Building That Dream House: Don't Be Caught Napping

By James D. Wiseman

Building a new home can be one of the most rewarding experiences of living on a few acres. What could be more enjoyable than seeing the dwelling which you have carefully planned and designed take shape and become the home that you and your family will enjoy and be proud of for years to come.

However, without careful planning and work on your part, your experience can deteriorate into a trauma, resulting in a house that is less than your "dream"; poorly planned, too expensive to build and maintain, or one for which you have signed binding legal instruments not in your best interests. Your entire investment could be jeopardized by neglecting to adequately protect yourself through careful selection of site, builder, and lender.

The first step in planning a home is to determine the size and design needed for your family. Unless you have unlimited funds or a rich uncle, space not used is an unnecessary initial expense and will require time and money to clean, maintain, and heat over the years. The size of your family is probably the primary factor used to determine how large a home you need.

In addition to size, you should also be concerned with the age of the family. A young growing family will need room to expand, while older children will soon be leaving the home. Special family interests or hobbies should also be considered when planning the size and design of your home.

Special needs of elderly or handicapped members of the household should be given careful consideration. Just a little effort in this area, such as wider interior doors, single-level designs, special features in kitchens and bathrooms, and ramps, when necessary, can certainly enrich the lives of the elderly or

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handicapped without adding appreciably to the overall cost of construction.

Proper room arrangement will enhance the livability of the home by allowing for adequate traffic flow and separation of activity areas from sleeping space.

Some sections of the nation tend to favor specific home styles such as Spanish, ranch, cape cod, or colonial. Design, therefore, can definitely influence the resale value of your home; a fact to keep in mind when choosing your house plan.

You may prefer to consult a professional architect when designing your new home. He can provide valuable technical expertise in design as well as structural features. He can also help with selecting a contractor and preparing the contract. The cost of architectural services will vary according to the dwelling's size and cost and the extent of the services you request.

**Standard Plans.** Standard building plans may be used as an alternative. Many firms produce and sell such plans at a moderate cost. Booklets containing floor plans and sketches of many models may be purchased or obtained at building supply dealers or in the magazine section of your local store. Standardized building plans are normally available in practically any size or design you might prefer.

Factory-built houses are another alternative you may wish to consider. A factory-built unit is simply a dwelling which is built in sections in a factory, transported to the construction site, and erected on the foundation. The components, which are built under close supervision in the factory, range in size from 4-foot wall sections up to one-half of a modest-sized ranch house.

Companies that manufacture these units usually have several models a purchaser may choose from. These models normally reflect different room arrangements, size, exterior and interior finish, as well as different styles of architecture.

Another important factor to consider in designing a home is the amount of energy required to heat and cool it. With today's skyrocketing fuel costs, the added initial expense of constructing an energy-efficient dwelling will be returned several times over in utility savings. For suggestions on how to make your dwelling energy-efficient, contact your local utility suppliers or your county or state Extension Service.

Special-purpose features should be carefully considered in planning the home. A carefully designed, well-laid out kitchen can literally save miles of walking over a period of a few years. In addition, a bright and cheerful kitchen will make
some of the routine kitchen work much more pleasant. The addition of kitchen built-ins, such as dishwashers, garbage disposals and compactors, and ranges are a special treat if they do not stretch the budget too far.

Young, growing families on limited budgets may be interested in unfinished basements or second stories as a means of expanding to meet their future needs. Design of the dwelling may also allow for adding bedrooms, baths, or a family room without upsetting the basic room arrangement or causing unnecessary expense.

The Right Site

Selecting the right site on which to build your new home is just as important as selecting the style or size of the home. If you already own “a few acres” then you must choose the best site available, provided your land includes one or more acceptable sites. If you do not own land, or if your acreage does not offer an acceptable home site, there are some important factors to consider before buying land.

Local zoning and building codes may have an effect upon your choice of a building site. In some areas, land zoned for agriculture cannot be used for residential purposes unless the tract exceeds a minimum size of 10 to 20 acres or more.

Availability of water and sewer taps may be a limiting factor. In some areas, wells and septic tank systems may not be economically feasible. Other restrictions such as health ordinances, sanitary codes, flood plain regulations, and deed restrictions; must be carefully considered when choosing a site.

You might obtain assistance and advice on these matters from the local zoning commission, mortgage lender, attorney, or home builders association.

Soil conditions of a home site are extremely important. Heavy clay soils are subject to swelling when wet, and shrinking when dry. This swelling and shrinking can break foundation footings, cave in basement walls, and buckle walks and driveways. Unstable soils may slip, if on a slope, causing a building to literally pull apart. Soil scientists from the Soil Conservation Service can examine the soils on your site to advise you of any limitations the soils may impose.

