

TIMBERSTONE HOMES

CUSTOM HOME CONSTRUCTION PROCESS

PURPOSE

This document has been prepared to assist new home owners in understanding the custom home construction process. Whether you have chosen a site-built, factory-built, log or frame construction the process is essentially the same. Timberstone Homes has built its reputation on providing full “turn-key” solutions for home construction. If you decide to avail yourself of our full range of services, we can simplify the entire process for you by providing everything from concept to completion.

GETTING STARTED

Designing and building a custom home is a very exciting and different experience. A great deal of time, thought, and personality will go into your new home. Your own "mental scrapbook" of housing ideas can be arranged to create a new home that is unique and personalized.

Some begin this process with a great deal of construction knowledge while others know what they like or dislike in a home but have not been exposed to the technical side of home building. Wherever you fit in, you will acquire considerably more construction knowledge and technical vocabulary by the time your new home is complete.

Timberstone Homes will be your partner in this challenging process and as your general contractor will take charge of the “nuts and bolts” of the construction process leaving you free to concentrate on the finer details of finishing choices. You can rely on Timberstone Homes to guide and assist you through the entire process.

PRE-DESIGN AND PRODUCT DEFINITION

The first step is to define the home that will be designed and priced.

During this first step, we will listen as you describe your new home and review any information you currently possess. You may already have a plan in mind, perhaps one that you saw in a plan book or magazine. Or you may have chosen to design a uniquely original plan incorporating your own ideas.

We will help you establish a target budget taking into consideration lot cost, construction cost, soft costs, such as permits and fees, insurance, real estate commissions, appraisals and financing costs.

We will review your building lot, including a field visit as required, to determine site specific requirements and constraints associated with building the home on the lot. Or, if

you haven't selected a lot, we will assist you in screening potential lots and obtaining information on lots for sale in your desired location and price range.

Finally, we will establish a timetable for completion of design and pricing and determine what additional information you need to provide.

DESIGN DRAWINGS

From the information obtained during the Pre-Design and Product Definition meetings, we will produce scaled Design Drawings consisting of floor plans (1st floor and 2nd floor, if applicable) and the front elevation. The floor plans will show room sizes and locations, exterior windows and doors; closets, stair/hallway circulation patterns, kitchen and bathroom layouts. The front elevation will show roof style, exterior siding material and window style. These drawings will provide the first visual introduction to your new home and you will decide if the proposed plan meets your intentions and expectations.

We will also prepare a Preliminary Site Plan. The Preliminary Site Plan will be drawn to scale and show orientation; garage and driveway location; patios; walkways; front, rear and side yard setback requirements; location of utilities and easements.

You will be asked to complete a New Home Information Worksheet with our assistance. Information from the worksheet will be used in preparing the preliminary cost estimate.

PRELIMINARY COST ESTIMATE

We will prepare a Preliminary Cost Estimate based on the Design Drawings, the Preliminary Site Plan, and the New Home Information Worksheet. The Preliminary Cost Estimate is **not** a quotation. A quotation is a written offer to build your home. The Preliminary Cost Estimate is our best estimate of the total cost of your new home based on the available information and average unit costs for the same items in homes of similar size and quality.

A Preliminary Cost Estimate consists of a detailed Construction Cost Breakdown and Allowance Estimate Sheets. The Cost Breakdown has ten categories: Planning & Permits, Site & Foundation, Framing & Close-In, Mechanical Rough-Ins, Insulation & Drywall, Interior Trim & Cabinetry, Finish Trades, Tile & Flooring, Interior Accessories, Exterior & Landscape.

Planning & Permits Costs include impact fees, building permit fees, water and sewer hook-up fees, and other fees payable to municipalities or utilities, architect or designer fees, engineering costs, working drawings, temporary utilities and waste disposal fees.

Site & Foundation includes the costs of survey work, clearing, excavation, foundations, installation of utilities (septic or sewer, water, gas, electric and telephone) installation of underslab plumbing, HVAC and electrical, installation of foundation drainage and interior concrete floor slabs, such as garage or basement floors.

