

Step 1

Determine Your Budget

How much house can I afford? Determine your budget at the very beginning as it serves as your guide as you move through the process.

A better question for most of us is how expensive a home can we afford to build? If you are like most people, you want the most home you can afford.

On the other hand, you may be able to afford much more home than you really want or need. Everyone's situation, of course, is unique. Most people already have some suspicion about how much they want or can afford to spend.

If you want as much as you can afford, but don't know what that figure is, start from the end and work backwards...determine what cash you can or are willing to put into your home and how much you can afford in monthly payments to cover whatever money you need to borrow.

Figuring out how much home you can afford isn't all that difficult. If you take your monthly payments (house payment, car loan, charge cards, etc. - not utilities, food, entertainment) and divide it by the sum of all your monthly income, the number you come up with should not exceed .33 to .36, depending on the percentage of the cost of the home you are planning to borrow (80%, 90%, 95%?). Another typical guideline is that the total monthly house payment should not exceed 25% of your stable monthly income.

By knowing your income, your monthly debt obligations, and how much cash you are going to put up, a lender or real estate agent can use their knowledge of current insurance rates, property taxes, and standard amortization (payment) tables to help you work backwards to find out how much home you can afford (total price). If all this sounds complicated, it isn't. Let's put it in perspective. It can all be done in an afternoon on the phone or in a few minutes online. You know what your income is. Sit down and add up your monthly payments for long-term obligations and decide how much cash you may be willing to put into your new home.

Step 2

Choose a Sub-Division

Determine what amenities are important to you. Research subdivisions and determine which one best suits your needs.

Before you start scrutinizing neighborhoods, turn the magnifying glass back on yourself. Think about what you're really looking for in a new neighborhood. Remember, you'll probably have to make compromises, so put the "must-haves" at the top and the "would-like-to-haves" at the bottom.

Here are some things to consider:

- Do you have children or are you planning to have children anytime soon? Parents know that the first thing to do when looking at a neighborhood is to research the school system. Even if you're single, living in an area with a much sought-after school system raises your property value. If you have kids, you'll also want to live close to parks and community centers.
- What type of home do you want? Are you interested in a single-family home, an apartment or townhouse?
- How far are you willing to commute? Do you plan to drive, walk or take transit to work? Do you have a car or would you be willing to get one?

With your area of the city in mind, start digging up information. Find interesting neighborhoods online, ask local real estate agents for recommendations and compile all the background information you can, including school information, parks and recreation, neighbourhood associations, etc.

Just because it's a nice neighborhood doesn't mean it's the one for you. If the neighborhood meets your list but still feels wrong, search out another area. Trust your gut feeling -- after all, you're the one who has to live there.

Step 3

Choose a Building Lot

What appeals to you? Sun exposure, level lot, sloped lot drive by access, location for a shed, etc? Check out the options and pick the one that best suits your needs.

Once you've settled on a housing subdivision or general area in which to build, personal preference goes a long way in choosing a lot. A lot that is close to a subdivision entrance will have more traffic noise than a lot on a cul-de-sac, but it offers quicker access in and out of the neighborhood. Secluded cul-de-sacs offer safety for families with small children, but their design makes snow removal difficult, and their wedge-shaped lots can have narrow front yards. If a lot is narrow at the front, a home's width may require placement farther back on the property. However, if you're considering a shed, or other structure, wedge-shaped lots that are wider in back can provide additional space.

Corner lots have traffic on two sides and are typically larger, requiring more landscaping and yard maintenance. If there are sidewalks on both sides, you've got more snow to clear in the winter. On the positive side, corner lots allow a side-load garage. They also bring higher visibility to a home, so you'll need a design with street appeal on two sides instead of just the front.

Lots at the end of a T-shaped intersection must contend with oncoming headlights from night time traffic. Homes on these lots should be designed to minimize unwanted light in living and sleeping areas.

Before proceeding, you should have chosen a house plan or have a good idea of the dimensions of the house you plan to build. Make sure the plan fits within the buildable area of the lot. Watch out for lots with rock outcroppings, embankments, or other physical characteristics that will reduce the buildable area. Check for unusual setback lines or utility easements. Easements usually run along one side of the lot. Consult with your builder or developer to check the location of easements.

Your lot's relationship to the sun can play a major role in how you live your new home. With southern exposure at the rear of the home a house could benefit from sunshine most of the day and allows you to enjoy your backyard. An eastern exposure takes advantage of morning sun, while a western exposure captures the afternoon sun.

Step 4

Choose a Plan

We have many plans available for you to choose from, but don't feel like your options end there...we can make custom changes to our plans or work with a custom plan provided by you.

