

BUILDING A NEW HOME CHECKLIST

- To preclude a developer from using buyers' funds to finance a project still under construction, the purchase contract should provide deposits to be held in a trust fund.
- Investigate integrity and financial stability of the builder. How long has he/she been in the business? Does he/she have ample capital to complete the project if it is still under construction? Check with your banker or Better Business Bureau. The best protection is a bond guaranteeing completion of construction.
- Is the builder a member of the local home builder's association? If there is a home owner's warranty (HOW) available in your area, is your builder participating in this program?
- If at all possible, look at other homes or check out other sub-divisions constructed by your builder. Talk to some owners about quality of construction, complaints, and promptness in correcting defects.
- Obtain comprehensive listing of items, which are standard and which are optional.
- When ordering extras, obtain written work orders with price quotations signed by a responsible person. Remember, extras are less expensive if installed during construction rather than after completion.
- Are the appliances, carpets, draperies, etc. identical to those shown in the model unit?
- Check the expiration dates of manufacturers' warranties covering the appliances and equipment. The equipment may have been in the builder's storeroom for some time, cutting down on the warranty period.
- Check on the completion date of your unit. Does the contract provide for delay penalties to the builder or developer?
- Inspect the unit prior to closing. Have a written report prepared, signed by you and the builder or developer, stipulating what work, if any, is still to be performed and within how many days.
- If there are still problems after you move in, put all complaints to the builder in writing. If he fails to respond in a satisfactory manner, subsequent letters should note that a record of the complaint is being sent to the local building inspector, consumer agencies, and the home owner's warranty corporation, if covered by HOW.