



## **30 Questions You Should Ask Your Custom Home Builder**

- 1) How long have you been building luxury custom homes?

Your builder should at least 20 years experience in all facets of the new home construction and renovation business. It is also advisable if your builder has been in business as a general contractor for a minimum of 5 years.

- 2) What separates your general contracting company from your competitors?

All general contractors use the same subcontractor pool and material suppliers resources So there is little to the claim of higher quality and better craftsmanship. You want an answer that is open and honest and actually delineates the builders process and customer experience.

- 3) Will the owner of the home building company be personally involved with your project?

Most builders will not actually build your home. They hire a project manager or a site superintendent to facilitate the actual construction. That includes the critical stages of inspecting for quality control assurance.

- 4) Are you licensed and what national accreditations have you earned?

Texas does not require home builders to be licensed. Although your builder should have evidence of continued education in the industry and current good standing with the Texas Secretary of State and not have any unresolved customer actions. We recommend that you speak with a general contractor who is at a minimum is an accredited member of the NAHB or GHBA.

- 5) Can you share your home portfolio and references with us?



Many high end custom builders do not have a spec home to view or a model finished home to inspect at particular times. But all builders should have blueprints and high definition photos of homes they have build over the years. They should be able to accommodate your inquiries.

- 6) Do you belong to any professional associations and if so, which ones?

Belonging to a national & local building association provides another layer of credibility for the builder and provides the builder a means and method for continued education in their selected field or specialty area.

- 7) Do you have liability insurance and carry workman's comp insurance for your employees?

General liability and workman's compensation are essential insurances for builders to maintain. If your builder does not have these insurances and a general loss or employee accident occurs on your project, you may be found responsible for the expenses.

- 8) Do you have insurance in case something in my home gets broken in the renovation and/or construction process?

The contractors liability insurance should be sufficient to cover damages up to the limits of their coverage. In many cases the damage can be paid directly by the contractor to avoid the records of insurance claims on your home.

- 9) What is your process for bidding completed design plans?

If there are no bid instructions to follow, we recommend bidding the architects plans specifically. The building plans and supporting documents are the legal reference for all hard bids. If there are not product selections at the time, the builder should provide an itemized list of product allowances. A detailed proposal should be issued from these documents.



10) Does your firm provide design build new home construction services?

Not all general contractors design build new custom homes. We at Marwood Construction do because we believe that the positives outweigh the negatives when compared with the traditional methods.

11) Are you willing to engage in the following contract agreements;

- a) Fixed Lump Sum contract?
- b) Cost Plus contract?
- c) Competitive Bid Services contract?
- d) Construction Management contract?
- e) Time and Materials contract?

Marwood Construction believes that the customer should determine their risk aversion. Each of these contract methods come with a greater or lesser amount of risk for the builder and the homeowner. These risk should be openly and transparently discussed between builder and owner.

12) How often do you finish a project in the anticipated time schedule?

This is a difficult question to answer because many factors effect a schedule including weather, homeowner selections and design and construction errors. It is not realistic to get assurance from your builder that he will be absolutely finished on a certain day. It is much more realistic for them to provide an owner a best guess estimate based on their experience and support their schedule with a documented master schedule as a road map to the completion of the home.

13) How often will you be on site to oversee and inspect the progress of the job?

This is indeed a very relevant question. As suggested earlier, most builders do not actually build your home and very few will see the home under construction for the purpose of quality control. Make sure to ask them what they do when they are on site inspecting the progress.



14) How often will you stop by to check on the progress?

This is a good follow up question to the previous one.

15) Who is the on-site project manager?

As with most builders it is a good idea to learn as much as possible about the individual that will be actually building your home.

16) Who will manage your project day to day?

Do not assume that someone is on site each day of construction of your home. If this is important to you we suggest a longer conversation on this concern. Make sure you are clear on who to contact for routine questions and various site inspection concerns.

17) Who will provide me with periodic updates?

This is a follow up question from the previous question concerning all the players roles of the builders staff.

18) Who pulls required permits for the job, you or me?

The builder should submit the plans for review and be the responsible party listed on the master permit. If there is a reason you do not wish to do this, you should have a further discussion with the builder.

19) Will you write out a contract specifying what you will do?

The formal proposal, home design plans and supporting documents should maintain the specifications for building the home. The contract should provide the legal answers to why, what and when and outline the remedies for what happens if someone does not do what they promised.



20) Will you offer a guarantee on your work, and, if so, what is the guarantee?

Another good question. A guarantee is defined as a home warranty in most cases. In the state of Texas you should expect a minimum of 1 year cosmetic claims coverage, 2 years electric / mechanical / electrical claim coverage and 10 year structural claim coverage.

21) What is your process for fixing things after the project is complete and I have moved in?

You should expect a structured warrant inspection program. At Marwood Construction we provide a 90 day walkthrough and a 1 year walkthrough. If there are more serious items that require immediate attention, we recommend you contact us to coordinate the appropriate service company

22) Have you been involved with any legal disputes following a previous job?

This is a good question to test the honesty and integrity of your builder early in the process. If in fact there are legal actions that have been taken, there will likely be a public record of them filed with the County Clerk's Records Office.

23) How would you recommend structuring the home and construction financing ?

There are various methods to achieve this requirement. We recommend that you receive a fair preliminary budget, expected lot cost and qualify for a mortgage. Then design to the construction budget and roll both lot acquisition and construction cost plus interest into the mortgage at the end of the construction phase. Your banker and your builder will establish a progress payment schedule for the interim construction payments based upon the completion of the project.

24) Will you agree to including a termination clause in the contract?



This is a proactive question. There are many types of builder contracts for different types of construction risk. You should understand that if you and your builder reach an impasse during the project, that there is a legal clause in the contract that allows you to separate with provisional conditions.

25) How does the home builder assure you that what they design can be built within your budget?

In most cases, if the custom home builder has designed your home plans you have likely entered into a design build agreement. In this case the builder should be providing the design team a scheduled construction budget update at specified design phase intervals. These updates should provide you the confidence that your home design is still within an acceptable range provided at the beginning of the design stage.

26) Will you work with my house plan designer and interior designer to make sure my home is built exactly as it was designed or to make changes to the design along the way?

Building a custom home is a team process. Your builder should conduct themselves as an active member of your home design team in developing your home plans and supporting documents. Their job as part of that team is to provide our recommendations regarding buildability and alert the design team when certain design features have a substantial effect on the construction budget.

27) How quickly will you return my phone calls or emails?

This is a good question to establish the owners expectations for how they can expect to do business with their general contractor. There should be a routine call response and a response condition for more urgent needs.

28) How do we resolve disputes?

This is a great direct question. Your builder should have a system and answer for escalating issues concerning your displeasure with your homes construction.



29) Depending on the contract that an owner selects, if the owner is responsible for direct cost and payment of invoices, you might ask; How quickly will I receive invoices and when will you update me on price increase notifications?

These questions should only be asked if the owner is in a time and material or cost plus contract agreement. In these cases, the contract will structure the terms and conditions for notifications and payment requirements.

30) What specific steps does the home builder take to keep your home construction site clean and safe daily, weekly, and monthly?

This is an important question, due in principle that many more injuries happen on a cluttered and disorganized job site then on a clean orderly site. This is especially relevant if the owner is paying for the builders risk policy that the lender will require.