Framing & Close-In includes the costs of framing, exterior doors and windows, roofing, siding, masonry, and garage doors. At the completion of this stage, your new home will be completely “weatherproof”.

Rough-Ins include the costs of the hidden mechanical components associated with plumbing, heating, ventilation and air-conditioning (HVAC), manufactured fireplace, chimney, data wiring, satellite or cable wiring, electrical, intercom, Heat Return Ventillation System (HRV) and central vacuum.

Insulation & Drywall includes the cost of floor, wall and ceiling insulation, continuous sealed vapour barrier and the hanging, taping and texturing of the drywall.

Interior Trim & Cabinetry includes the cost of interior moldings, stairs and handrails, closet shelving, doors, cabinets and countertops.

Finish Trades includes the cost of plumbing fixtures and trim, HVAC grilles and registers, fireplace trim, electrical plugs, switches and light fixtures, equipment such as intercoms, stereos, security and central vacuum systems, and exterior and interior paint and stain.

Tile & Flooring includes the cost of tile work, hardwood flooring, vinyl flooring, laminate flooring, and carpet.

Interior Accessories includes the cost of appliances, finish hardware, bath accessories, mirrors and shower enclosures.

Exterior & Landscape includes the cost of exterior decks, eavestroughing, driveways, sidewalks, patios, and pool decks - landscaping and fencing.

The Preliminary Cost Estimate will include Allowance Estimates for most of the interior finish items, such as cabinets, countertops, and flooring since you probably will not have made any selections. Allowances are estimates based on average costs for the same items in homes of similar quality.

If the Preliminary Cost Estimate is within your target budget, we will proceed with the next step – Working Drawings.

WORKING DRAWINGS

Working drawings are scale drawings consisting of a Site Plan, Foundation Plan, Floor Plan(s), Structural Plans, a Roof Plan, and Front, Rear, Left and Right Side Elevations and any other drawings that might be required to satisfy local and Ontario Building Code requirements. Working Drawings enable us to perform detailed quantity estimates and obtain Trade Contractor and Supplier quotations.

When the working drawings are completed you will be given a list of trade contractors and suppliers you will need to meet with to make your preliminary selections. Being able to make so many choices is one of the most enjoyable and satisfying aspects of having a custom home built. However, it can also be one of the most frustrating aspects. Until all your decisions have been finalized, none of us can know the exact cost of your home. Each selection, each change in the design affects the cost. The Allowance Estimates that were included in the Preliminary Cost Estimate are intended to minimize this frustration by providing you with the information you will need to manage your costs as you make your selections.

When you meet with our Trade Contractors and Suppliers, they will listen as you describe the features of your new home and review with you the plans and our Allowance Estimates. They will guide you in your choice of products or materials based on their knowledge and experience, your description of the features of your new home, and our Allowance Estimates. They will then prepare quotations based on your plans and choices.

Some of the details of your new home will be determined outside of your or our control. Building codes, engineering, and site constraints can impact the plans and possibly the cost for your new home. We will point these out and discuss them with you during the planning stage so they can be incorporated into the plan.

HOME SALES AGREEMENT

When we have received all of the Trade Contractor and Supplier quotations, we will prepare a Home Sales Agreement (building contract). Unlike the Preliminary Estimate, the Home Sales Agreement is our written offer to build your home for the total sales price shown.

If there are any areas where you have not made a final selection - for instance, tile or floor coverings - or if a plan has not yet been completed, for instance, the landscaping plan - these items will be identified as allowances in the Home Sales Agreement. This enables us to arrive at a total sales price for your new home while allowing you more time to consider your selections. If the allowance for a particular category is \$1,500 and your final choices total \$1,650 a change order will be prepared and the total sales price will be increased by \$150. If the total is \$1,400, a change order will be prepared and the total sales price will be reduced by \$100.

If the quoted price is acceptable and you are satisfied that you have made all the adjustments and changes you want, we will execute and witness the Home Sales Agreement.