When considering what plan works best for you the easy answers might include better storage, more bedrooms and bathrooms, or space for entertaining friends. But look beyond the obvious to see how the home will fit -- and improve -- your lifestyle. Maybe the great-room will offer family-activities space that is lacking in your current home, and the home office will mean fewer late evenings at work, giving more time for family fun. The main-level master suite and laundry room will decrease stair climbing. A larger garage might accommodate that boat you've always wanted.

Regardless of your current stage of life, a home that is just the right size now won't necessarily be just right in the future. A flexible house plan allows you to convert spaces as needs change. A playroom can become a bedroom when another child is born. A child's bedroom can become a den or sewing room later. If a home office has an adjoining bath, it can be used as a suite for overnight guests, provide housing for an aging parent, or become your main-level master suite in later years.

You will need to ensure that the home's design can be accommodated on the lot you have chosen.

Nobody wants to live in a home exactly like the one next door, but you should make sure the design of the plan you choose fits the neighborhood. This applies whether you're building in a new neighborhood or in an older area with established homes. Subdivisions may have covenants that establish acceptable home styles for the area, so check regulations before you purchase a plan. Also think about the size of the home relative to others in the neighborhood. A home that is out-of-scale with its neighbors -- whether too small or too large -- will look as out of place as a glass-walled contemporary house in an older neighborhood.

Every home plan goes through some changes to meet local building codes, to match the style of a particular neighborhood, or to suit individual needs and tastes. Changes such as moving interior walls or adding a garage are usually relatively easy depending on your lot.

Generally speaking, your budget buys either space or amenities. You have to decide which is more important. If you want a higher level of either, you'll have to enlarge your budget or decrease the size of the house.

You may never find a single plan that incorporates all of your needs. With thousands of plans to choose from, though, an organized search will help you get close. Then you can have changes made to create a home that is just right for you.

Step 5

Purchase and Sale Agreement

The Purchase and Sale Agreement and various appendices constitute the legal understanding regarding the purchase of your new home. All forms must be signed by both parties before the purchase is binding.

This agreement and all appendixes should be read and understood by you the purchaser. Your real estate agent and lawyer should review all related documents.

You will use several standard forms throughout the process for purchasing your new home. These will include the Purchase and Sale Agreement and several appendixes.

The Purchase and Sale Agreement will be provided by your real estate agent and will include but not be limited to the follow; the purchasers associated information, purchase price, down payment, financing date and closing date.

The several appendixes will include but may not be limited to the following;

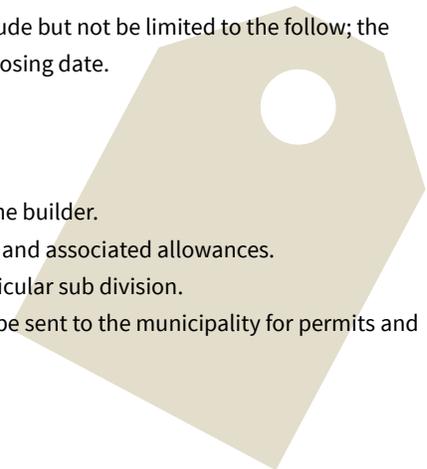
Appendix A: Notes items to be included in the purchase.

Appendix B: Denotes the selection dates required and list of preferred vendors used by the builder.

Builders Appendix: States standard building materials and practices used by the builder and associated allowances.

Covenants Agreement: States specific building and living requirements related to a particular sub division.

Working Drawings: This is the road map for building your new home. The drawings will be sent to the municipality for permits and forwarded to sub trades for material ordering.



Step 6

Identify Your New Home Selections

The selection of materials for your new home is an important step in the construction process. Your prompt completion and approval of these selections helps prevent delays and ensures construction remains on schedule.

The New Home selections are covered under appendix B in your Purchase and Sale Agreement. Please be advised that the selection of materials for your new home is an important step in the construction process and should be finalized in the period specified in the Appendix B of the Purchase and Sale Agreement.

Furthermore, we have included a customer specification sheet, which will help you keep record through the selection process. The fun but sometimes-stressful part of buying a new home is making the selections required to build and decorate your new home. To make this process as simple and as easy as possible, you can select some selections at an ERCO HOMES related sales agent's office and other selections can be made at our supplier's showrooms.

The complete list of ERCO HOMES vendors is covered under Appendix B in the Purchase and Sale Agreement. We have included a blank sample of the appendix B and a customer specification sheet that will help you through the selection process by keeping it all in one place.

