

# *Duke* BUILDING CO.

## NEW HOME BUYER GUIDE



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# INTRODUCTION

If you are reading this, you are probably considering building a new home. Building a new home can be a great experience and I completely recommend it! Whether you have built before or are starting from scratch, this guide is meant to help you better understand some of the ins and outs of the process. My hope is to provide answers to questions regarding this very important decision that you are about to make.

I've been in the construction industry since 2007. My start in the industry came early on as I worked as a framer for large custom home projects. After gaining experience as a commercial construction estimator and project manager, I decided to start Duke Building Co. right here in Cache Valley, Utah. Over this time, I've talked with countless people who have tossed around the idea of building a new home. While I'm always happy to talk about building, I've found it hard to summarize the important details into short conversations.

My purpose is to provide insight that will help you make a decision that you can feel good about. It's my job to give it to you straight; the good, the bad and the ugly. You've likely heard horror stories from people who start the process with one price in mind and end with a price nowhere near what they planned for or expected. That's not acceptable. Let's dig into this.

-Riley Duke



# CUSTOM HOME PRICING

Building a new home is more affordable than most people think. Some people are scared of building because of the rumor that it is too expensive. With the right team, building a new home can be just as affordable as buying an existing home.

I often hear people talking about re-doing an entire kitchen or knocking down walls to create more open space. People are surprised to learn that building a home allows you to get what you want at a price that is comparable to "settling" for something else.

Here is the good news: this guide was created to provide you with the information you need in an industry that is traditionally filled with frustration, uncertainty, and a lack of communication. In the following section, I will share insight on what exactly you should look for when choosing a builder, including what pricing questions you should be asking before you build.





## PRICE CONSIDERATIONS

As you talk with and get familiar with different builders, here are some things related to pricing that I recommend considering:

### NO. 1 – COST PER FOOT

**If you happen to ask a builder about their cost per square foot and they give you an exact price, RUN!** This is a recipe for disaster. Without knowing the site conditions, floor plan, engineering, subdivision covenants code and restrictions, etc. it is impossible to come up with an accurate price.

Pricing a house by the square foot is like trying to price a car by the pound. A used Saturn and a brand new Mercedes could be the same weight but the Mercedes is going to be a lot more expensive.

### NO. 2 – BUILDER PROCESS

**Look closely at the builder's process.** This will have a huge impact on the bottom line. You should know how the builder plans on tracking three key things: Schedule, Budget, Communication.

#### Schedule

Ask: How does the builder track the progress of the project? How often is it updated? What happens when unexpected delays occur or problems arise?

#### Budget

Ask: Is the budget clearly defined? Will the builder share it with you freely? How will you know if you are over or under budget?

#### Communication

Ask: How are important communications between you and the builder tracked? How regularly do you plan to communicate or meet in person?

## NO. 3 - BASE PRICE

You should always ask what is included in the base price. Just because something has been displayed in a builder's model homes doesn't mean it's included in their base price. Pay attention to trim work, flooring, appliances, etc. Find out if these items are included in the base price or if they are upgrades. The more detailed you can be, the more accurate your estimate will be. Some important pricing details to think about include but are not limited to: Location, Plan/Selections, and Covenants, Codes & Restrictions.



### Location

A major cost consideration is the location of the home. Is it on a hill? Will fill dirt need to be brought in? Does it need retaining walls or special utilities? These are some questions to consider before buying a lot.

### Plan/Selections

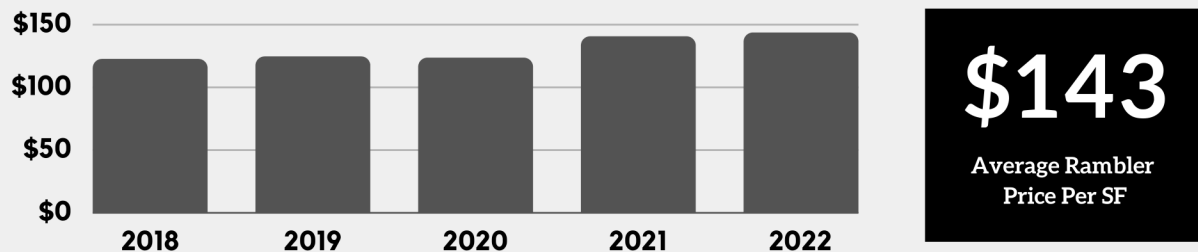
Another factor is the floor plan and selections. A simple box is pretty inexpensive to build. Have you considered the costs associated with steeper roof pitches or tall walls? Every detail should be recognized as a cost.

### CC&Rs

Did you know that some lots require homes to be built with a certain level of finishes? Some require a specific percentage of masonry, others require a minimum square footage. Be sure to ask the seller about these restrictions.

## ROUGH PRICING

At this point, you are probably wanting a more detailed cost breakdown of what we are talking about. While taking lot improvements, finishes, and upgrades into account is the **ONLY** way of getting an accurate price, you'll need to start somewhere before investing time and money into planning out your new home. Understanding this, I have provided a report of our average house prices over the last 5 years.



- These are averages based on actual completed rambler homes with finished basements
- This includes all construction costs but does **NOT** include the lot cost as we are an "on your lot" builder
- Have we completed homes for less than this? Yes
- Have we completed homes for more than this? Yes
- We always encourage customers to see our homes in person to see what is included in our standard features.

# 4%

Average yearly increase in construction costs. While many panic about rapid inflation, our records show that general construction increases have been steady.