PRE-CONSTRUCTION MEETING

Prior to the start of construction, we will hold a Pre-Construction Meeting. The objectives of the Pre-Construction Meeting are:

1. To ensure that our clients have a high level of trust and confidence in Timberstone Homes.
2. To establish the expectations of the construction process, the schedule, quality, and procedures.
3. To establish a comfortable pattern for future communications.
4. To identify and note remaining questions and outline a timetable and the responsibility of each party in resolving these items to avoid future misunderstandings.

We will introduce you to our associate builder who will be the on-site supervisor of the construction of your new home. We will review the Plans and Specifications as well as the Allowance Estimates. We will discuss the final selections process and the Construction Schedule with you, pointing out those dates by which you must make final decisions. We will review our Change Order procedure and our Payment Request procedure. And we will discuss our company Safety Program and guidelines for jobsite visits and trade contractor communications.

You will need to allow approximately two (2) hours for this meeting.

CHANGE ORDERS

Of course changes can be made at any time during the construction. However, once the construction drawings and any required engineering have been completed and a building permit obtained, a change could necessitate re-drawing, re-engineering, and re-approval by the building inspector. These extra steps are costly and can cause delays in starting or progressing with construction. To avoid this, we encourage you to take full advantage of the design and pricing process to think out loud about your home and arrive at a plan that serves all aspects of your housing dream.

FINAL SELECTIONS

Your final selections are grouped into three categories based on the date by which they must be completed. Those three categories and the selections that are included in each category are:

Selections That Must Be Completed Prior to Start of Construction

- Windows: Color / Style / Glazing
- Exterior Doors
- Exterior Colors (siding, stain, soffit, fascia)
- Roofing Color
- Exterior Brick or Stone (if applicable)

Selections That Must Be Completed Prior to Start of Framing

- Cabinets

- Appliances
- Plumbing Fixtures & Options
- HVAC Options
- Fireplaces
- Interior Doors
- Finish Hardware

Selections That Must Be Completed Prior to Start of Drywall

- Interior Paint Colors
- Countertops
- Electrical Fixtures
- Tile
- Flooring
- Mirrors and Shower Enclosures
- Bath Accessories

Failure to complete your final selections by the required dates could delay the completion of your home.

Walk-Through During Construction

In addition to your final selection decisions, there will be scheduled walk-throughs.

The first of these will be near the completion of the framing and just prior to the start of the plumbing, HVAC, and electrical rough-ins. During the framing walk-through we will walk-through the house room by room and you will be asked to review and approve:

- Plumbing Option Selections
- Location of Hose Bibbs
- HVAC Option Selections
- Location of HVAC Supply Registers
- Location of HVAC Return Air Registers & Transfer Grills
- Gas Appliances
- Fireplace Hearth
- Electrical Option Selections
- Location and Function of Switches
- Location of Outlets
- Location & Type of Lighting
- Location of Phone, Data & Cable Outlets
- Stereo Wiring Option Selections
- Security Wiring Option Selections
- Central Vacuum Option Selections
- Location of Tile Backsplashes
- Swing of Interior Doors
- Size of Mirrors

- Placement of Towel Bar Backing

There will be another scheduled walk-through prior to the start of finish carpentry to review finish carpentry, trim details and closet shelving layouts.

CONSTRUCTION PROGRESS MEETINGS

In addition to the scheduled walk-through's, we will schedule regular, weekly meetings during the construction of your home. Preferably these meetings will be held at the building site. If this is not possible, alternative arrangements will be made i.e. Timberstone Homes Sales Office or telephone. The purpose of these meetings will be to review the schedule, review your selections, review change orders, and discuss any miscellaneous items requiring action. We encourage our clients to write down any questions or concerns they might have and bring them to these meetings.

PRE-OCCUPANCY INSPECTION AND ORIENTATION

A pre-occupancy inspection will be held upon completion of construction and prior to your moving in. It is an opportunity for you to confirm that the work has been completed and meets the quality standards outlined in the contract documents. Details that need attention are noted on a deficiency list.

