

A LOT Affects Your Homebuilding Choices, Cost

Building your own home presents a lot of choices, but selecting the LOT is one of the most important. This decision can be daunting; however, Steiner Homes can guide you in lot selection with the helpful information below or by contacting us. Once your choices are narrowed down, our experienced personnel will even do a complimentary lot evaluation to make you aware of factors that could affect your budget in building on a particular site.

Items to Consider in Selecting Your LOT...

- ▶ **Tree Removal.** The need to clear trees and shrubbery off a site is an expense that will depend upon the number and size of trees or shrubs, as well as any unusual circumstances, i.e. a large tree leaning toward a neighbor's house can affect price.
- ▶ **Lot Elevation.** Terrain that climbs sharply up or drops steeply down changes the dynamics of a property. Likewise, a walkout costs more to build than a daylight basement, since backfill usually must be brought in or dirt hauled off the site. *Rule of thumb: the greater the elevation change, the greater the cost involved in preparing a lot for construction.*
- ▶ **Drainage.** Beyond normal drainage around a home's perimeter, a residential lot may require special drainage to prevent water from impeding on neighboring properties—an uncommon yet potential expense.
- ▶ **Septic.** If a lot requires a septic system with a well, the costs will typically be higher. Although this is a greater initial investment, you are likely to recoup this amount over time since there will be no monthly sewer and water bills.
- ▶ **Developer Fees.** A developer often charges additional fees beyond the lot's cost. Some developers charge a 1% fee to build in their subdivision. Others charge a \$1,000 reimbursable fee to ensure landscaping is completed. Know developer fees in advance.
- ▶ **City and County Fees.** Within Northwest Indiana, a few cities charge up to \$7,000 more for a building permit, and some areas require conduit for electrical wiring that could add up to \$5,000 more a home. Call Steiner Homes to find out what communities charge higher fees.
- ▶ **Subdivision Covenants.** Some subdivision covenants require items such as a certain percentage of stone on the facade, of which Steiner Homes will help you review these covenants and provide a quote for these items.
- ▶ **Driveway Length.** A longer than normal driveway requires more materials, more money. A Steiner Home features a concrete driveway as standard, with stone as a base to prevent washout. If the driveway is longer than normal, we calculate a price of adding stone to the pad in front of a garage, and provide a cost breakdown of using asphalt versus concrete so you can make a cost-effective decision. Note: adding sand for the foundation of a garage or front porch also requires more materials.
- ▶ **Curb Cut.** In a few subdivisions, the curb is required to be cut out to create a driveway; however, in most cases, this decision is left up to the home buyer. Either way, we can handle this request for a nominal amount.
- ▶ **Location.** Our team at Steiner Homes are exceptionally familiar with Northwest Indiana and can guide you on the location that best fits your needs, your budget. Call us for more info.

Did you know?

In addition to lot selection factors, we, at Steiner Homes want you to be aware of various other expenditures in building a home so you can plan and budget accordingly.

Construction Loan. Construction loans include the interest, inspection fees, title work and miscellaneous costs during home construction. The advantages of a builder carrying this loan far outweigh the minimal costs to a home buyer, as a builder assumes the risk and insurance on the house; reports directly to the bank with a higher level of accountability having already established a relationship; and expertly expedites all draws and fee issues. Note: 80% of Steiner Homes' customers prefer us to carry this loan.

Engineering. Engineering work is a normal part of building a home. This includes staking out the new lot and verifying the house is in the right location and elevation, i.e. the right height for a particular subdivision. Expenses vary depending on the level of complexity, as engineering septic and well systems take more time and labor. The costs are commonly passed on to the home buyer after they are established by the engineer.

Upgrades. A builder can and should provide up-front pricing for upgrades such as kitchen tile backsplash or crown molding, as this will avoid sticker shock to you later. Steiner Homes already offers numerous features as standard (solid wood floors, trim packages and others listed on our web site), but we are happy to quote on further desired upgrades.

Selection. To be competitive, builders select specific products to incorporate into their homes and negotiate pricing with local suppliers accordingly. Beyond a builder's package, your requests for highly customized features can result in significantly higher prices, which are often a way for **suppliers/manufacturers** to realize a better profit than possible with builder-negotiated products. Typically, this is not builders applying an excessive mark-up.

Change Orders. Once construction starts, home buyer requests for changes will incur charges that could significantly impact a home's price. Even simple changes can cause a mountain of paperwork, involve extensive coordination among different contractors, and potentially cause delays in the building process. To minimize changes, we meet with home buyers during the design phase to ensure you are comfortable with all decisions before building begins. *Rule of thumb: the farther along in the construction process that you change items, the greater the expense.*

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