

FREE GUIDE

WHAT YOU NEED TO KNOW WHEN HIRING A CUSTOM HOME BUILDER

When it walks and quacks like a duck, it is usually a duck, but when it comes to hiring a custom home builder, many can walk and talk like a custom home builder when they simply are not. Often you hear horror stories of a custom home build gone awry – whether the general contractor failed to bid out projects, raw materials were not delivered on time, or sub-contractors never show up to work, the list of potential pitfalls is endless. This guide seeks to *provide you with the information and knowledge* you need so you can make informed decisions on your path to building your dream home, on schedule and within your budget.

IS THIS HOME BUILDER SOMEONE I CAN TRUST TO LISTEN TO WHAT I WANT AND NOT RIP ME OFF?

Depending on how big or complex a project is, you might hire a:

- **general contractor**, who manages all aspects of a project, including hiring and supervising subcontractors, getting building permits, and scheduling inspections
- **specialty contractor**, who installs specific products or features like cabinets and bathroom fixtures, smart home products, specialty plumbing and electrical, for example
- **architect**, who designs homes, additions, and major renovations — especially ones involving structural changes
- **design/build contractor**, who designs the home with you and also manages all aspects of the build

Finding Your Custom Home Builder – The General Contractor or Design/Build Contractor

1. **Do Your Research** – For most people, building a home is the single largest investment in their lifetime. But this investment can quickly become a costly nightmare of a train wreck if you hire the wrong custom home builder.
 - **Read** up on websites you trust for ratings and reviews. Try searching the internet for your potential home builder's name or business name with phrases like scam or rip-off and see if anything comes up
 - **Search** online for custom home builders in your area and look at their websites. Their website should give you an overview of projects the builder has done in the past and their style and quality
 - **Ask** friends, neighbors, and co-workers about their experience with a home builder they have used
 - **Ask** local lenders, reputable realtors and consult your local chapter of the National Association of Home Builders
 - **Longevity** –in business for a long time? They must be doing something right
 - **Check** for qualifications and proper licensing – Check out the [Consumer Protection Agency](#) for licensing requirements in the state or area you are planning to build your dream home

2. Ask the Right Questions

- *How many projects are you working on right now?* - A custom home builder with regular work is a good sign – people trust them – but an overworked and overloaded home builder is an indication of poor time and people management skills, something to avoid at all costs.
- *How many projects like mine have you completed in the last year?* - A home builder that has experience and is familiar with the kind of home you want to buy is an important consideration
- *Will my project require any special permits?* - Shouldn't be any surprises halfway through building your home.
- *Do you have a few references I can call to ask about their experience?* – A custom home builder should be able to provide you with a least 2-3 references with name, address, and phone number for you to call and query.
- *What types of insurance do you carry?* – At a bare minimum a general contractor should carry personal liability, worker's compensation, and property damage coverage and ask for copies to ensure they are current and up to date.
- *Will you be using subcontractors to build my home?* – Sub-contractors are often where problems arise but can often be the best fit for some jobs. If required, ensure the sub-contractors are properly insured as well.
- *May I meet the project manager or project superintendent who will be supervising my project daily?*
- *How do you qualify the competency of the subcontractors who will work on my project?*
- *If there are changes to the design or unforeseen conditions that result in extra cost, what process do you use to communicate these changes to me?*

3. Get Estimates

- Much like you would expect whomever you hire to bid out jobs and choose sub-contractors based on more than relationship
- Get at least three estimates and ask each prospective home builder why they see a difference in their project costs versus their competitors

YOUR CUSTOM HOME BUILDER SHOULD BE YOUR ADVOCATE IN PHASES OF THE PROCESS, FROM DESIGN TO BUILD COMPLETION

4. Get a Written Contract

Even if your state does not require a written agreement, get one. The content of the contract should be in plain language and include the who, what, when, where, how, and cost of the project. Make sure the written agreement contains all the following information:

- the contractor's name, address, phone, and license number (if required)
- an estimated start and completion date
- the payment schedule for the contractor, subcontractors, and suppliers
- the contractor's obligation to get all necessary permits
- how change orders are handled. A change order is a written authorization to the contractor to make a change or addition to the work described in the original contract and could affect the project's cost and schedule.

- a detailed list of all materials including each product's color, model, size, and brand. If some materials will be chosen later, the contract should say who's responsible for choosing each item and how much money is budgeted for it (this is also known as the "allowance").
- information about warranties covering materials and workmanship, with names and addresses of who is honoring them — the contractor, distributor, or manufacturer. The length of the warranty period and any limitations also should be spelled out.
- what the contractor will and won't do. For example, is site clean-up and trash hauling included in the price? Ask for a "broom clause" that makes the contractor responsible for all clean-up work, including spills and stains.
- any promises made during conversations or calls. If they don't remember, you may be out of luck — or charged extra.
- a written statement of your right to cancel the contract within a specified and agreed upon period.

5. **Keep All Records**

- Keep copies of everything, including:
 - i. The written agreement/contract
 - ii. Any change orders or adjustments to the initial design
 - iii. Any written correspondence
 - iv. All receipts

6. **Use a Checklist**

- Before signing a final affidavit of release, check that:
 - i. All work meets the standards spelled out in the contract
 - ii. You have written warranties for materials and workmanship
 - iii. You have proof that all subcontractors and suppliers have been paid
 - iv. The job site has been cleaned up and cleared of excess materials, tools, and equipment
 - v. You have inspected and approved the completed work

Building your dream home can be a massive undertaking, and feelings of anxiety are not uncommon. [Saddle Mountain Construction](#) in Missoula, Montana, will hold your hand through the entire process and explain everything in a language you can understand. If you are interested in putting your dream on paper, let's talk!

Call Now @ 406-241-4546 or Email us at saddlemountainconstruction@gmail.com