SUBSTANTIAL COMPLETION

At this stage, your home will have a final inspection by the local building authority and your home will be ready for occupancy. Any deficiencies noted during the pre-occupancy inspection will be rectified in a timely manner so as not to interfere with your move-in.

ADDENDUM – NEW HOME CONSTRUCTION PROCESS

PREFACE

The information that follows is a supplement that is meant to assist with understanding the construction process, responsibilities, pricing and the role of all those involved in a project. The terms “General Contractor”, “Design/Build Contractor”, and “Builder” can be taken to represent the role that Timberstone Homes will fulfill under contract with you.

WHAT IS YOUR COST PER SQUARE FOOT?

The average cost/price per square foot of the homes we build was just under \$125 in 2004. This does not include the lot cost, services infrastructure, roadways, sidewalks and landscaping. A number of factors can affect the cost per square foot.

Cost per square foot is typically calculated by dividing the total cost by the square feet of living area. Costs such as temporary utilities, plumbing, garage doors, cabinets, etc. are included in the total cost and affect the cost per square foot calculation although they are unrelated to the square feet of living area in the home. Consequently, smaller homes generally cost more per square foot than larger homes because there is less finished square footage in which to divide these costs.

Some homes might contain unfinished or partially finished areas - like basements and attic "bonus rooms." These unfinished or partially finished areas obviously add to the total cost of the home, although the cost per square foot of these unfinished or partially finished areas is less than the cost per square foot of finished space. If the square footage of this unfinished or partially finished area is included in the cost per square foot calculation, the cost per square foot would appear low. On the other hand, if this square footage is excluded, the cost per square foot would appear high. We only use the finished areas when calculating our price per square foot.

The sales price quoted includes "allowances." Allowances are budget amounts for items the Client is allowed to select but which may not have been selected prior to entering into the contract to build the home. If the cost of the items selected by the client exceeds the allowance, the sales price is increased by the difference. Common allowance items include cabinets, countertops, light fixtures, appliances, tile, flooring, and landscaping. Low allowances could make the cost per square foot appear low.

CUSTOM HOME BUILDING 101

Considering all of the potential problems, whether real or imagined, in building a new home, why would anyone consider hiring a builder, buying a lot and starting a home from scratch, rather than buying an existing ready-to-move-in home?

The reasons vary, but many custom home clients cite the personal satisfaction of the home-building process as a compelling motivation. Others want a home with the latest in modern architectural design and home-building technology or a custom floor plan and home design that fits their individual lifestyle and needs.

Many people believe a brand-new home will require less maintenance or appreciate faster in value. And, naturally, some people simply enjoy the pleasure of living in a home that's completely new from the foundation to the roof.

A successful home-building experience depends largely on following a workable plan from the start through the completion of the project. Here's an example of a 10-step home-building plan that might work well for you:

1. Establish your budget. Before you start making plans for your new custom-built home, ask a lender how much money you qualify to borrow and what the down payment requirements will be to finance the construction and purchase of your home.
2. Select the general area where your new home will be built. Spend some time investigating and visiting areas where you might want to live.
3. Choose a builder. Select a construction professional to help you through the next few steps of the process. A preliminary agreement can afford you the option of selecting the same builder or a different builder to construct your home.
4. Choose the specific site on which your new home will be built.
5. Hire a home designer. Select a designer whose work suits your taste and who will design a home that can be built within your budget on the site you have selected.
6. Choose a builder for the construction of your home. The builder you select may be the same one who has assisted you thus far with the process of building your new home. You might decide to obtain one or more formal bids for building your home. The bidding builders will assemble subcontractors' bids, suppliers' proposals and other estimates into a formal cost analysis based on the complete written specifications for your home.
7. Finance your home. At this point in the process, you will be ready to arrange the short-term construction financing and the long-term residential mortgage for your new home.
8. Obtain construction-related approvals and permits. Before construction can begin, you will need official signoffs from the local government building department,

utility services and the local planning board, if any, that has authority over your site.

