

## Preliminary Construction Topics

### House Needed:

Target Price \_\_\_\_\_ Lot Price \_\_\_\_\_  
Bedrooms \_\_\_\_\_ Total Const. Cost \_\_\_\_\_  
Bathrooms \_\_\_\_\_ Utilities \_\_\_\_\_  
Garage \_\_\_\_\_ Prequalified Amount \_\_\_\_\_  
Square Footage \_\_\_\_\_ Cash to Build \_\_\_\_\_  
Efficiency \_\_\_\_\_ Want What We Want and Willing to Pay for What We Want \_\_\_\_\_

### Role of Builder:

Builder / Contractor: Austin builds to order

Consultant: Austin guides buyer

Builder / Consultant: Austin builds involving buyer

#### Team Concept

Reality of adversarial roles (bldr. vs. buyer)

Who has ultimate control

Whose side will buyer be on

Buyer pays one way or the other

Necessity of ability to work together

Necessity of mutual trust

Everything in writing

Flexibility

Education of buyer

Recommendations to buyer

#### Risk Management

Who has risk

Who pays for risk

Budget / Estimate by Builder

Budget not etched in stone

"Fat" in budget

Risk similar to that of Builder

No markups / cost passed to buyer

Fee roughly equal to management costs

Example of savings KK \$253 appraisal \$222 actual cost

BK \$216 appraisal \$189 actual cost

Insurance Certificates of Subcontractors

Material Deliveries planned to minimize theft

Neighbor relations

Liability insurance

Builders Home Warranty

Mistakes by builder

Who bears cost of overruns

Who realizes savings

Cost and procedure for changes

Financing:

Who acquires const. loan \_\_\_\_\_ Where do we get loan \_\_\_\_\_

Amount of loan \_\_\_\_\_

Draw Procedure

Approval of Draw by Buyer

Amount of perm. loan \_\_\_\_\_ Where do we get loan \_\_\_\_\_

Design:

Method by which design is acquired

    Designs ordered from catalog

Requirements of HO Assn.

Contract with Designer

Who deals with HO Assn.

Dealing with draftsman

    Contract betw. draftsman and buyer

    Thoroughness of design

    Conceptuals needed for first draft

    Buyer to review first draft and make changes

    Final draft submitted to RBD and HO Assn.

Documents:

    Builders Contract

    Preconstruction Agreement

    Material Specs

    Budget

    Approved Plans

    Warranty Agreement

Dealing with Subcontractors and Suppliers:

    Weeding out process of 10 years

    Responsibility of Builder to deal with Subs

    Some Subs are hard to work with

    Scheduling lead time

    Budget used as a tool to deal with Subs

    Paramount importance of on time payment

    Austin has the option to frame house for budgeted amount

    Materials supplied by buyer

    Work performed by buyer

    Energy and Expertise to get project completed