



12 Steps to Building Your Dream Home

1. Find Your Dream Location.

DM Wallace Custom Homes can build on land you already own or help you find the perfect spot for your new home. We have great relationships with many Twin Cities Realtors® and developers. You can also show us an area you'd love to build in. We'll help you find the perfect lot.

2. Design Your Dream Home.

When you design a home with DM Wallace, the sky's the limit. If you already have plans for your dream home, DM Wallace can make them become reality. Or, you may have some general design ideas or an existing plan that needs some modifications. If you don't have a plan yet, we can customize one of our existing floor plans with our state-of-the-art building design program. You'll see your finished home in 3-D before you break ground. We can also recommend a local designer if you want to start from scratch.

3. Decide on Your Dream Finishes and Features.

DM Wallace Custom Homes feels strongly that when you invest a significant amount of time in project planning, that investment is paid back many times over during construction. To help guide you through the planning process, we use a very detailed questionnaire called the Pre-Estimate Information Request Form. It's a very detailed document, but it's critical to the process. Fill out as much as you can. Don't stress over completing it. Please include your spouse and the rest of the family in the process so everyone is on the same page.

We'll go over the Pre-Estimate Information Request Form with you in person throughout the planning process. It's a great tool for getting you to think about all your choices as you build your custom home.

4. Establish Your Budget.

Experience tells us that it is almost inevitable that customers request homes that cost more than they expect. As construction progresses, you will likely want to add features to the house that will further increase the cost. Building a custom home can be a lot of fun, but exceeding your budget can put a strain on both you and your builder.

While not absolutely necessary, we think it's important that you share your budget (or at least a budget range) with us. Building a home requires a strong collaborative effort between you and your builder. We must become experts on the cost of your additions and be able to advise you on the pros and cons of various features while keeping your bottom line in mind.

Because of the time investment we put into developing an accurate estimate, it's important to know your ballpark budget before we put together your detailed proposal. We can usually give you a rough estimate after we see your plans and have a preliminary discussion about the house features. This way, we can both agree it's worthwhile to move forward.

5. Line Up Financing.

It's never too soon to get pre-approved for a loan for your project.

6. Meet with DM Wallace Custom Homes.

Throughout the building process, we will need to spend some time together. But our first meeting is especially important. We will sit down with you and go over your plans, ideas, and Pre-Estimate Information Request Form. We'll go over this form item by item and explain the various options, including their relative pros and cons and their costs.



Of course, you'll want to get to know us better and see some of the houses we've built. We'll want to visit your house site together, too. DM Wallace usually has an excavator meet us at the site so we can get a very good idea of the work needed to build your foundation.

If meeting at your site or at our office isn't possible, there are other options. While difficult, it is possible to cover some items over the phone. We may also be able to make a special trip to your home if you don't live too far away or we happen to be in your area.

7. Work on the Proposal.

After we've met and the floor plans and questionnaire are complete, the proposal process begins. This can take several weeks depending on how complex your plans are. We'll usually go through several draft proposals before agreeing on all the features of your home. Each draft will give you a chance to review the proposal and for us to get answers to any questions we have.

After the proposal is finalized, the home gets priced. Pricing takes about a week to complete. After pricing is finalized, we'll deliver a completed proposal to you.

DM Wallace Custom Homes only offers all-inclusive pricing. We provide a single price for your home that includes our fee and all other construction-related costs.

This makes DM Wallace Custom Homes responsible for any construction cost variances, such as estimating errors or construction material or subcontractor pricing changes. The only times a change in price to the customer would occur is with a change order or variance on allowances.

Our all-inclusive pricing is rare, as most builders use a fixed fee or cost-plus approach. In these scenarios, the contractor provides a budget for the customer prior to the project, but if costs go up, the customer is responsible for the differences.

An all-inclusive price means no surprises for the customer. It also eliminates the potential for significant additional costs over the course of the project due to under-budgeting, which can happen either on purpose or, more likely, because a builder failed to put together an accurate estimate or fully understand the plans or the customer's desires.

A sample proposal is available on our website so you can get an idea of what is involved. The proposal not only provides a scope of work for your project, but it also gives us a very detailed roadmap to follow during the course of construction.

8. Sign a Contract.

Once we've agreed on the proposal, it's time to sign the construction agreement. This document incorporates the proposal as well as any other construction documents (like the plans). The construction agreement is the formal contract governing our relationship during the building process.

At the time the construction agreement is signed, we will establish a proposed starting date for the project and also require an initial non-refundable deposit to hold your turn in line.

9. Obtain Financing and Create a Bank Draw Schedule.

In step 5, you began the financing pre-approval process. It's now time to put your financing in place. We will establish a draw schedule with the bank. This is typically five to six draws based on a pre-determined schedule over the course of the project. We request an initial draw be made available immediately prior to the start of construction. The bank monitors draw requests and approves them only if specified work is verified as complete by the bank's inspector. A final draw is typically held until completion of the project and obtaining the certificate of occupancy.

10. Build the House.

Finally, the fun part! Construction usually takes six to nine months depending on the size of the project and many other factors, such as weather, the municipal building department, and availability of



subcontractors. We suggest you plan on the long end of the range. That way, you'll be happy if we finish early. During the building process, we will provide you with regular updates and pictures as requested.

Inevitably, you will want to make changes during construction. We encourage changes as they are one of the great benefits of building a custom home. However, there is an administrative burden associated with making a change. Therefore, we charge a modest \$50 change order fee. However, we know changes are inevitable, so we give you the first 20 changes free of charge.

On significant change orders, DM Wallace Custom Homes will add a 15% construction management fee to compensate for additional supervisory fees, travel, insurance, and other overhead fees incurred.

For documentation purposes, we maintain a change order log and periodically go through the process of obtaining signatures and requesting payment. For your convenience, we've put together a very detailed overview of the construction process in a document on our website called Construction Expectations. This publication has a lot of valuable information about the general construction process and the particulars of working with DM Wallace Custom Homes.

11. Make Customer Selections.

Soon after construction starts, we will provide you with a customer selection schedule. The schedule outlines all the selections you need to make and the timing of making those choices. We'll also give you a customer selection that describes the selection process, provides various supplier information, and generally assists in the selection process.

If you need help selecting materials, colors, or finishes, interior design consulting is also available. With a bit of guidance, DM Wallace can also assist you in the selection process.

12. Take Occupancy.

Once the house is done and we get the certificate of occupancy from the building department, we'll have a final walkthrough, establish a punch list for changes, and agree to the final disbursement of funds. Then, the house is yours!

At this time, we will also issue an 18-month workmanship and materials warranty. A warranty service request process explanation and a warranty service request form are provided so you can better understand the warranty process. For a more detailed explanation, see section seven of the construction agreement.