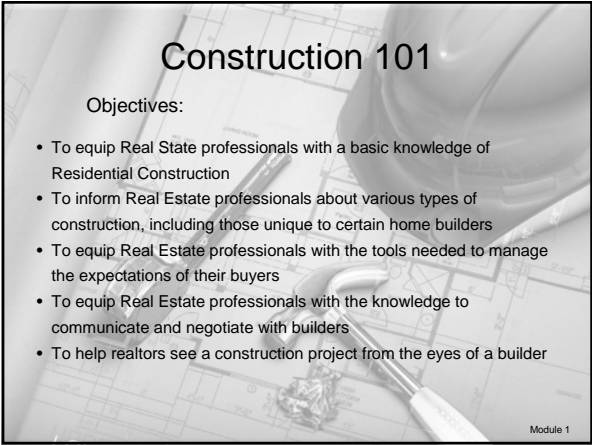




Residential Construction 101

Barry Hensley, CGP, MCGP, GSP (custom builder)
(972) 668-1310
barry@hpbtxas.com

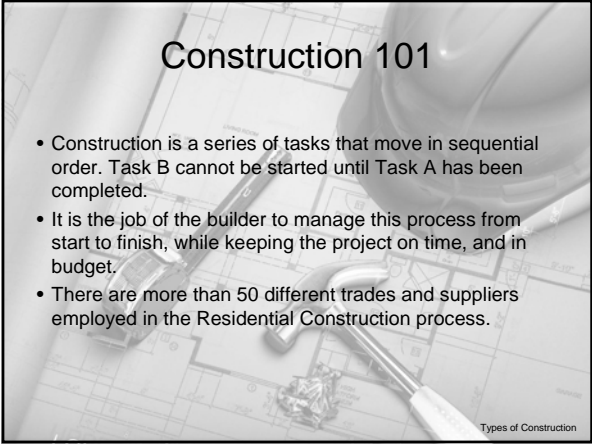


Construction 101

Objectives:

- To equip Real Estate professionals with a basic knowledge of Residential Construction
- To inform Real Estate professionals about various types of construction, including those unique to certain home builders
- To equip Real Estate professionals with the tools needed to manage the expectations of their buyers
- To equip Real Estate professionals with the knowledge to communicate and negotiate with builders
- To help realtors see a construction project from the eyes of a builder

Module 1



Construction 101

- Construction is a series of tasks that move in sequential order. Task B cannot be started until Task A has been completed.
- It is the job of the builder to manage this process from start to finish, while keeping the project on time, and in budget.
- There are more than 50 different trades and suppliers employed in the Residential Construction process.

Types of Construction







ICFs



Steel Frame



Stick Frame



Construction 101

- Planning: Site selection, architectural design, specifications, budgeting, engineering, permitting
- Site work: Testing, stabilization, grading, utility construction, form setting, surveying (why?)
- Foundation: structural reinforcement, concrete, electric, plumbing
- Dry-in: Framing, windows, ext. doors, roofing
- MEP's: HVAC, Electrical, Plumbing, A/V
- Drywall: insulation, sheetrock, tape-bed-texture
- Millwork: Doors, trim, cabinets
- Finishes: Paint, counter tops, flooring, hardware, lighting, plumbing,
- Exterior: Brick/Stucco/Siding, driveway, fencing, irrigation, drainage, landscaping

Example

Construction 101

House Built on Wrong Lot

My question involves real estate located in the State of Georgia

I just found out after inheriting the property from my dad's estate that this lady is on the wrong parcel of land. Yes, she has built a house on it and is living there. She is supposed to be on the parcel next to ours. I found this out by doing a GIS search online. I showed her what I knew, and a picture from GIS where it shows that we own it and that she owns the one next to us. She was not very happy about it, and claimed it wasn't possible. I did find out she built and moved on the land in 1995. I believe the Adverse Possession doesn't apply here since it has been less than 20 years unless the 3yr Color of Title has something to do with it, which I don't believe applies here.

So what are my options? Can we just swap parcels since they are even, do I own the house now, b/c it's on our land, and can I collect rent? What are mine and her rights in this situation?