9. Build your home. If your plan has been well-executed, the construction of your home could be the easiest part of the process.
10. Closing and completion of final work. After your home is built, the lender will fund your residential mortgage and the builder will make any repairs necessary under the warranty.

SIX TIPS TO GETTING ALONG WELL WITH THE BUILDER

If there is one point on which most home builders agree, it's that the client's attitude and behavior are key factors in whether the home-building process will run smoothly or become a living nightmare for all concerned. Here are six tips for getting along well with the builder:

1. Hire a qualified builder and work with him or her to assemble your home-building team. Getting involved and making good decisions will help make the home-building experience rewarding for you.
2. Be realistic about your budget. A custom-built home is unlike any other purchase you will ever make. Price is important, but it probably shouldn't be the driving force in choosing a builder. Do not attempt to build "more house" than you can afford. Having a budget that is inadequate for the home on the drawing board is an invitation to disaster. It is wiser to cut back on the size, complexity, features or finishes for your new home than it is to stretch your financial resources beyond your comfort zone.
3. Be prepared to get involved. Regardless of the type of contract that exists between you and the builder, having a new home built will require a substantial amount of your time and effort. Minimize your other commitments, projects and obligations to the greatest extent possible so you can concentrate on your new home.
4. Communicate with the builder. Tell the builder what you're thinking. If something is bothering you, talk about it with the builder. Don't let your concerns, disappointments or gripes add up until you reach the boiling point.
5. Control the urge to make changes once the plans and specifications for your home are completed. Nothing causes builders, subcontractors, suppliers and even clients more grief than alterations. A seemingly insignificant modification can cost a significant amount of money and time. Small changes can ricochet through the home and later become major problems.
6. Focus on the goal. Designing and building a custom home can be one of the most rewarding and profitable experiences of your life.

SELF-EDUCATION IS CRUCIAL WHEN MAKING KEY DECISIONS

The custom home-building process is fraught with opportunities for either success and happiness or failure and disappointment. That's why it's important to educate yourself thoroughly before you begin making plans for your new home. Being well-educated is the best way to make sure your expectations will be in sync with the realities of custom home building. Here are some pointers:

1. Cost doesn't necessarily equal quality. Many people believe cost-per-square-foot is a good yardstick for comparing homebuilders, but builders say selecting a builder on this basis ignores crucial qualitative differences among builders.
2. Building a home isn't a do-it-yourself project. Many people believe they can save money on a custom-built home by acting as the general contractor. Builders say saving any real money this way is unlikely and any potential savings are far outweighed by the possibility of financial disaster. Building a home takes experience and know-how. It isn't an appropriate project for amateurs.
3. Select your builder sooner rather than later. Some clients try to save money by buying the land for their new home and selecting a home design before they consult a builder. Builders say it's well worth the cost to obtain a professional's input during the site-selection and design stages.
4. Compare bids carefully. It's not uncommon for clients to obtain multiple bids on the construction phase of their custom new home, but builders say getting multiple bids isn't necessarily in your best interest. Bids are difficult to read and compare. If you decide to obtain more than one bid, be sure the bids are based on identical specifications and consider the quality of the materials, the builder's reputation and other qualitative factors in addition to the bottom line.
5. Find your financing. Some consumers are dismayed by the idea of getting a construction loan because they believe this type of financing is difficult to obtain. Nothing could be further from the truth. If your new home is well-planned and a professional builder is on board, construction financing typically should be relatively easy to arrange.
6. Expect the best. Most people have heard at least a few home-building horror stories about excessive cost overruns, argumentative builders and incompetent suppliers and subcontractors. While reasonable cost overruns and a certain amount of stress seem to be unavoidable in the custom home-building process, having your new home built certainly shouldn't be a nightmare.

SOME HOMEBUILDERS ARE A BETTER FIT WITH CERTAIN TYPES OF CLIENTS

Clients sometimes say they want the "best" homebuilder in the business to build their home. The difficulty with that statement is that there is no one best builder or even one best type of builder for all clients or even all homes.

