

How to Save Money on Your New House!

So, how can I save money on my new house? This question is easier asked than answered. The simple answer would be research and information. In order to obtain a fair competitive price for building your house, the builder is going to need information and a lot of it. The more you prepare and the more information you provide, the more accurate and complete the bidding will be and the easier the comparison between builders and bids will become.

In this expository we are going to discuss the three main elements needed to begin the bidding process. These elements or documents are:

1. Complete set of plans
2. Completed Specifications or a description of materials
3. Allowance Schedule

There is one thing you need to keep in mind during this process. There is no one place that you will be able to shave \$40,000 off of the price of your new home, but there are 40 places you can shave \$1,000. The inverse is true as well. If in every category you spent just a few hundred to a thousand dollars more, the price for your new house will grow to a level that you will not be able to stomach. Once you have your plans, take the time to really explore the specifications, description of materials and the allowances outlined in the following pages. The best way to save money on your new house is to be as exact about your needs and wants as possible during the bidding stages. By doing this you will come as close as possible to obtaining an apple to apple bid. This will eliminate frustration during the construction process as well.

First, let's take an overview of exactly what is in each of these documents and why you need them prior to bidding.

1. **Complete set of plans.** A complete set of plans consists of the following:
 - a) A foundation plan. This part of the plan details the layout of the foundation, which consists of the footings, reinforcement steel, grade beams, load points and slab placements. It will be the single most important part of the plan. If this is incorrect, the rest of the project will be problematic. Make sure that your foundation plan specifies all of the components required as the foundation is one of the most costly phases of the home.
 - b) A floor plan. A floor plan should not only provide information for laying out the location of the walls and room sizes, but also lays out the window placement and sizes, door placement, swing and sizes, cabinet and kitchen layout and configuration of bathrooms. Most people do pay a lot of attention to this page, but making sure it consists of everything takes a good second look.
 - c) An electrical plan. The electrical plan should give the layout and the placement of switches, fixtures and receptacles including where you wish to have three way switches and where flood light switches are to go. If you have any special requests

such as Christmas lighting or low voltage you should insure that they are present on the plan and accurately positioned.

- d) A roof plan. This may not be easy to understand, but is critical. The style of the house will be determined by three things, the floor plan, the exterior veneers and the roof plan. Regardless of the style home you envision, making sure you see and understand the roof plan is vital. The roof plan should consist of valley, ridge and hip lines, roof overhangs and roof pitches.
- e) An elevation plan. The elevation plan should have one picture of each of the four sides of your house. These pictures are referred to as elevations. These elevations should be to scale, usually $\frac{1}{4}'' = 1'$. The elevations should depict the plate height of the rooms; you may refer to this as the ceiling height, the type of veneer and its placement. The elevations also portray the size, shape and style of the windows and doors. Should you have any special trim detail, such as dental molding, stucco banding or crown molding, this should be detailed as well.
- f) Although not included with your plans, you will need an accurate site plan that is drawn to scale, and shows the distance to each of the property lines, the size and placement of the driveways and the location of sewers, wells, supply lines and related items. If you have topographical information, that would be helpful as well.

This would be considered a complete plan package. In order to get competitive bids be prepared to provide between five and ten copies of your plans to each builder you wish to bid. The builder should not absorb the cost of reproducing your plans for bid purposes. The time involved in bidding out a set of plans is usually two weeks, so make sure you allow plenty of time for this in your overall schedule.

2. Description of Materials

After you have the plans and you know what the house is going to look like, you need to define the types of materials that you wish to build it with. This could be as simple as writing on the plans to as extensive as the following example of a "description of materials." Most builders prefer a separate written description of materials or a specifications outline. Most lending institutions will require this as a separate document as well. This could cause some cost discrepancies if you have one builder bidding on $\frac{1}{2}''$ sheetrock and another on $\frac{5}{8}''$. There are cost driven variables that you need to be aware of that can, when added up, make the difference in having a high bid or a low bid. Some of these things you may not care about, some of them you may, but if you do not specify how you want your house constructed you are leaving too much information out of the equation. Another example is in the supply lines for the plumbing. Do you wish to have copper supply lines, galvanized pipe, cpvc or maybe pex. Depending on how many bathrooms are in the house, this could be a several thousand dollar swing. Pay attention to the details.

