



A COMMON SENSE GUIDE TO SELECTING YOUR BUILDER

1. Interview only those builders who have better than average overall reputations and that are licensed, bonded and insured. Select from builders who build a home of a quality that you would like to live in. If needed, ask for referrals from real estate agents, or your local homebuilders association. If you are soliciting more than one bid, it is a good rule of thumb to select no more than three builders, unless low bid is your primary goal. See the last page in this package to find out how you can verify license information and why it is critical.

2. Ask for a reference list of suppliers and subcontractors. Contact these businesses and individuals and inquire about the current manner in which the builder is operating his company and jobs. While confidential information about billing and payments can't be revealed, they can tell you if the builder is in overall good standing with the company. Don't expect an entire list of every trade and supplier, but ask about the key ones, such as lumber yards, concrete suppliers and a few subcontractors.

3. Inquire about banking and insurance references. Although privacy laws preclude some from directly answering your questions, you should be able to get a very good feel for the builder's financial stability. You should also understand the liability issues of a builder building on your lot, and the necessary insurance coverage. Legitimate construction professionals will not be offended by your inquiry. Necessary policies may include:

Workman's Compensation

General Liability

Builders Risk or Course of Construction, to protect against fire, vandalism, theft and acts of God.

4. Request a list of the builder's previous clients. Once you have narrowed the field down to 2, possibly 3 builders, ask for references and check them out. When contacting them, use the following as a guideline for questioning.

Working with the Builder:

- What type of transaction was it; custom, spec, remodel or addition?
- Did the builder keep their word?
- Were they easy to work with and get a hold of?

About the home:

- Was it delivered on time? If not, why, due to weather or poor scheduling?
- Was the home clean, with a punch list at the end less than 19 items, and were the homeowners given a thorough orientation of their new home?

After the Sale, and the Warranty:

- Did the home experience any problems?
- Were they of normal occurrence, and how well did the builder respond to the situation?
- What type and how extensive is the builders warranty program? Is it in writing?
- Were warranty and emergency procedures thoroughly explained to the homeowners at the orientation or closing?

5. Visit current job sites, if possible. This will give you the opportunity to see the structural integrity, fit, finish detail, products and level of quality provided by the builder. Keep in mind, it is not always possible to visit a site under construction due to timing.

6. Compare apples to apples. And be sure you're comparing a red apple to a red apple. In a competitive bidding situation, do yourself a favor by providing each builder with identical specifications. Leaving even one item out can create a considerable price difference.

7. Consider the Relationship. You'll be spending a good deal of time together in the future. Consider the dynamics of the relationship. It's important to have trust in your Builder, and feel comfortable working with them.

After following these steps you are well on your way to an enjoyable, predictable, less eventful relationship with your builder. Provide your builder with all the information necessary to determine your needs. They should be well organized when seeking information from you. You will both be more knowledgeable of each other's needs and concerns, respectful of each other's expectations and prepared to attain the stated goals as a team.

The staff and crews of Joe Gates Construction, Inc., are hopeful that this information proves to be a helpful first step in your homebuilding experience. For more information, we encourage you to meet with us over a cup of coffee to discuss your ideas.