The truth of the matter is that some builders are a better fit than others are with certain types of clients and certain types of homes. That means a builder who is highly recommended by a friend or a relative of yours might not be the best builder for your needs.

Some builders construct more than one type of home, but most specialize in a particular type, size or style. Large-volume production builders construct many homes in a year while small-volume production builders work on fewer projects. Spec builders design and build individual homes to be sold during construction or upon completion. General contractors build preplanned homes while design/build contractors provide both design and construction services.

Most clients who want their own home individually built and designed select a builder who specializes in custom or semi-custom homes. These companies tend to be smaller in size and usually build far fewer homes than those that build production or tract homes. Most smaller building companies are operated by the owner, which means you'll be working with either him or her personally or a key employee. Occasionally, a custom or semi-custom home building company can become quite large. In that case, you may not receive as much personal attention from the company owner.

Cost is not a direct measure of quality. Rather, good quality is the merging of good design with appropriate products and materials that are installed with superior workmanship. The most expensive window might not look or perform any better than a substantially less expensive window. But improper installation of that window will diminish its quality, regardless of its cost. Generally, costly finishes and fixtures won't offset shoddy application or installation.

HOME CONSTRUCTION: A STEP-BY-STEP GUIDE

The construction phase of the home-building process is when all your dreams and plans come to fruition. It often is the easiest, most gratifying and most enjoyable part of the process. Successful execution of your plan requires a joint effort by the builder, the subcontractors, the suppliers, the building department officials, the lenders and you.

The methods and materials used to build a home vary from region to region, but the following basic tasks must be completed for most newly built homes:

1. Site work, which may include clearing trees from the lot, cutting a rough unfinished driveway, placing stakes to mark where the house will be situated on the lot and hooking up temporary electricity service.
2. Excavation and foundation, which may include digging a hole for the foundation, setting and pouring the foundation, installing plumbing pipes, pouring the concrete floor of the home, digging trenches for utility lines, waterproofing the basement walls and grading.
3. Framing, which may include installing steel beams, erecting a wood structure and installing windows and exterior doors.
4. Roofing and exterior work, which may include applying roofing materials and installing siding, an outdoor deck, rain gutters and a garage door.
5. Mechanicals, which may include installing plumbing, electrical and heating/cooling systems, pre-wiring the home for a security system, running wiring for telephones, cable television and an intercom and placing pipes for a central vacuum.
6. Interior finish work, which may include installing insulation, installing and finishing drywall, painting and staining, and installing cabinets, countertops, hard surface floor coverings, baseboards and built-in appliances.
7. Trim, which may include hanging interior doors, attaching window trims, installing fireplaces and mantles, setting plumbing fixtures, installing light switches and electrical outlets, hanging electrical fixtures, setting heating registers, thermostats and heating/cooling unit and installing faceplates for the central vacuum, intercom, cable television and telephone outlets.
8. Final work, which may include installing carpet padding and carpets, cleaning the exterior and interior of the home, finishing the driveway and landscaping and completing any miscellaneous fix-up work on the entire home.

It's important to understand that home construction varies dramatically from place to place. Ask your builder to educate you about home construction requirements and practices on Manitoulin.

WHEN WILL OUR HOME BE FINISHED?

Building a new home can take from 90 days to a year or longer, but construction of most custom and semi-custom homes takes five to eight months from start to finish.

Factors that will determine how long it will take for your home to be built include:

1. The size and complexity of your home. A home that is large or has a complex design will take longer to build than a smaller or simpler home.
2. Finishes and features. Special order items and out-of-the-ordinary finishes will take longer to be completed than readily available products and standard finishes.
3. Weather. Work on every construction site slows down during bad weather. Rain, snow, wind or excessive cold or heat can cause little or no work to be done and will delay completion of your home.
4. Economic conditions. Construction can be completed much more quickly in a slow economy than it can be in a booming economy because labor and materials are at a premium in good times. Labor strikes or shortages of materials can bring a construction project to a halt.
5. Client-triggered delays. Indecision on the part of the client or changes to the home design during construction can throw the construction schedule off track and ruin the project's momentum. Make your decisions in a timely manner and resist the temptation to make changes once construction begins.

