

# How to Hire a Builder

## Base your decision on seven criteria

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The choice of a builder may be the most important decision in the custom home-building process. Choosing a builder early in the process--ideally before you've settled on a site or design for your home--can set the stage for a successful home-building experience.

Why might you prefer to choose a builder early on? Builders say the process is so complex that most owners need professional guidance from the beginning to avoid mistakes in site selection, home design and written specifications.

Builders say your budget probably shouldn't be among the top criteria in selecting a builder. No builder can quote an accurate price for a custom or semi-custom home until he or she knows the type, style, finishes and features of the home, the site conditions and the type of contract you want to use for construction.

Rather than focusing on cost, you may well want to base your decision on the builder's competence, reputation, professionalism, warranty coverage and experience. Here are seven criteria to consider:

1. Reputation. Look for an established builder with an extensive client list.
2. Area of operations. Choose a builder who is familiar with the area where you want your home to be built. Local knowledge is important because residential construction is very regional in nature. An out-of-the-area builder might not be prepared to handle variations in local building codes, subcontracting practices, inclement weather patterns or other factors.
3. Type of home. Select a builder who has extensive experience constructing homes in your price range and general design style.
4. Compatibility. Building a home is a highly personal and emotional experience. That's why you'll want choose a builder with whom you'll feel comfortable.
5. Warranty. The builder should be willing and able to offer you a comprehensive written warranty on your new home.
6. Financial stability. Some builders run their businesses better than other builders do. Make sure the building company you select is financially viable.
7. Financial strength. Success in the home-building business is earned by building a quality product at a fair price. A builder who is financially successful likely will still be in business during the warranty period for your new home. Further, successful builders are in the best position to contract for the services of top subcontractors and suppliers--the people who will actually build your home.

Beyond these factors, the most important consideration is the quality of the builder's homes. 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.

Some home buyers locate a builder through a real estate agent. Certainly, no group of people has better knowledge of the local real estate market than the real estate agents who work in that market on a daily basis. Whether an individual real estate agent is well-versed in home construction is another matter. Some agents are very savvy about builders and home construction while others aren't at all knowledgeable about local builders or the new home design and building process.

Many real estate agents shy away from marketing and selling brand-new homes while others prosper in this specialty. If you decide to ask a real estate agent to help you select a builder, be sure to consult an agent who understands the realities of new home construction.