FLORIDA CONTRACTORS, LLC

CRC1327536

894-3070 (office) 894-1929 (fax)

DESCRIPTION OF MATERIALS

CUSTOMER NAME _____ **PHONE #** _____ **ADDRESS** _____

LAND / LOT _____

PARCEL I.D. # _____ **LOT SIZE** _____

SUBDIVISION _____ **LOT COST** _____

LOT _____ **BLOCK** _____

ARE THERE DEED RESTRICTIONS _____

(IF YES A COPY OF RESTRICTIONS MUST ACCOMPANY THIS DOCUMENT)

HAS A SOIL TEST BEEN PERFORMED? _____

IS PIPE CLAY PRESENT? _____

FOUNDATION

TYPE

MONOLITHIC _____

STEM WALL SLAB _____

STEM WALL WOOD _____

FRAMING

EXTERIOR WALLS _____ **SHEATHING** _____

INTERIOR WALLS _____ **CEILING HEIGHT** _____

ROOFING

SHEETING _____ **TYPE SHINGLE** _____

OVERHANG _____ **EAVES METAL** _____

ELEVATIONS

FRONT

VENEER _____

ACCENT VENNEER _____

SOFFIT MATERIAL _____

WINDOW PEDIMENTS _____

LEFT

VENEER _____

ACCENT VENNEER _____

SOFFIT MATERIAL _____

WINDOW PEDIMENTS _____

RIGHT

VENEER _____

ACCENT VENNEER _____

SOFFIT MATERIAL _____

WINDOW PEDIMENTS _____

LEFT

VENEER _____

ACCENT VENNEER _____

SOFFIT MATERIAL _____

WINDOW PEDIMENTS _____

EXTERIOR FINISH

PAINT

ALL APPLICATIONS 1 COAT PRIMER PLUS 2 COATS FINISH

FRONT DOOR _____ **WINDOW TRIM** _____

REAR DOOR _____ **CORNICE** _____

SIDE DOOR _____ **GARAGE DOOR** _____

RAILS AND POST _____ **SPECIAL** _____

DRIVEWAYS & ALL SIDEWALKS

MATERIAL _____
REINFORCEMENT _____

FRONT PORCH

MATERIAL _____
HANDRAIL _____
CEILING MATERIAL _____

PAVERS _____
COLUMNS / POSTS _____
STEPS _____

REAR PORCH

MATERIAL _____
HANDRAIL _____
CEILING MATERIAL _____

PAVERS _____
COLUMNS / POSTS _____
STEPS _____

PATIO / DECK

MATERIAL _____
PAVERS / DECKING _____
COLUMNS / POSTS _____
HANDRAIL _____

SLAB THICKNESS _____
ALLOWANCE _____
STEPS _____
OTHER STEPS _____

MAILBOX / ENTRANCE

MAILBOX(ES) _____
HEADWALLS _____
HEADWALL MAT. _____
OTHER _____

SIZE _____
ELECTRICAL _____
CULVERT _____

DOORS & WINDOWS

EXTERIOR DOORS

FRONT DOOR

HARDWARE TYPE _____

BACK DOOR(S)

HARDWARE TYPE _____

GARAGE DOOR

HARDWARE TYPE _____

DOOR(S)

HARDWARE TYPE _____

OVERHEAD GARAGE

OPENER(S) _____

INTERIOR DOORS

STYLE DOOR _____
HARDWARE _____

WINDOWS

MATERIAL _____
MANUFACTURER _____
OTHER _____

INTERIOR TRIM _____
EXTERIOR TRIM _____
OTHER _____

SHELVING TYPE _____

INTERIOR STAIRS

STARTER STEP(S)	_____	COLOR/MATERIAL	_____
TREADS	_____	COLOR/MATERIAL	_____
RISERS	_____	COLOR/MATERIAL	_____
SPINDLES	_____	COLOR/MATERIAL	_____
POST	_____	COLOR/MATERIAL	_____
SKIRT	_____	COLOR/MATERIAL	_____
RAIL	_____	COLOR/MATERIAL	_____
TURNOUT(S)	_____	COLOR/MATERIAL	_____
VOLUTE(S)	_____	COLOR/MATERIAL	_____

SECURITY

ROUGH	_____	SUPPLIER	_____
TRIM	_____	SUPPLIER	_____

INTERCOM

# OF ROOMS	_____	SUPPLIER	_____
MUSIC COMPONENT	_____		

STEREO

# OF ROOMS	_____
------------	-------

SURROUND SOUND

# OF ROOMS	_____
------------	-------

CENTRAL VACUUM

INTERIOR SHUTTERS

MATERIAL	_____
----------	-------

CABINETS

KITCHEN

MATERIAL	_____
COUNTERTOP MAT.	_____

MASTER BATH

MATERIAL	_____
COUNTERTOP MAT.	_____

HALL BATH

MATERIAL	_____
COUNTERTOP MAT.	_____

APPLIANCES

RANGE	_____
COOKTOP	_____
OVEN(S)	_____
RANGE HOOD	_____
DISHWASHER	_____
DISPOSAL	_____
MICROWAVE	_____
REFRIGERATOR	_____
TRASH COMPACTOR	_____
OTHER	_____