Keep in mind; our vendors and we will work with you to schedule in times to meet so you can make your selections. However, you have to make the first step, your prompt completion, and approval of these selections helps prevent delays caused by back orders and slowdowns on the construction site.

The Appendix B is to be filled out at the time of signing the Purchase and Sale Agreement; however, the customer specification sheet is to be used by the purchaser as needed. In the end, it is designed to help assist you in your selections.

Step 7

Construction of Your Home

As a consumer, you rarely have the opportunity to watch as the product you are purchasing is created for you. The key to this process being smooth and successful is good communication between all parties involved.

We expect and welcome your casual visits to the site. However, please be advised that in order to meet with any of the construction staff an appointment must be made, and please respect that your new home is still a construction site and can be dangerous. ERCO HOMES makes every effort to make this construction site as safe as possible but we cannot be held responsible for your safety if the site visit is unscheduled or you are not accompanied by an ERCO HOMES representative.

Process

As a consumer, you rarely have the opportunity to watch as the product you are purchasing is created for you. During the building of your home you have more opportunity for input into the design and finish details of your new home than any other purchase you will make in your lifetime. The key to this process being smooth and successful is good communication between all parties involved.

Construction meetings will be scheduled automatically during the construction process, the first of these will be a "Plan Review" meeting held with your agent and an ERCO HOMES representative. At this time, plans will be reviewed and an overview of the construction process will be explained. In addition, this is the ideal time for any construction related questions you would like to have answered.

The second meeting will be required on site with an ERCO HOMES representative and several related building trades people. This “Site walk through” meeting will cover off any specific electrical related issues and a time to request the locations you will require any cable/sat and phone/internet terminations.

The final pre scheduled meeting is the “Pre Closing Inspection Walkthrough” The pre closing inspection has two purposes:

1. To be able to confirm that we have delivered your new home at the quality you have expected and all your selections have been installed correctly.
2. To be able to give you a final opportunity before closing to ask any questions to an ERCO HOMES representative.

These are the pre-scheduled meetings however, if you wish to have an additional meeting with an ERCO HOMES representative please scheduled it through the ERCO Homes office.

From these meetings it may be determined that plans or materials need to change which can affect the purchase price. The purchase price can be adjusted either way depending on the change. The change and price will not be binding unless a Change Order through ERCO HOMES has been issued or an amendment to the Purchase and Sale Agreement has been signed by all parties involved.

Quality

We follow the latest building codes and regulations that apply to your new home. Each home is a product combining art, science, technology, and raw labour, where lay the efforts of many people with a high degree of knowledge, experience, and skill come together.

From time to time during a process that takes several months and involves dozens of people, an error or omission may occur. We have systems and procedures for inspecting our homes to ensure that the level of quality meets our requirements. We inspect all steps of the construction, in addition, the city or municipality conducts a number of inspections at different stages of construction.

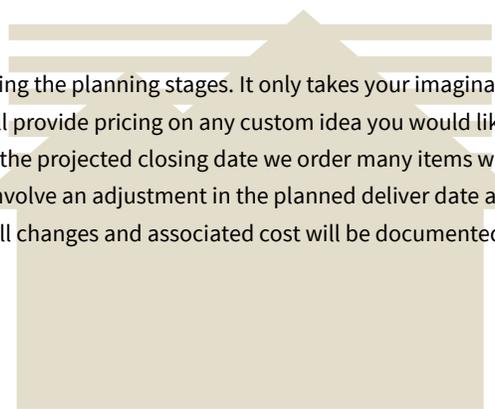
We respect your interest in your new home. Therefore, your input into our system is welcome. However to avoid confusions, misunderstandings, or compounding the errors we ask you to do the following:

1. Bring your questions and concerns to one of the scheduled construction meetings.
2. Between these meetings, if a concern arises, please ensure that all questions are directed towards the Project Coordinator assigned to your new home or perhaps you question may be answered by our office support staff.

Homes under construction endure wind, rain, snow, and foot traffic which generates noise and dust. Although your new home is cleaned on a regular basis some days when you come by you may encounter some messy moments. Please keep in mind that all homes under construction go through these stages, please excuse our temporary mess!

Custom Changes

The possibilities for your new home can exceed any ideas we suggest or discuss during the planning stages. It only takes your imagination and we can explore and assist you to make these dreams a reality if possible. We will provide pricing on any custom idea you would like to incorporate into your new home. However, in order to deliver your new home on the projected closing date we order many items well in advance of installation. Once a particular item is ordered, making changes may involve an adjustment in the planned deliver date and additional cost. Some changes may or may not be possible at the time of request. All changes and associated cost will be documented on a Change Order Form that will be applied on closing.