Lawton homebuilder builds house on wrong lot, faces consequences

Posted: Nov 09, 2010 9:33 PM CST

LAWTON, Okla. - He built the house in the right neighborhood and on the right side of the street, but on the wrong lot. That's what the city of Lawton said builder Jay London did in the Rolling Hills subdivision. To make matters worse, the city says about 220 square feet of the house are in the city's easement where a main sewer line and city utilities run just five feet from the house.

The builder has met with the city many times to settle it. Tuesday night, the battle continued in front of the city council.

London said it was an honest mistake and that when his contractors started to work, the lot wasn't staked. The city said it was a very big mistake. They said if something isn't done to correct it, there could be big problems down the road.

Phases

Construction 101

- Planning: Site selection, floor plan, specifications, budgeting, engineering, permitting
- Site work: Testing, stabilization, grading, utility construction, form setting, surveying
- Foundation: structural reinforcement, concrete, underground electric, plumbing
- Dry-in: Framing, windows, ext. doors, roofing
- MEP's: HVAC, Electrical, Plumbing, A/V
- Drywall: Insulation, sheetrock, tape-bed-texture
- Millwork: Doors, trim, cabinets
- Finishes: Paint, counter tops, flooring, hardware, lighting, plumbing,
- Exterior: Brick/Stucco/Siding, driveway, fencing, irrigation, drainage, landscaping

View

Construction 101
How we view a home

The Buyer




Construction 101
How we view a construction project:

The Realtor



Construction 101
How we view a construction project:

The Builder



Confusion

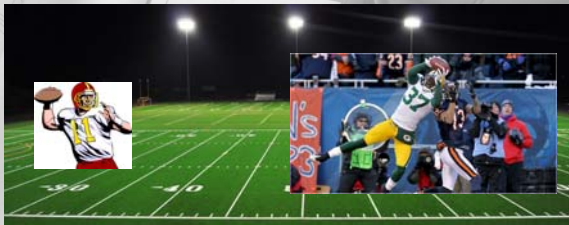
Construction can be confusing, even for professionals.

To avoid confusion, let's make sure everyone is on the same page and shares a common goal.

1988 Super Bowl
Washington Redskins
vs
Denver Broncos



Common Goals



The receiver was able to achieve his goal at the expense of the team.

Common goal

Common Goals

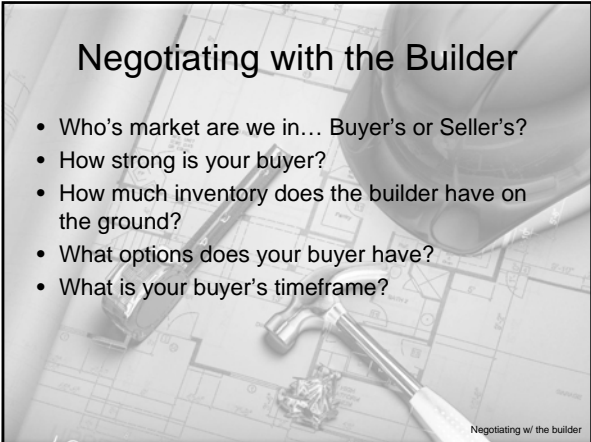
The GOAL: A happy customer in a beautiful home, completed on time and in budget.

- Establish clear lines of communication
 - Who do I call?
 - When do I call?
 - When can I expect an answer?
 - What about email? Texting?
 - Do we have regularly scheduled meetings?
- Explain to your buyer that every change they request will likely result in a project delay and a cost increase
- Once the contract is signed, the buyer should not expect to get stuff for free – so negotiate BEFORE the contract is signed

Negotiating w/ the builder

Negotiating with the Builder

- Who's market are we in... Buyer's or Seller's?
- How strong is your buyer?
- How much inventory does the builder have on the ground?
- What options does your buyer have?
- What is your buyer's timeframe?