HVAC

TYPE SYSTEM(S)	_____	SEER RATING	_____
----------------	-------	-------------	-------

ELECTRICAL

SERVICE SIZE _____
UNDERGROUND _____

ELECTRICITY SUPP. _____
OVERHEAD _____

PLUMBING

PRESSURE LINE MAT. _____
DRAIN LINE MATERIAL _____
SEWER TYPE _____

WATER SUPPLIER _____
WATER HEATER(S) _____

SPECIFICATIONS BY ROOM

FOYER

CEILING HEIGHT _____
FLOOR COVERING _____
OTHER _____

BASEBOARD SIZE _____
CHAIR RAIL _____
CROWN MOLDING _____

LIVING ROOM

CEILING HEIGHT _____
FLOOR COVERING _____
OTHER _____
FIREPLACE _____
HEARTH _____

BASEBOARD SIZE _____
CHAIR RAIL _____
CROWN MOLDING _____
MANTLE _____

DINING ROOM

CEILING HEIGHT _____
FLOOR COVERING _____
OTHER _____

BASEBOARD SIZE _____
CHAIR RAIL _____
CROWN MOLDING _____

KITCHEN

CEILING HEIGHT _____
FLOOR COVERING _____
OTHER _____

BASEBOARD SIZE _____
CHAIR RAIL _____
CROWN MOLDING _____

NOOK

CEILING HEIGHT _____
FLOOR COVERING _____
OTHER _____

BASEBOARD SIZE _____
CHAIR RAIL _____
CROWN MOLDING _____

FAMILY ROOM

CEILING HEIGHT _____
FLOOR COVERING _____
OTHER _____
FIREPLACE _____
HEARTH _____

BASEBOARD SIZE _____
CHAIR RAIL _____
CROWN MOLDING _____
MANTLE _____

MASTER BEDROOM

CEILING HEIGHT _____
FLOOR COVERING _____
OTHER _____
FIREPLACE _____
HEARTH _____

BASEBOARD SIZE _____
CHAIR RAIL _____
CROWN MOLDING _____
MANTLE _____

MASTER BATHROOM

CEILING HEIGHT _____
FLOOR COVERING _____
OTHER _____
SHOWER _____
TUB _____

BASEBOARD SIZE _____
CHAIR RAIL _____
CROWN MOLDING _____
SHOWER DOOR _____
COUNTERTOP MATERIAL _____

BEDROOMS

CEILING HEIGHT _____
FLOOR COVERING _____
OTHER _____

BASEBOARD SIZE _____
CHAIR RAIL _____
CROWN MOLDING _____

1ST FLOOR BATH

CEILING HEIGHT _____
FLOOR COVERING _____
OTHER _____
SHOWER _____
TUB _____

BASEBOARD SIZE _____
CHAIR RAIL _____
CROWN MOLDING _____
SHOWER DOOR _____
COUNTERTOP MATERIAL _____

POOL BATH

CEILING HEIGHT _____
FLOOR COVERING _____
OTHER _____
SHOWER _____
TUB _____

BASEBOARD SIZE _____
CHAIR RAIL _____
CROWN MOLDING _____
SHOWER DOOR _____
COUNTERTOP MATERIAL _____

UPSTAIRS BATHROOM

CEILING HEIGHT _____
FLOOR COVERING _____
OTHER _____
SHOWER _____
TUB _____

BASEBOARD SIZE _____
CHAIR RAIL _____
CROWN MOLDING _____
SHOWER DOOR _____
COUNTERTOP MATERIAL _____

BATHROOM

CEILING HEIGHT _____
FLOOR COVERING _____
OTHER _____
SHOWER _____
TUB _____

BASEBOARD SIZE _____
CHAIR RAIL _____
CROWN MOLDING _____
SHOWER DOOR _____
COUNTERTOP MATERIAL _____

LAUNDRY ROOM

CEILING HEIGHT _____
FLOOR COVERING _____
OTHER _____
REFRIGERATOR _____
FREEZER _____

BASEBOARD SIZE _____
CHAIR RAIL _____
CROWN MOLDING _____
LAUNDRY SINK _____
BUILT-IN IRON _____

GARAGE

CEILING HEIGHT _____
FLOOR FINISH _____

BASEBOARD SIZE _____
ENTRY DOOR(S) _____

BONUS

CEILING HEIGHT _____
FLOOR COVERING _____
OTHER _____
FIREPLACE _____
HEARTH _____

BASEBOARD SIZE _____
CHAIR RAIL _____
CROWN MOLDING _____
MANTLE _____

SPECIALTY FEATURES

SCREEN ENCLOSURE
POOL
OUTDOOR SPA(S)
DOCK / DECK
FENCING
OUTDOOR KITCHEN

SIGNED _____

DATE _____

PRINT NAME _____

SIGNED _____

DATE _____

PRINT NAME _____

What you should have now is a complete set of plans and a description of the materials with which you intend to build. The next step is to go into further detail by completing an allowance schedule.

