

HOME BUILDING BASICS

Are you ready to make the leap and build a custom home, perfectly designed to meet your needs? The road ahead will be exciting and rewarding, and it can also be challenging. Let us help you get started with a few tips and ideas.



→ Turn-Key or Custom Build?

Did you fall in love with a home already under construction? With turn-key homes, the builder assumes financial burden during construction. However, you may need to:

- Show you can obtain financing for the completed home and sign an offer to purchase/contract for the home you want to build.
- Supply a down payment to show your commitment to purchasing the home once it's completed.

Purchasing a lot and want to custom build?

- **Step One:** Secure financing for the land purchase and construction – not all lenders offer construction loans, but Union Bank & Trust Company (UB&T) does.
- **Step Two:** Provide your lender with blueprints and specifications, and the builder's contract.
- **Step Three:** Get the lenders appraisal on your plans to verify the value of the lot and home.
- **Step Four:** Pay monthly interest on a short term construction loan.
- **Step Five:** Refinance the construction loan into a permanent loan with a fixed rate and term.

→ Getting pre-qualified:

Schedule a fact-finding appointment with your UB&T mortgage lender to be sure you're prepared to make the financial commitment.

→ Choosing a building site:

- Research local codes or covenants to see if they may affect or impact your building plans.
- Create a list of features you'd like included in your new home (i.e. natural lighting, deck or pool) and choose a lot that can accommodate those features.

→ Creating house plans:

- Visit a variety of homes and search online to gather ideas. Make a list of wants and needs.
- Visit home improvement centers to research styles, trends and prices.
- Don't overbuild. Compare the home you want to build to the other homes on the same street. You may not get your money back when you resell your home if it's the most expensive home on the block.

→ Choosing a builder:

- Word-of-mouth references are a good gauge of a builder's reputation. Ask around and hire a well-established local builder.
- Contact the builder's references to see if your personalities will work well together.
- Don't base your opinion solely on a builder's bid. A high bid doesn't guarantee a superior product and the lowest bid could mean you will be hit with extra costs during construction.