Many people have made the mistake of not matching the site and design of the dwelling. Ranch style homes are sometimes built on hilly terrain, resulting in excessive land leveling costs. Split level homes built on flat sites require artificial hills, which are expensive and look out of place.

Excessively high water tables can cause a multitude of
problems in constructing a home. Occasionally, high water tables are not noticeable except during a rainy season; so check with the adjoining property owners if you are making your site selection during a dry period. High water tables may eliminate any plans you have been considering for basements. An inoperable septic system, probably the most frequent problem encountered when building in rural areas, is often the result of a high water table or heavy clay soil.

Privacy and traffic noise are two factors worthy of your consideration in choosing a site; however, building and living in a dwelling located far off a public road may have several disadvantages. Driveways, even if not paved, are expensive to build and maintain. Snow removal may be a problem and an added expense you haven't counted on. Many utilities such as water, sewer, gas, and electricity are more costly if the dwelling is located too far from existing services.

On the other hand, properties located on paved roads with existing water and sewer lines may become heavily trafficked and lack some esthetic value of rural living.

**Final Plans**

Once you have selected your site, you can turn your attention to developing final construction plans based on your family needs and design features mentioned earlier, selecting materials, and developing construction specifications. Since the process of developing final plans may vary, depending on whether architectural services, standard plans, or factory-built homes are used, I will elaborate on the steps to be taken as well as the pros and cons of each type service.

If you choose to purchase a factory-built unit, the job of developing final plans will consist primarily of selecting which of the models offered best fits your needs and desires. After you select a model, the company representative can help you decide on the options offered. While you may not have as many choices when selecting plans associated with a factory-built house, you do have the advantage that construction can probably be completed sooner than with a custom-built dwelling.

If you are planning to use standard plans you should do some further checking before spending your money on a set of plans which may be impractical for several reasons.

Unless you are intimately familiar with construction details and building costs, you may wish to take the floor plan and sketch to a builder or building supply firm for their comments and approximate cost estimates.
Although a builder cannot make a definite bid without complete plans and specifications, he can give you a rough estimate as to how much it will cost to build the house you have chosen. Based on his estimate, you may wish to look for a plan which more closely fits your budget. If you expect to borrow funds to construct the dwelling, you may also wish to show the floor plan to your prospective lender to see if it meets his or her approval.

When you have made your choice, order at least three complete sets of building plans. You will need one each for the contractor and lender and should retain one set for yourself. If any revisions have been made, be sure they are made on all copies.

Plans drawn by an architect allow you the most freedom in choosing the style and type home you desire. He can give you valuable advice concerning cost and durability of your home; however, he must understand what you really want before he can do his best job. Make sure you have carefully thought things through and give him as much specific information as you can, unless you prefer and are willing to accept his creative concepts.

Materials. Selecting the building materials and completing the specifications can be an exciting experience; however, it does take a lot of time and exploration. The basic building materials, such as concrete footings and framing members, are fairly standard. Finishing materials, however, represent your taste and should conform with the general style architecture you have chosen. Begin your search for materials at your local building supply dealer. He has samples of the various materials he handles and can probably tell you of completed homes where these materials have been used. If he does not handle a particular item, check with other dealers.

Be cautious about specifying items which require special ordering as they may be hard to get and may delay construction of your home.

The building supply dealer can furnish you with cost information which you should consider before completing the specifications.

“Specs” Sheet

Do not attempt to complete the specification sheet without technical assistance unless you are familiar with and understand construction terminology and technique. The specifications will become part of the construction contract which is a legally binding instrument between you and the contractor.
Since the contractor bases his bid on these specifications, any omissions cannot be corrected without an increase in cost.

Each item in the specification form should be completed. Give careful attention to special items such as kitchen appliances and fixtures, bathroom fixtures, floor and wall coverings, etc. Check to see what sources of heating fuel are available, such as natural gas, electricity, L.P. gas, or fuel oil. Depending on local prices and availability, some fuels may be significantly cheaper to use than others. Solicit the advice of local builders, heating contractors, and even the utility companies before making a final determination.

Be sure you understand what is on the building plans and in the specifications. Misunderstandings between the owner and contractor due to incomplete plans and specifications have turned many dream homes into nightmares. Although the average person is not expected to be familiar with all the details and terminology associated with residential construction, you should make every effort to be sure you and the builder fully understand what you want and have included everything in the specifications and plans.

“Lock and Key.” There are several ways your new home can actually be built. A “lock and key” contract is by far the most popular means of construction and for most of us, the best way.

A “lock and key” is simply a total contract in which the contractor completes all work from site preparation and footings to completion, generally including basic landscaping or at least the finished grading. Upon completion and final acceptance and payment, the contractor will present you with the keys to your new home which is ready for immediate occupancy.