Negotiating w/ the builder

Negotiating with the Builder

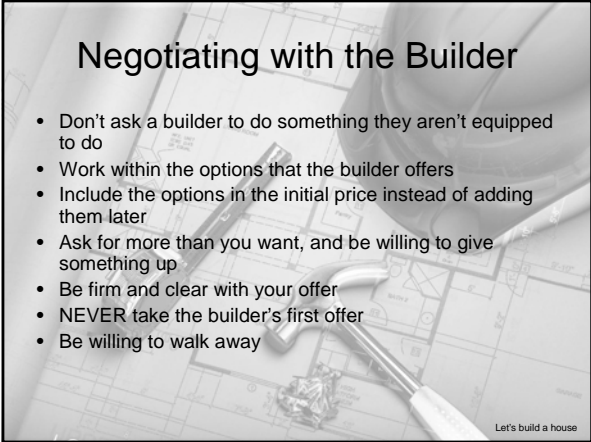
- Production builders have large margins on upgrades
- Production builders are motivated to stick to a schedule for an entire development
- Production builders are NOT "custom" builders
- Production builders have specific amenities for each development



Negotiating w/ the builder

Negotiating with the Builder

- Don't ask a builder to do something they aren't equipped to do
- Work within the options that the builder offers
- Include the options in the initial price instead of adding them later
- Ask for more than you want, and be willing to give something up
- Be firm and clear with your offer
- NEVER take the builder's first offer
- Be willing to walk away



Let's build a house

Construction 101

Once the contract is signed, it's time to change our hat and join the construction team. We will accomplish more by working together.



Questions

QUESTIONS



**MetroTex Association of REALTORS®
MCE Course and Instructor Evaluation**

The MetroTex Association of REALTORS® strives to present superior education to its members, thus enhancing productivity, excellence, professionalism, and profitability.

Course Title: _____ Course Date: _____ Course Time: _____

Course Location: _____ Number of years you have been a REALTOR®? _____

Instructor/Speaker Name: _____

THE COURSE: *Please Evaluate The Course By Circling The Appropriate Number*

		<u>No</u>	<u>Somewhat</u>	<u>Yes</u>		
Did the course fulfill its stated objectives?	N/A	1	2	3	4	5
Was the course relevant/beneficial to your real estate needs and practice?	N/A	1	2	3	4	5
Was the class started on time at the beginning, after breaks, after lunch, and attendance monitored by the provider at all times?	N/A	1	2	3	4	5
Were instructions regarding TREC or school rules on attendance, credit, breaks, course & instructor evaluation, etc., clearly stated at the beginning of the course?	N/A	1	2	3	4	5
Were the classrooms neat, clean and favorable to learning?	N/A	1	2	3	4	5
If the course was delivered online/correspondence, was A TREC approved instructor available for assistance?	N/A	1	2	3	4	5
Did online delivery of the course meet/exceed your expectations?	N/A	1	2	3	4	5
Overall, how satisfied were you with the quality of the course?	N/A	1	2	3	4	5

Additional Comments/Suggestions: _____

THE INSTRUCTOR: *Please Evaluate Your Instructor By Circling The Appropriate Number*

		<u>No</u>	<u>Somewhat</u>	<u>Yes</u>		
Was the instructor professional/well prepared for the course?	N/A	1	2	3	4	5
Did the instructor demonstrate knowledge and explain material clearly?	N/A	1	2	3	4	5
Did the instructor encourage feedback and class participation?	N/A	1	2	3	4	5
Did the instructor have the ability to manage and answer questions?	N/A	1	2	3	4	5
Your overall assessment of the instructor	N/A	1	2	3	4	5

Instructor Strengths/Weaknesses: _____

Would you attend another course taught by this instructor? YES NO Why? _____

What other real estate related course subjects would you like offered? _____

How did you hear about the course? (Circle one) Email Fax Flyers MLS Meetings Association Website
Weekly Announcements Newsletter Professional Development Dept Other _____

Additional Comments/Suggestions: _____

**THANK YOU FOR ATTENDING!
WE APPRECIATE YOU FOR TAKING TIME TO GIVE US YOUR VALUABLE FEEDBACK!**
If you have any additional comments or suggestions, please feel free to use the back of this form.
Please give this evaluation to any of the support staff members or the instructor prior to leaving.