Step 8

Pre-closing Inspection

The pre-closing inspection introduces you to your new home and all its features and confirms that we have delivered your new home at the quality you have expected and all your selections are correct.

The pre-closing inspection has two purposes.

1. It's a time to confirm that we have delivered your new home at the quality you have expected and all your selections have been installed correctly.
2. It gives you the purchaser a final opportunity before closing to ask any questions to an ERCO HOMES representative.

Scheduling

We will schedule the final site meeting as your home nears completion. The "Pre Closing Inspection Walkthrough" is typically scheduled through your agent on a Monday through Friday 7:30 a.m. to 4:30 p.m. The meeting is at your new home several days before closing.

Preparation

Allow enough time for you to walk through the house, you do not want to be rushed and have to miss a room or item. If you have questions about home maintenance or our warranty coverage, make note and bring them to the meeting.

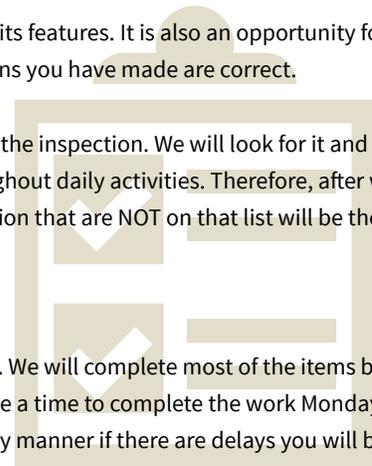
Acceptance

The top priority of the pre closing inspection is to introduce you to your new home and all of its features. It is also an opportunity for you and ERCO HOMES to confirm that the home meets the quality you are expecting and selections you have made are correct.

Cosmetic surface damage caused during construction is readily noticeable and noted during the inspection. We will look for it and we welcome you to look for it. Such damage can also occur during the move in process or throughout daily activities. Therefore, after we list any items requiring attention during the final walk through. Any items that require attention that are NOT on that list will be the homeowner's responsibility.

Completion of Items

ERCO HOMES takes responsibility for resolving any items noted on the final walk through list. We will complete most of the items before the home closes if possible. If work needs to be completed after you move in, we will schedule a time to complete the work Monday - Friday 7:30 a.m. to 4:30 p.m. Under normal circumstances all items can be resolved in a timely manner if there are delays you will be notified.



Step 9

Closing your Home

This is the day you will receive the keys to your new home.

There are documents to be signed and processes that need to be followed to make this day a success. We have included a short guideline that will help make this transition as smooth as possible.

Closing Documents

By closing day, your lawyer will have the documents necessary to convey your new home to you and to close the mortgage documents from your lender. The final sale price from ERCO Homes and a statement from your lawyer will be prepared showing you the total amount owing.

The Final Sales Price

The final cost figure owed to ERCO HOMES is available near closing from ERCO HOMES. However, until the day of closing the final figures can still change. If this happens, you, your agent, and your lawyer will be given as much notice as possible. As well, keep in mind there are other closing costs associated with closing your home that will be required. The details on these will be available from your lawyer and or your agent i.e. Legal fees, title transfer cost, mortgage application fees, etc.

Preparation

In preparation for closing and moving into your new home please keep in mind the following items have to be set up:

1. Homeowners insurance. This process should be started prior to closing.
2. Power will have to be set up in your name. ERCO HOMES will notify them the day of closing and you will be responsible for power from that day forward.
3. All other utilities have to be set up for your new home by you i.e. phone and cable/sat etc.
4. Your change of address; this process can be started through Canada Post.

Step 10

Provide Your Feedback & Celebrate

Our goal is to build the best home with the best customer relations possible. Your feedback helps us reach that goal...Let us know how we did.

Our desire to maintain open communication with you extends through the buying and building process and after you move in. In an effort to improve our product and services, we welcome your comments and feedback on how we have performed. Our goal is to build the best home and best customer relations possible. Your feedback helps us reach that goal.

The Atlantic Home Warranty covers your home and you will be required to do an inspection prior to the one-year anniversary of you moving into your home. The items on this inspection will be required to be sent to ERCO HOMES, if these items are related to a building deficiency the items will be scheduled to be addressed in a timely manner. You can contact Atlantic Home Warranty directly for more information on this process or view it on their web site. (www.ahwp.org)

In an effort to improve the product and service we provide, we welcome your comments and feedback on how we have performed. Our goal is to build the best home and best customer relations possible. Your feedback helps us reach that goal. Thank you.