side building setback lines. This is the only area on which your home can be built. Trees on the property may not be in the best location for building a new home or installing a circle driveway. Drainage and tree locations need to be taken into consideration when positioning a new home on the lot. You will also need to be aware of any utility easements on the property that restrict the placement of your new home. Look for the location of the electrical power, natural gas, telephones and cable TV. Check with the city about sewer and water locations. Side entry style garages need wider lot sizes and driveway access. Architectural neighborhood control boards and deed restrictions need to be known before you purchase a lot and design your new home.

6. Designing Your Home

Choosing your designer carefully is another important step. New home architects and designers specialize in a wide variety of design styles, and square footage sizes. Ask your builder to recommend residential designers and interview each one to see if they fit your criteria. Choose the one whose designs most closely reflect your taste and budget. Remember that designers do not build homes but only design the concept ideas you have provided. An organized planning effort will benefit the outcome of this design concept stage. Residential designers typically do not price out new homes and therefore do not always know current costs of construction.

It is important that you have a good idea of what style and square footage home you want to build when you first meet with the designer. We suggest that you bring your consulting builder with you to the designer's office. Take with you the notebook with all your ideas. Make sure you have organized the list with the number of rooms you would like to have in your home. This list should include bedrooms, study, entryway, living room, dining room, wine room, kitchen, family room, utility, master bedroom/bath, closets, game room, 2 or 3 car garage, storage areas, attics, stairways, breakfast room, work room, porches, patios, balconies, media room, guest quarters, pool house, secondary bath rooms, secret room and any other special rooms you will want added to your floor plans. Room size is also very important for your designer to create your floor plan. Sometimes your designer or builder can help you decide on room size, but the best way is to visually see a room you like or that feels comfortable and measure it for reference. Keep in mind you may need to stay within a budgeted square footage so you may need to compromise on some room sizes.

Front elevations of a home can be hard to describe to the designer so we recommend that you take three pictures of homes that closely resemble the style you like the most and use them to describe what you like about them to the designer. If the new home you are planning is large and/or complex you may need to consult a builder and/or interior decorator to get their ideas on what you want to design. A builder may be able to estimate a rough price for you so you will have an idea of the price per square foot. It serves no purpose to design a new home that is beyond your budgeted means.

7. Construction Specifications

With your organized notebook planner you will be able to put together a detailed list of materials you desire to use in your new home. Building specifications are very important because they describe the work and materials to be used in your new home. The best specification list will help minimize future misunderstandings during construction. The effort you spend developing and planning your building and material specifications will pay off dramatically in getting the home you want at the best price. The building specifications will describe each area of construction, the materials being used, and the allowance for selecting your decorative choices. These areas will include the foundation, framing structure, roofing system, exterior finishes, electrical, air-conditioning, plumbing, insulation, windows and doors, painting, tile work, flooring, countertops, cabinetry, landscaping allowance, and all other areas of construction. Your new home will be made up of hundreds of building components. Each component will require price vs. quality descriptions. Either you will make these decisions or your builder can recommend some standard building ideas. This material specification sheet will be part of the final contract as an addendum and will be followed throughout the construction process. Ask us for our "Standard Building Specifications and Materials List" for more information and ideas. We can assist you in putting this specification sheet together in just a few hours.

8. Pricing a New Home

With a complete set of plans, structural engineering and a well thought out specifications list, you are ready for your builder to give you an accurate price for your new home. The builder can now start working on all the material take-off and bidding proposals. Subcontractors will bid on each of their areas of expertise. Price proposals will be entered into the computer budget category. The decorating selection allowances will also be entered into the budget price. The budget categories will have line items with cost code numbers that correlate with GBN Construction's Master Builder computer system. The totals from the project budget will be the final price that is used in getting you our best-estimated cost. We will review the construction cost with each client and add or reduce the cost of the construction where necessary.

9. Building Contract Documents

A certified custom homebuilder will have a standard contract to handle each style of an agreement with the new homeowners. Typically two types are used by GBN Construction. The first is a Turnkey Contract, which is a fixed price based on a fixed set of construction specifications. The second is a Cost Plus a Fee Contract where the buyer and GBN enter into a partnership on a predetermined set of specifications and reasonable budgets with the goal of the buyer obtaining the most house for the money and can recognize financial gain with their decisions. These contract documents detail important legal obligations you should understand prior to signing. If you are uncertain about your rights or obligations under this contract, you may wish to consult an attorney. Any statements not written into this document do not bind the builder or the homeowners. The purchaser represents that he or she has read and understands this entire contract, including the agreement for binding arbitration of disputes related to this contract. The purchaser also represents that he or she is relying upon no verbal statements, promises or conditions not specifically set forth in this contract. It acknowledges that the builder is relying on these representations and would not enter into this contract without this understanding.

10. Breaking Ground

At this time construction may start by submitting the blueprints and engineering to the City for permitting and applying for any required architectural approval. If there is an existing house to be demolished and trees to be removed, this will be the first step in starting construction on the site. Piers and/or the foundation are the next step to starting construction and will be the beginning of the structure to come.

An interior designer has been selected by our staff to assist you in your decisions. Colors, textures and proportion will be considered professionally with the organization of materials for your approval. All the information will be detailed in written form for ready access by our project manager.

It is important for the client to make all their selections as early as possible so as not to slow down the building construction process. GBN gives our homeowners a timetable of the construction process to help them track and make selections that are required. Please review our timetable for the order of selection.

Our team at **GBN CONSTRUCTION, INC.** would like to be your homebuilder of choice and we look forward to working together with you on your new home. Call us at **904-725-3338** any time to schedule an appointment.