The MetroTex Association of REALTORS®

COURSE POLICIES FOR MCE CREDIT

Before beginning the MCE class, please read this form carefully.

Once you have read it, please sign, and return it when called for at the start of class.

The MCE provider for this course is The MetroTex Association of REALTORS®, Provider #0011.

1. MCE courses must be taken during the term of the license; **hours cannot be carried over from one licensure term to another.**
2. MCE requirement is 15 classroom (clock) hours of TREC approved MCE courses. **Six of the 15 hours must consist of a three hour legal update course and a three hour legal ethics course created for and approved by TREC to satisfy the six legal hours of mandatory continuing education required by Occupations Code §1101.455.** A licensee cannot obtain credit for a course that was not approved for MCE at the time the course was conducted. A course may not be repeated for credit during the same license period. Providers are allowed 10 days to submit proof of course taken. All active salespersons **not** subject to Salesperson Apprentice Education (SAE) requirements are required to complete MCE for an active license renewal.
3. **Broker Responsibility Mandatory Continuing Education Course:** Effective for licenses on active status that expire after August 31, 2012, a broker who sponsors a salesperson, a designated broker of a business entity, or a license holder who is a delegated supervisor of one or more license holders for six months or more during the current license must attend a six hour broker responsibility course required by §1101.458 Act. (This includes a DBA or LLC).
4. **MCE credit will not be given to anyone who arrives after the instructor has begun the course material. If you arrive late, you may take the course for information only; no refunds or MCE credits will be given and you may NOT sign the TREC course completion roster at the end of the course. This late policy includes returning from breaks and lunch hours.**
5. **MetroTex will NOT certify a participant for MCE credit unless the student is in attendance for 100% of the presentation time of the course,** per Sub Chapter 9 of the Texas Real Estate Licensing Act. No partial credit will be given and no make-up work, written or otherwise, will be allowed for MCE credit.
6. **MetroTex does not offer partial credit for MCE.** MetroTex does NOT refund any MCE fees collected for participants with partial attendance. This includes attendees that do not enjoy/benefit from the course material.
7. **Please turn all cell phones OFF, including Bluetooths. This includes no text messaging, checking phone messages, MLS listings, playing games on cell phones, etc. during class time. Laptops/iPads/Notepads may be used for taking notes only,** unless otherwise noted by the Instructor for use in class. No listening devices, newspapers, magazines, or other extracurricular materials are allowed to be used during class time. Recording of class may be done at the consent of the instructor. Noncompliance will result in your being denied MCE credit and/or your removal from the class.
8. You will need your license number with you at the end of class. It is your responsibility to ensure that you are using the correct license number. **If you do not sign out at the end of the course you will not receive MCE credit.**
9. The participant must determine if the course is timely and appropriate for the participant's MCE credit. The participant is also responsible for signing out on the **TREC 8-4 form (Course Completion Roster)** after the course is completed. MetroTex will submit these forms to TREC, who will post this course to your record. Allow TREC 10-14 days to post your MCE hours.
10. **CANCELLATION Policy: Notification must be given 48 hours in advance of class. If notification is made less than 48 hours, no refund will be given.**
11. TRANSFER Policy: Transferring funds from one course to another is not allowed.
12. FREE MCE Classes: If you are a MetroTex member and pre-register for a free MCE class and DO NOT attend you will be charged \$25.00.
13. These rules and reminders are here for your protection however it is YOUR responsibility to meet the MCE requirements for the Texas Real Estate Commission. Please let us know if you have any questions.
14. If you choose you may evaluate the course and instructor by downloading the evaluation form from the TREC web site and submit the form electronically or by mail to TREC. *TREC Form <http://www.trec.state.tx.us/education/instructoreval/default.aspx>*

I have read this information and my signature indicates my understanding and compliance with the conditions stated above:

Signature: _____ Date: _____

Name as it appears on your license (printed clearly): _____

Name of Your REALTOR® Board/Association: _____