## COMMON MISTAKES

Building a home SHOULD and CAN be an enjoyable and successful experience, given the correct processes are followed. Below is a list of common mistakes that can be made while planning a new home:

### NO.01 —

#### INACCURATE PLANS

Mistakes and omissions can be costly. Accurate plans lead to accurate estimates and smooth building process. Be sure your builder works with professional designers to create accurate plans that have been created for the area you plan to build in.

### NO.02 —

#### LOWEST BIDDER

The saying "you get what you pay for" is as true in building as anywhere else. The lowest cost per square foot never results in the highest quality results. Be sure to know what level of subs are being hired to perform the work on your home.

### NO.03 —

#### UNPROFESSIONAL DESIGN

Products often look different installed than they do on a small sample. Professional designers add value and perspective by offering advice based on experience with specific products. Ultimately it is your home and your choice but design mistakes can be avoided by taking into consideration the perspective of a design professional.



## NO.04 —

### POOR QUALITY PRODUCTS

A quality home is completed right with professional finishes. Our design team will help you select products that will be the right fit for your needs. Our goal is to educate you on product and design choices to avoid surprises when it comes time to installation.

## NO.05 —

### NOT SEEING BUILDER WORK

There is no better way of knowing a builder than by seeing their work in progress and finished projects. Ask for referrals and contact them. Learn about the builder by talking with people who have been through the building process with that builder.

## NO.06 —

### NOT UNDERSTANDING THE BUILDER'S PROCESS

From Change Orders to communication throughout the build. It's vital to understand how and with whom you will be communicating. How will everything be documented? Are your changes written on a sticky note or worse yet, stored in the Project Manager's memory? We use a robust online management system to coordinate all aspects of your build.

## NO.07 —

### HIRING A PART-TIME BUILDER

Occasionally, I will hear about guys who offer to build a homes on the side. While they have other full-time employment, they try to take on more; offering savings to you. When it comes down to it, their full-time job will always take priority. Building a new home is complex process requiring professional management.



## INSIDER SECRETS

As you prepare to make what is possibly one of the largest purchases of your life, let's discuss a few "must-haves" that you should make non-negotiable:

## PROVEN EXPERIENCE

An experienced builder means everything. It means high-quality, reliable sub to contractor relationships. It means knowing how to solve problems quickly in order to keep your project moving a long. It means commitment to your project until it is 100% complete.

## STRONG COMMUNICATION

A majority of the horror stories you've heard about building stem from a lack of communication. You need to know when and how the builder is going to communicate with you. Do they rely on 'verbal contracts' or is there a formal way of documenting communication? There should be a clear agreement on how communication will be done before going under contract.



## GREAT REPUTATION

A builder's reputation speaks for itself. Talk to past clients. Talk to people in the community. There is nothing worse than being locked in a contract with a builder who doesn't treat you or your new home with respect.

## OUR PROVEN PROCESS

Duke Building Co. was founded on the idea that beautiful homes can be affordable and the building experience can be positive and enjoyable. In order to accomplish this, we have created a team of professionals who are passionate about building homes that they treat as their own.

A key component of our process is to 'design first, then build'. Our philosophy is that successful construction is determined at the pre-construction phase. Each project is the result of a series of decisions that are made. In order to make the project as successful as possible, we ask those questions from the beginning. We have found this proactive approach to be the most effective way of building a home.

We have developed relationships with the best subcontractors in Cache Valley. We rely heavily on these subcontractors to complete your home. Our Duke Building Co. team touts a strong comradery and a determination to build every house as our own. Here is a list of our current team members and their roles:

- Riley Duke - CEO & Founder
- Spencer Owens - Preconstruction Manager
- Katie Duke - Designer
- Branden Ferrin - Estimator /Purchaser
- Cassey Ballinger - Controller/HR
- Josh Elgan - Project Manager
- Ryan Gillespe - Warranty Manager/Assistant Superintendent

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***Successful construction is determined at the pre-construction phase. The better the planning, the better the end result.***

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## FREQUENTLY ASKED QUESTIONS

We have been asked just about every question in the book. If you don't find what you're looking for, be sure to reach out and we will be happy to help.

### HOW LONG DOES A NEW HOME TAKE TO BUILD?

It depends on the complexity of the home. Getting plans finalized and selections made typically takes around 2 months. Then permits are submitted and take anywhere from 2 to three weeks. Once we start construction we will typically finish in 6-8 months, sometimes longer. Our scheduling software allows us to track each day of construction on your project and to sync schedule items as adjustments are made. This allows us to maintain an up-to-date schedule based where the project is currently at.

### CAN I KNOW MY PRICE BEFORE I SIGN?

Yes. Before you sign contract, we will give you a detailed breakdown of your cost including what's included and what is available as an upgrade. We build most homes as 'Fixed Price' so you lock in your price up front. Some customers prefer to establish a 'Cost Plus' contract where the home is estimated at the beginning and the cost is the actual construction cost plus a fee.

### DOES MY HOME COME WITH A WARRANTY?

Our homes come with a full top-to-bottom 12-month warranty. After closing, our warranty manager will make sure we take care of anything that comes up. We continue to track communication and documentation throughout the warranty period.

## HOW ARE CHANGE ORDERS HANDLED?

We work to minimize change orders by being thorough during the selections process. If a change during construction is requested, we'll let you know if it's possible and how the change will affect the price and completion date. If approved, we will sign a written agreement for this change and make the requested changes.

## CAN YOU HELP ME FIND A LOT TO BUILD ON?

Yes. This can be a challenging part of the process. Working with us can give you more access to available lots than simple searching Zillow or Trulia. An experienced builder can help you explore options with other local builders or land owners who never even list their properties. Feel free to reach out about building whether you own land or not!

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*Thank you for reading this guide.  
We would love the opportunity to talk  
with you about how we can help you  
reach your home-building goals.*

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## Contact

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