

# Which Comes First: The Builder or the Home Designer

---

This question seems to have an obvious answer; you cannot build without a plan.... So the correct answer should be the Designer comes first! WRONG !

I would like to relate an experience that has been repeated multiple times in my building career.

Johnny and Susan (fictitious names) found a lot in a great neighborhood, purchased it and began to assemble their ideas. After collecting their magazine photos and a list of the amenities that they wanted in the home... off they went to see the Designer/Architect.

After several meetings that required measuring their furniture at home and countless hours spent in perusing the different plans as they made their way to the home of their dreams. They realized that the details of each room were not exactly correct and if they were going to spend this much effort and treasure they would continue on until it was perfect.

They added a few inches in the baby's room and added an extra few feet in the great room. They decided to splurge on the extra 1250 square feet of wood floors to incorporate the rest of the areas that were on their wish list.

While they were at it... it would certainly pay off to have the encapsulated foam insulation with the conditioned attic for storage space. A great place for the Christmas decorations and that boutique designer Christmas tree. Oh' .. the tankless water heaters and the great moldings that they took pictures of while they were on vacation.... Of course.. it needed stain grade doors to look right... great cabinets with a bakers island! Oh' the dinner parties that are being planned!

Oh gosh', we need one more garage bay and that back porch needs to be a little bigger to allow for that great outdoor kitchen... what barbeques we are planning for next summer.. maybe a pool too! The roof line needs to be a little steeper... Susan's girlfriend did not like the "almost Tuscan" look.. steeper would be better..Oh' gosh... almost forgot that big circular drive... gotta have it! No reason not to get it done now... save on reconfiguring the landscape and irrigation! We can scrimp on the media room and just get it all wired... Johnny can hookup those things himself... sounds like they are finished. With a skip in their step and a sparkle in their eye... the home is spinning in their dreams. They know exactly what they want and it has been drawn out to their exact specifications.

Now.. on to the Builder... They went to the Builder that they had been quietly discussing between themselves for months..called him up and announced that they wanted to discuss building their house. Eagerly they awaited the first meeting and proudly pulled out their finished plans. When the budget discussion came up, the builder seemed a little hesitant and then he came out with it. Johnny, Susan... I will be happy to give you a rough quote to build your home, but if the budget number you

are giving me is a real number to you... I am afraid that I can see that your home is going to be well over that budget.

The instant reaction from the Home Owners....Indignation, the gall..."How can that be"... we discussed this with the Designer/Architect while we were drawing the plans up... we thought this was within our budget. This is where reality sets in. A Designer/Architect works on paper in an office drawing plans, rarely do they build any of their drawings and even more rarely do they have a current idea of the actual cost of construction.

To sum this true story up... I have a few of the different endings ...none are pretty... but they are all true.

1. In one case, the owners decide that they will bid out the plans and find a more reasonable builder... the estimates for the cost of construction all came in within a predictable variation. A really low bid... a really high bid and most centered close to the rough estimate their original builder had given them. All of them were over their budget. They were shattered. The lost time and treasure, the lot purchase and the plan bought.... all of the effort. Disgusted and heart-broken they sold their lot and put the plan in the closet... never to consider building again.
2. Second case, the owners decided that they would just bid it out and find a builder that is more reasonable... sure enough they did. Their second choice of builder's estimates all fell in line with their expectations... after all they told him in advance what their budget was. A year later, the project is hung up with broken windows and sits unfinished. The too good to be true budget... was just that. The phone calls to find the builder always came back with lame excuses as to why progress was not being made... The broken windows... (as I drive by the project), I suspect they keep getting broken by an unpaid subcontractor.... The lumber company is starting legal proceedings to take Johnny, Susan and the builder to court for unpaid lumber bills...this is just the tip of the iceberg. The home remains unfinished after 18 months of slow building with the cost mounting. The lawsuits and problems are starting to stack up.
3. Third case, the owners decided to look around and find a builder that would do the job for less money also... low bidder... it was still more than their original budget but it was certainly less than their first choice builder had told them. A year later ...they were moved in... when the door bell started ringing... it is subcontractors coming by to try and collect directly from the owners. It seems they had not been paid by the Builder. The subcontractors had been told to wait until closing....the money would be available then. When the subcontractors noticed the house was being lived in, they started swarming the owner looking for their money. It appeared that the builder failed to pay \$120,000 in materials and labor on the job... but he did

buy a new motorcycle and take a great vacation to show off his wife's newly enhanced chest! Too add insult to injury, the home immediately started showing the results of shoddy workmanship culminating in a disaster 4 years later. When the builder was contacted in regards to the disaster (the front of the house collapsed).... his reply "Get in line, I have more judgments than I can pay".



*This home was built by the "Low Bidder" for almost \$1,000,000, My original bid was \$30,000 higher. Due to unpaid subcontractors, vendors, materials and this failure – the home owner was out an additional \$150,000 including the repairs. The home was not built up to Caprock's standards.*

### *Summation*

**Designers/Architects are not trained to provide current cost estimates for jobs. A lot of ordinary builders cannot price a concept idea either. Remember, you paid the Architect/Designer to draw the plan that you requested... you did not pay him to provide you with a true estimate of construction cost or ask him to sign a contract guaranteeing (fixed price) to construct the home at the budget you thought you were setting. The true cost of construction... estimates of a job for a fixed price contract can take several weeks of work involving hundreds of items bid out. Labor and materials have to be**

taken into consideration along with “when” the work will be performed. Prices fluctuate on commodities and several parts of home construction materials are commodities. Labor crews are not just sitting around waiting to do your job, they must be scheduled in an intricate dance that will allow for speedy completion without long delays. Get a great Builder and get a solid price.

Lawsuits in this situation are common. Lumberyards and concrete suppliers are first on the job with major materials. These suppliers don't care what your budget is or was; or how much money you have or don't have. They know what they delivered and will lien the property while filing suit to collect. If the “cheap” builder was desperate enough to take the job knowing that it could not be done for the budget that was set, do you think he is going to stand behind his word and pay up. I don't think so. The money is probably already gone and there was not enough to begin with.

The moral of this story is; Select your Builder, let them walk through the entire process with you. Be honest, give them the real budget up front. Asking for more than you can pay for (or without having the budget for it) will result in an extra cost of redrawing the plan later after you get real numbers from the Builder. Giving the builder a low budget will result in a home built to that budget. If you want a better home, give the builder a better number to work with. This is not rocket science, do your due diligence. This is why trust and comfort with your builder is so important.