

Before You Call a Builder

Ask Yourself the Following Questions:

How Will I finance this Project?

Consider whether you have enough money saved to start and complete the project.

Do I have enough money saved to start and complete this project?

Consider costs after the house is built (maintenance, heating, electricity, taxes, etc).

What is my bank's policy for new construction loans?

Determine the length of time, interest rate fluctuations, amount of money needed down and how will payment(s) to the contractor or suppliers will be made.

What is my overall plan for the project?

When starting this project, you have to consider: a budget, timetable, materials, regulations/codes, zoning and permits. These decisions are very important, time-consuming and confusing. A bank official, contractor and/or architect will be able to help you avoid costly errors in this decision making process.

Do you already have property?

Is the property zone properly for your project?

Are all utilities already available at the site?

If you are in the country you will need to have the health department provide you with a permit for your septic system and well.

What is the maximum size home you can build on your lot?

Do I need an architect?

Under the Michigan Occupational Code, plans for residential structures that exceed 3,500 square feet in area must be sealed by a design professional. A general contractor as well as a contractor that provides "Design Build" services can also assist you in designing the home of your dreams.



What is my Budget?

Before you build or remodel you have to have a realistic budget. All people involved in the project (contractor, architect etc.) must be aware of the budget before construction starts. You also have to factor the following into the budget:

- Design work
- Permits
- Additional living expenses during actual construction
- Specialty items, for example - utility hookups, lighting and bath fixtures, appliances, curtains, etc.
- Loan fees and any special insurance
- A contingency amount of at least 15% of the total construction cost (for smaller jobs, more complex or custom construction, the contingency amount will have to be much higher).



What is my timetable?

Develop a timetable. Work with your construction team (contractor, architect, loan officer, specialty materials supplier etc.) to document your needs. Your timetable should include, the design process, permitting and the actual construction phase. When developing your timetable, you must consider unexpected weather or unexpected set backs, such as back-ordered materials that are necessary to move forward with the project. Doing the entire job at once is often less expensive and less time consuming. If your contractor has prior project commitments or a limited number of workers dedicated to the project, it will affect the timeline.



What type of materials do I want to use?

There are a myriad of different materials you can choose from when building your house. Some materials may be chosen for safety purposes and others may be purely aesthetic. Some basic materials will be: framing lumber, sheathing, siding or brick, insulation, shingles, dry wall, windows, doors, appliances, plumbing lines. All materials should be chosen during the planning phase of the project. The expense of these materials should be factored into the budget. Changing your material choices during construction can be quite expensive.



Is the contractor familiar with local codes and regulations?

The builder will obtain the building permit. You must be familiar with the Michigan Building Code, Residential Code, Uniform Energy Code, Rehabilitation Code and the Plumbing Code in order to avoid possible future costs. Check with your city or county health departments regarding information about permits and regulations. Construction will not be able to begin until certain permits are issued by the appropriate agencies.



Is your contractor familiar with zoning laws?

- Maximum height of the building
- Its allowable uses (residential, commercial, industrial or home office) considerations
- The width and depth of the building
- The number of units allowed per acre