



What is an estimate?

The estimate is a measured takeoff of everything it takes to build the home from stakes to mark the outline of the house on the site to the cleaning crew who prepares the home for moving day. This is a detailed process that takes time. The pay-off for you is a fixed price that you can rely on to be accurate, competitive and thorough.

What is the proposal?

The proposal is the formal offer to build your home for a set price. Often there are several options priced at your request. Also included is a list of *allowances* included in the quoted price. The price along with selected options forms the basis for the building contract.

What are allowances?

Allowances are essentially budget figures for certain components of the building that are difficult to pin down prior to actual product selection. There are two types of allowances;

Quantitative; an example of which would be the water well. Nobody knows how deep the well will be until it is actually drilled. The actual cost is dependent on the depth. We establish an allowance based on of the average depth of wells in the area near your site and on what you intend to use the well for (drinking water, geothermal, lawn sprinkling).

Subjective; an example of which would be floor covering. Flooring can vary widely depending on the product selected. We establish this allowance together based on what type and approximate quality of material you want to use in each room (ceramic tile, hardwood, carpet, etc.)

As allowance items are completed and product selections are made, the contract price is ad-

justed up or down based on the actual cost compared to the allowance. This protects you from paying for a 200' well when it is only 150' deep and allows you discretion and flexibility in making final product selections. Allowances must be realistic, the practice of understating allowances to make the proposal more attractive will only cause frustration and cost you money.

What is the Contract?

The contract is a set of documents that defines the project to be built. It includes the following;

The *Construction Agreement* which names the owner and the builder, the location and price of the project, method of payment, start and completion date, a list of other contract documents, the warranty and the Indiana Quality Builder Standards.

- The *Allowance Schedule* listing all allowance items and what is included in each.
- The *Payment Schedule*.
- The *General Conditions* which define the ground rules for the building process.
- The *Specifications* which verbally describe how the building will be constructed.

The *Room Specifications* which describe what is included in the house room by room.

The *Drawings* which include the site plan, floor plans and exterior views of the home.

All this serves to define and clarify the scope and cost of the home we will build so that you know exactly what to expect from us and us, for you.

What are the Indiana Quality Builder Standards (IQBS)?

We are an IQBS builder. We will provide you a personal copy of the standards prior to signing the contract. The standards address many of the most common quality issues in the building industry and defines what constitutes a defect. It then goes on to identifies the responsibilities of both the builder (how to correct a defect) and the owner (maintenance).

For additional information go to <http://www.buildindiana.org/QABS.htm>.

Who gets the permits?

Except for zoning clearance, we will usually provide all permits necessary to build the home. Depending on the jurisdiction, these will include permits for the driveway, septic system, well, soil erosion and sediment control, building, plumbing, heating, electrical, fireplace and demolition.

What insurance coverage will I need?

State laws require that contractors carry a minimum coverage for liability and worker compensation. Reputable contractors carry additional coverage to protect themselves and their clients.

Ask your contractor for proof of insurance prior to contract signing.

It is good practice to carry an additional *builder's risk* policy written for your specific construction project. This type of coverage protects against loss due to theft, fire, storm damage, etcetera while your home is being built. We usually provide this coverage as part of the fixed price.

As the Owner, you should carry your own liability insurance for the lot or land. Unless separate coverage is in place, your *personal property* at the building site will not be insured.

How is the schedule determined?

We provide start and end dates for the project and layout our production schedule to meet those dates. Schedules are always in flux due to weather, availability of materials and craftsman as well as other factors. The Owner can help keep the project on track by making decisions and product selections on a timely basis.

How do you handle changes?

As building progresses, people often think of things they would like to change or add. As product selections are made allowances are adjusted. It is critical for the owner and builder to stay current with these changes. When a change is requested we provide an estimated cost and estimate the impact on the schedule as soon as possible. We provide updates to the Owner showing the status and cost of requested changes and allowances on a monthly basis so that there are no surprises at the end of the project.

How do I select finishes and products?

Selecting flooring, faucets, doorknobs, cabinets, and light fixtures and a whole lot of other stuff that goes into your home can be overwhelming. There are more options available than ever before and coordinating all those decisions can be a daunting task. We try to make this easier by;

- breaking them down to manageable pieces
 - using suppliers with modern showrooms and knowledgeable sales people
 - scheduling selections early enough to avoid having to make rush decisions
 - keeping you apprised of costs of your selections
- providing outside assistance with selections as fits your needs

Who are your subcontractors and suppliers?

Over the years the size and complexity of the homes we build has greatly increased, and we have built a team of sub-contractors and suppliers who bring valuable skills and experience to the table. This team continually evolves to better meet the needs of our customers, but includes people and companies that have worked with us for over 15 years.

What happens when my house is done?

When the work is complete and the house is cleaned we do our own inspections and identify things that need attention. We then meet with you and walk through the house to familiarize you with the features of the home. In addition we show you how to operate the various systems, talk about maintenance and add any concerns you may have to our list.

How do you handle service work?

We build your home with a great deal of care in order to provide you with a house that looks good, functions well and stays that way over the years. Inevitably, some problems will occur. We have yet to build the perfect house. Our goal is to resolve problems as efficiently as possible. We rely on you to report problems to us but also schedule a walk-throughs at 12 and 24 months after completion.

What should I use to clean my countertops?

That depends on your countertop material, but it is one of the things you will probably find in your Owner's Manual. We will provide you with a file of all the warranty and maintenance information that comes with the products and appliances that go into your home.