Construction delays also can result from unavailability of subcontractors, delays in receiving materials, products or supplies, unexpected problems with the building site and design problems.

WHAT'S YOUR GENERAL CONTRACTOR DOING?

The construction stage of building your new home is not without peril. Fortunately, problems and misunderstanding can be minimized through clear expectations on your part and good communication between you and the builder. The tasks the builder may perform include:

1. Scheduling subcontractors. Rather than personally constructing new homes, most builders rely primarily on the expertise of independent subcontractors. Subcontractors specialize in specific components of home building (e.g., framing or drywall). The fact that subcontractors work for multiple builders makes scheduling a crucial activity. The builder dovetails the scheduling for each subcontractor with the scheduling for the other subcontractors.

2. Coordinating subcontractors and suppliers. Contrary to popular belief, new homes are not built by a series of subcontractors completing their tasks sequentially. In fact, subcontractors overlap one another at all stages of construction and often must work together to accomplish their tasks. The builder facilitates cooperation among the subcontractors
3. Supervising the job site. The builder or a superintendent hired by the builder will supervise the subcontractors and make sure their work is completed correctly and on time. The builder mediates any disputes and resolves the inevitable problems and conflicts among the subcontractors.
4. Administration. A mountain of paperwork is built along with every new home. The builder's administrative responsibilities include tracking costs, preparing bank draw slips, assembling warranty records, maintaining files and arranging for building inspections.
5. Meetings with the client. The builder keeps the client informed about progress on the construction site. These formal or informal meetings may take place by telephone, at the job site, in the builder's office or at a supplier's place of business. The builder also guides the client through the process and timeline for making decisions about allowance items (e.g., fixtures and appliances) for the home. Indecisiveness or procrastination by the client can delay the completion of the home because the builder needs an adequate amount of time to purchase the items the client selects.

THE FINAL DETAILS

Walk-through inspection gives you the opportunity to see what's left to do

After construction of your new custom-built home is completed, but before you move in, you and the builder typically conduct a walk-through inspection of the home. This inspection is an opportunity for you and the builder to note any items that need attention, completion or repair. The builder will prepare a "deficiency-list" based on this inspection, then schedule subcontractors and suppliers to return to your home to complete or repair their work. Ideally, all of the deficiency-list items will be finished before you occupy the home.

The local authority's building inspector will also need to tour your completed home. In most cases, this inspector will need to issue a certificate of occupancy before you can move into the home. Issuance of this certificate doesn't mean all the work on your home is finished but it certifies that the home is habitable and safe according to local occupancy guidelines.

How soon you will be able to move into your new home depends on a number of factors. Generally, if you already have title (i.e., ownership) of your home and have been carrying

the construction loan, you may be able to move in as soon as the certificate of occupancy is issued.

Your residential mortgage may be funded as soon as the certificate of occupancy is issued, even if some final work on your home hasn't been completed due to scheduling conflicts, inclement weather or other unavoidable delays. Typically, the title company or lender will establish an escrow account to fund the costs of unfinished work. When the work is completed, the funds in the escrow account will be disbursed to the builder or the finishing subcontractors.

WHAT CAN I EXPECT DURING CONSTRUCTION?

While this question is seldom asked in advance, client expectations may exist that can result in unnecessary frustration. It is important to realize that you have entered into a contract with Timberstone Homes to provide you with an end product in keeping with expectations that are reflected in the construction drawings and specifications in the Home Sales Agreement. Any standards or quality of work assessments that you are expected to make should be reserved for the final product.

Some of the following items will occur during construction are by-products of the process or the building environment and should not be cause for alarm or distress:

- Until the home is “weather-tight” rain will penetrate the interior
- For scheduling reasons, there could be days when no work crew is active on your site.
- Heavy equipment will require access to the site and can create stress on existing roads and landscaping
- Considerable noise will occur throughout the process
- Considerable dirt, dust and debris will be present until interior flooring and finishing commences