Selecting a Contractor

The most important job a prospective homeowner has when building by contract is selection of the contractor. There are several things to consider besides cost. If you plan to solicit bids from several contractors in your area, ask them for references and inspect homes they have built in the past. You may want to talk with previous customers and consider their recommendations. Find out if the contractor guarantees his work and materials, and if he does, see if he honors this warranty.

The contract itself should be specific. It should refer to the plans and specifications already prepared and specify the exact complete cost of the project. Cost-plus contracts, where
the contractor gets paid for all material and labor plus an additional percentage (such as 10 percent), may become much more expensive than you planned.

The contract should specify the date construction is to begin and a completion date. A daily penalty, for noncompletion after that date, should be included which will cover your costs such as interest, rent, storage, etc.

Payment terms also should be included in the contract. Payment terms could consist of a lump sum payment at completion or partial advances of 60 percent of the work completed at any stage.

The work should be inspected during construction. Inspections are the owner's responsibility and not necessarily the responsibility of the lender or local building commission. If you need assistance, contact an architectural firm, local builder's association, or real estate broker.

Inspect the work at least three times during construction; just prior to the pouring of concrete footings or slabs, prior to installation of wall coverings when all rough plumbing, electrical ductwork and framing members are exposed, and at completion.

The dwelling should be occupied and final payment made only after all items of construction have been completed, including the removal of construction materials and debris.

An alternative to a "lock and key" contract is to build your home yourself with the help of carpentry labor and subcontracts for some work, such as electrical, plumbing, heating, and cooling, etc. Before you seriously consider building your own home without the benefit of a general contract, you should be aware of several absolutely essential factors. First, you must have sufficient expertise in the construction business to at least supervise the construction.

You should have enough time available to spend several hours each day at the construction site when the work is in progress as well as time to select and purchase material. In addition, you should have experience and/or assistance available in purchasing materials and contracting with subcontractors. Keep in mind that contractors are regular customers of material dealers and subcontractors and can usually buy cheaper than you or I can.

What Affects Cost

Building a new home is probably the largest investment or purchase that most of us make in our lifetimes. The cost of such a purchase is therefore of paramount importance. Since
the cost of construction varies significantly from one section of
the country to another, I will not attempt to provide cost guides,
but instead will discuss the items which strongly influence cost
of construction.

Primary factors affecting cost are size, design, and ameni-
ties (or extras). The fact that size affects cost is obvious; how-
ever, many individuals make the mistake of building a dwell-
ing larger than needed, which not only costs more initially,
but results in higher than expected maintenance and utility
bills. Basic adequate housing for a family of four can be built
with a heated or living area of 1,000 square feet or less. Addi-
tional space can be considered depending on individual needs
and financial resources.

Design has a tremendous effect upon the cost of construc-
tion. Normally, simply designed homes with straight walls and
straight roofs are less expensive than houses with offsets,
 wings, and various roof lines. In areas where multi-story homes
are common, the cost of building a second story is usually
cheaper than spreading the same amount of living area out in
one story.

The room arrangement may also affect cost. If the kitchen
and bathrooms are in opposite corners of the dwelling, the
plumbing cost will be much higher than in a home where these
facilities are grouped together.

Cost of an average-sized, basic, adequate dwelling can be
doubled by adding extra items such as fireplaces, extra baths,
kitchen appliances, expensive floor and wall coverings, etc.
Remember that any item you specify in your house that re-
quires specialized labor, such as custom cabinets, brick work,
and ceramic tile, adds greatly to the cost. If you are on a limited
budget, get an estimate of these costs before making your final
decisions.

**Financing a Home.** Borrowing money to finance a home is
not only a necessity for most of us, but may be just good busi-
ness. Inflation—which tends to reduce the purchasing power of
savings—and the rapid rise in the cost of construction make it
impractical to save enough to build a new home.

Many sources of financing are available for prospective
homeowners. These sources include, but are not limited to,
local banks, savings and loan associations (known as building
and loan associations in some areas), mutual savings banks,
mortgage lenders, Federal Land Bank associations, and Govern-
ment agencies. All of these lenders offer long term real estate
loans at comparable interest rates.
Down payments normally range from 5 percent to 20 percent of the value of the security property. In some cases your land may substitute for the down payment provided you do not already have a mortgage on it.

Most lenders, other than Government agencies, are simply businessmen like the grocer or merchant. They are selling the use of their money. Shop around in an effort to buy your money from the one who offers the best terms including not only the interest rate, but length of repayment, etc.

Yes, building a new home is a big job, requiring much time, many decisions, and a lot of hard work. The challenge, however, can be fun and rewarding if you approach the job in a logical, sensible manner following the suggestions outlined. The pleasures of living in a well constructed and attractively designed home are well worth the time and effort you will expend. I hope you will enjoy your new home on a "few acres" for many years to come.

Further Reading:


