



Build Cincinnati

GUIDE TO BUILDING A CUSTOM HOME



BUILDING A CUSTOM HOME

- A STEP BY STEP GUIDE OF WHAT TO EXPECT



STEP 1

Decide To Build

Deciding to build is not a decision that comes lightly. Typically, buyers are considering resale homes and just can't find what they're looking for. When deciding to build, it's important to understand the process and have an advocate on your side – one that understands the complexities of building, which is the exact reason behind Build Cincinnati.

STEP 2

Get Pre-approved

One of the most important steps in this entire process is to understand your budget. Builders require this prior to meeting so you might as well knock it out early. We recommend reaching out to a bank or loan officer that deals with new construction on a regular basis to find out your financing options. Not all banks are created equal so feel free to lean on our team for suggestions

Construction Loans vs. End Loans: Your loan officer should be well versed on the difference between types of loans. Since everyone's circumstances are different, we can help assess your situation to find out if it's best to carry a construction loan or have the builder do so. There are quite a few variables that come into play here so it's best to be thorough when looking at options.

STEP 3

Research EVERYTHING

1. Communities - Depending on the area, what new communities are out there?
2. Lot options – Each lot is different, so what's best for you and the type of house you're looking for?
3. Taxes - Property and Income Tax
4. Builders
5. Floor Plans – layouts and square footage
6. HOUZZ.com – Ideabooks from Houzz are very helpful in terms of selections
7. Building Requirements

STEP 4 SELECT A LOT

Once you've reviewed the options in your desired locations, the next step would be to narrow down your lot options to one or two. Lot selection will often answer quite a few questions, including builder options, size of home that will fit, floor plan options, and price.

TEARDOWN: One of the competitive advantages Build Cincinnati has to offer is our knowledge and experience with Teardowns. Teardowns are properties with structures and homes that are torn down for new custom homes. **As the number #1 brokerage focusing on teardowns and lots in Montgomery, Indian Hill and Sycamore, we leverage our expertise and inside knowledge of certain properties to find client's what they're looking for.**

STEP 5 RESEARCH & SELECT A BUILDER

This step is not earlier in the process because, as we mentioned, the lot or community often dictates the builder you choose. A few items to consider when selecting a builder are:

1. Reputation & Background
2. Style
3. Financial Strength
4. Customer Service
5. Personality
6. Warranties

Always asks friends, colleagues, and your Build Cincinnati team what they think of a certain builder.



STEP 6 SIGN A DESIGN AGREEMENT

This can be different from builder to builder, but they all require a design agreement to start designing your home with an architect. The upfront deposit can range from \$5,000 to \$10,000, which will be partially refundable due to architect costs. Review each design agreement carefully so that you understand all of the details.

STEP 7 DESIGN AND PRICING

Once you have fine-tuned your preliminary drawings to an acceptable plan, the builder will take the next step of offering a preliminary price. To fully quote a price, construction drawings are typically needed so the builder can obtain bids, but the builder should be able to offer a preliminary price to make sure it's in your budget. If that is acceptable, you and the builder would give the architect the green light to finalize the design development drawings. Quite often, an additional deposit is required at this time.

Selections: Throughout the design process, we encourage our clients to review the allowances and intended selections so they match the builder specifications. Occasionally, there is a disconnect between builders and buyers on selections, so understanding these items upfront will help keep costs under control. Typically, buyers start their selections once the home is under contract. Often times, however, it is wise to stop by the vendor showrooms to research your selections and make sure they fit in the budget. **We recommend being proactive in every step of the building process, especially with selections.**

STEP 8 CONTRACT TO BUILD HOME

Once the design development drawings (otherwise known as construction drawings) are complete, the builder will bid out the plan to contractors and vendors and deliver a final purchase price complete with a full spec sheet. This is where the negotiating starts and you execute a contract with the builder.



CONSTRUCTION LOAN

If the buyer is obtaining a construction loan, the loan would be closed on once the design development drawings are complete and the contract is executed. This can take anywhere from 2-4 weeks if not already set in motion. After closing, the builder submits affidavits of completed work to the bank in return for the draw to pay contractors and vendors.

STEP 9 ENGINEERING & PERMITTING

Once a contract has been executed, the final step before construction is submitting the plans and engineering to the county or municipality. Permitting can take anywhere from 1-2 weeks.

STEP 10 START CONSTRUCTION

Once all the necessary permits are granted, the builder will begin construction as soon as agreed, which is most often immediately. Build time can take anywhere from 6-9 months depending on the weather and the size of the home. During Construction, there are typically several walk-throughs throughout the process, including electrical/plumbing and final. Clients are typically permitted to be at the job side during construction, but we ask that they give the builder heads up to make sure the site is safe.

STEP 11 FINAL WALK THROUGH

When the home is completed, the builder and buyer will walk through the home to identify any punch list items. These are dealt with prior to moving in, or 30 days after closing, to make sure the home is as intended.

FINAL STEP: Closing and Move in
Depending on the type of financing, there will be an end loan closing with the builder, bank and title company or the final draw will be issued. From that point, the builder will have final inspections and deliver the home when the final Certificate of Occupancy is delivered from the municipality.



Build Cincinnati

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So, you may have seen our signs or heard our names, but don't know exactly who we are or how we work. It's about time we officially introduced ourselves. We are Build Cincinnati of Coldwell Banker: a boutique brokerage division that focuses exclusively on New Construction and Lot/Land Acquisition.

We work with builders, developers, architects, engineers and agents to create a collaborative environment geared at helping buyers navigate through the land acquisition and building process.

As many of you know, the new construction process can be quite tedious and cumbersome. By leveraging our relationships and expertise, we strive to alleviate the complexity and worry when building. Below are just a few of the many areas that we can be of assistance:

BUYER CONSULTING

We understand builders and the building process and will guide you through each step of building your new home.

LAND/LOT SALES & ACQUISITION

We have a team exclusively dedicated to finding those difficult tear down lots in Montgomery & Indian Hill, as well as in developed communities.

LAND DEVELOPMENT

Expertise in tear down valuations, land proformas and acquisition assistance.

Formalities aside, just know that we're here to help if you have clients that are looking to build or have a property that might be prime for tear down or development.



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