



Different Paths to Homeownership

It's rare these days to hear the phrase, "money is no object." In this new economic climate, we're all interested in making smart investments. Building a log or timber home is no exception.

If you're looking for ways to get the most bang for your buck when making your dream come true, you've come to the right website. That's why we've created the *Perfect Path to Your Dream Home*, to provide home buyers with a map of the building and buying process.

On the path to realizing your dream home, you will have to make a number of decisions. You will have to determine:

- How much home you can afford
- Where it will be located
- Who will finance it
- What kind of design
- Who will manufacture the log package

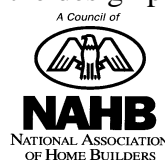
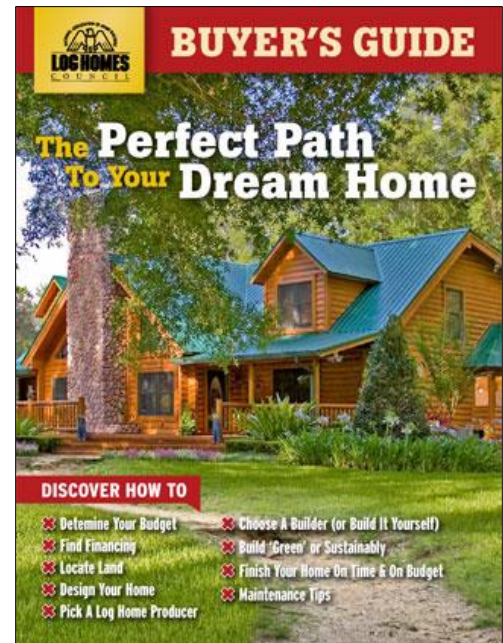
These are decisions all log and timber home buyers have to make.

Where the path to this goal diverges slightly is on the topic of who will construct it. Log and timber homes often attract those with a pioneer spirit. As a result, you may be considering building all or part of the home yourself. Some want to craft their dream home with their own hands. Others think they will save money that would otherwise go to a builder. (If you are a Do-It-Yourselfer, we will provide more information for you in the coming weeks on LogHomes.org)

But we encourage you to start pondering this decision at the outset of this journey, because it's one of the most important decisions you will make. Your decision will impact the whole scope of the project, from financing and insurance to budget and completion time. You have to determine what path is right for you. You have three paths to choose from and the degree of challenge increases with your involvement.

Hire a Builder or Contractor

This is the easiest path. If you follow this course, you will be intimately involved in designing your home and picking a log home producer. Once the design plans are finalized, the log home package is cut





and you turn the project over to the builder. The builder gives you a set of keys and a garage door opener when the home is finished. Then you move in. What could be simpler than that?

Choosing the right builder or contractor with experience in log home construction is not without challenges. But it is this path we recommend if you want to get your home completed on time and on budget. A professional will help you overcome countless obstacles and avoid mistakes that can add more costs, as well as delays in completion time.

Be Your Own General Contractor

A more difficult path is to act as your own general contractor or “GC.” You will need a great deal of talent for organization and delegation if you go this route. It’s also a full-time job, so make sure you have room for this role in your life. Tasks include:

- Locate and evaluate all subcontractors
- Prepare all construction specifications for each trade
- Obtain all subcontractor bids
- Prepare a complete cost estimate of the project
- Establish legal contracts between you and your subcontractors
- Obtain insurance
- Educate yourself on all local building codes, regulations and restrictions
- Obtain building permits
- Create construction schedule for all trades
- Order all building materials
- Manage the job site
- Sounds exhausting, doesn’t it?

Be An Owner-Builder

This the most difficult path. In this role, you will be responsible for everything the general contractor is responsible for, plus you will perform most—if not all—of the labor yourself. The cost of labor can be as much as 30% to 40% of the total cost of a home.

If visions of dollar signs are suddenly dancing in your head, be aware that construction is physically dangerous and difficult work. A moment of inattention on the jobsite at the end of a tiring day can lead to disastrous results. If you get hurt in an accident, you could spend months healing while watching your construction schedule and budget spiral out of control. That’s why you will have to budget as if





you were paying a professional to build the home. That way if you get hurt or injured, you can still have your dream of log home ownership fulfilled.

As Owner/Builder Be Prepared To:

- Report on the progress of the project to local building officials and your lender
- Rise at half-dark thirty and confront a physically demanding job, rain or shine
- Fire subcontractors when they don't perform to your expectations
- Resolve conflicts between different teams of tradesmen
- Be adept at project management and scheduling
- Able to bounce back from the unexpected events
- Expect that all those friends and family members who said they'd help you build your home, suddenly have to go to Bali instead





Can you do it without construction or contracting experience complete a log home by serving as the owner-builder or owner-contractor? Yes. It's done all the time. Many producers offer their buyers hands-on classes to learn construction techniques. However, taking the route of the do-it-yourselfer is not without its pitfalls and it would be irresponsible of us to try to paint a rosy picture of the monumental tasks involved. Rarely does a construction project proceed without challenges from a host of factors that are usually outside the control of the builder. This includes weather, material supply and inspection issues. When it comes to imposing order on the chaos of the natural world, whatever can go wrong often does. There is also personal risk to you. Construction work is labor intensive and fraught with peril. Then you're left to heal while watching your construction schedule spiral out of control.

CHOOSE YOUR PATH WISELY

The decision to build or serve as the general contractor on your dream home is a major one and should be well considered. For many years banks have been reluctant to lend owner-contractors or owner-builders construction money. The most obvious reason for this is that the bank's loan officers have no way of evaluating the quality of house you can build with their money. While many lenders, particularly those targeting the log home industry, now offer construction loans to owner-builders, it's wise to remember you are investing your life savings in this project. As a result, the stress level can be high. It takes time, energy, careful planning and sacrifice. Before you begin such a project, make sure that you have room for it in your life.

Regardless of the path you choose for your home construction, our goal is to give you detailed information on the actions and procedures needed to build your new home, whether you will be hiring a contractor or serving as an owner-contractor or owner-builder. The sooner you decide exactly what path you want to follow, the quicker you'll be able to make that dream home a reality.