1. **Allowance Schedule.** An allowance is a price used for budgetary establishment. It is used when a selection is needed from the owner outside the control of the contractor; therefore a budgetary price is affixed to that selection. If the actual cost of that selection is less than the budget allows, there is a credit due the Owner. If the actual cost of the selection is more than the budget allows, there is a debit to the owner. The contractor and owner should provide receipts or invoices to determine the actual cost of any selection that calls for an allowance. In order to get a fair apples to apples bid, you should decide how much money you wish to spend on the following items. If you leave this up to the builders you will not likely get a fair comparison as one builder may specify G.E appliances and another builder specify Sub Zero. Even if you can't put a final number in the slot, if all of the builders are using the same allowances you will be able to compare one from the other. I do, however, recommend that you spend a little time and research each of the following as you will need to make a decision sooner or later, you will likely get a more competitive bid if you know now.

\$ _____ Appliances (stove, ovens, refrigerator, microwave, dishwasher, etc.)
\$ _____ Electrical Fixtures (all light fixtures, smoke alarms, fans)
\$ _____ Tub / Shower Tile / Surround (labor and material)
\$ _____ Floor Tile (labor and material)
\$ _____ Wood Flooring (labor and material)
\$ _____ Carpeting (labor and material)
\$ _____ Vinyl Flooring (labor and material)
\$ _____ Cabinets (includes all cabinetry, countertops & built-ins)
\$ _____ Fireplace(s)
\$ _____ Hearth(s)
\$ _____ Mantle(s)
\$ _____ Brick (per 1000 material only)
\$ _____ Exterior Doors
\$ _____ Garage Doors & Openers
\$ _____ Windows
\$ _____ Interior Doors
\$ _____ Door Hardware (interior & exterior)
\$ _____ Interior Window Treatments
\$ _____ Wall Paper
\$ _____ Shelving (closet and pantry)
\$ _____ Mirrors
\$ _____ Bath assc. (towel bar, towel rings, paper holder, medicine cabinets)
\$ _____ Security System (pre-wire and install, not including monthly service)
\$ _____ Concrete Driveways, Walks & Patios
\$ _____ Porch / Exterior Pavers
\$ _____ Interior Staircase(material only)
\$ _____ Decks
\$ _____ Mailbox / Entrance Columns / Bulkheads
\$ _____ Landscaping (includes grading, fill, dirt, sod, plants & labor)
\$ _____ Irrigation
\$ _____ Specialty Item

You can see how much time and effort goes into putting together a project like this. If you are serious about completing the project, both in budget and on time, the sooner you make all of the decisions the easier the process.

Once you have a complete set of plans, a description of the materials and an allowance schedule you are ready to bid the project out. Choose your builder carefully. I recommend not only talking to a few past customers, but talking to a few subcontractors, material suppliers and bankers who have dealt with the builder before. Never go with just one bid. You may have a friend in the business, but get at least two bids, maybe three.

One of the problems, obtaining bids that are easy to compare, is that the builders do not use a standardized bid sheet. Some builders will not show you their bid sheet at all, however, I recommend working with builders who will show you their bid sheet so that you can adequately compare what it is they are providing against the other builders. In a new construction single family home, the list of budgetary items range from 50 to 75 items. In other words, there are between 50 and 75 different items that have to be accounted for. By using a standard bidding form, you can list all of the items and assign each one a number from each bidder. Then you can compare them and make sure everyone is on the same page and that no one has left anything off. Remember, you absolutely cannot bid by the square foot, you can estimate, but you need an actual, accurate bid. This must be done by counting the sticks and bricks. You should end up with a budget for each of the 50 to 75 items. If you want to, after you are finished compiling the numbers, divide the cost by the square footage and that will give you your cost per square foot. Never try and do it the other way around, it's just not accurate enough and you will end up getting hurt.

By providing the information on a set of plans, in the description of materials, and an allowance schedule and then compiling the bids on a standardized bid sheet, you have taken almost all of the worry out of the project and have created the opportunity to properly evaluate the builders and their prices and services. So, how can you save money on your new house? Provide your builder with a lot of information. The more of this information you provide, the fewer areas the builders will have to fill in the blanks with their own numbers. As a builder I can tell you, the more blanks there are, the higher the price has to be to cover the contingencies that will inevitably arise. The builder thought you wanted this, you actually wanted that. Well "*that*" cost more money. You do not want very many of those conversations during the construction process.

One last thought, there are no perfect builders, no perfect bids and no perfect customers. The customer is not always right, no one is. Try and work with builders that try and work with you. Just as important as saving money on your new house is coming through it with your dignity and sanity. In the end choose the best deal, which isn't always the least expensive.