



## **First-time Homeowner?...Here's How! (Part 2)**

May 29<sup>th</sup> 2009

In our column last week, we provided some basic information to potential homeowners as guidance for building or buying that new home. This week, we will conclude the article by giving additional tips on what to do when purchasing a house and the effects of too many changes when building.

### **Buying Your Home**

There are many reasons why people may want to sell their homes. Most, if not all persons, have good reasons for wanting to do, for example, acquiring a bigger or more luxurious home. However, some people are unscrupulous and after finding faults in a house, they may try to offload it on an unsuspecting individual. It is critical, therefore, that the prospective buyer gets an independent assessment of the property which would include an appraisal and an examination by a structural engineer. This would ensure two things: firstly, that the selling price is realistic; and secondly, that the house is free from any serious defects.

After construction has started, one of the major problems that homeowners face is that of changes. Most people will approve a house plan prior to construction but as the home is being built, they may not like the look of a room, wall or even a staircase. Significant changes outside of the original plans can and usually result in:

- Cost overruns
- Extension of the project.

### **Cost Overruns**

Cost overruns are a serious problem during construction. In trying to create their ideal home, people may ask a contractor to make many changes to the actual plan. Most contractors would be happy to oblige, however, there is usually a cost factor. We have heard of numerous cases of homeowners exhausting all their funds without completing the project as a result of too many changes. We suggest that you try to get your plan as close to your dream as you can but within your budget. However, after the plans are given to the contractor and he/she has commenced building, try as much as possible to avoid making changes.

### **Extension of the Project**

A contractor will estimate the length of the project based on the plan submitted. Subsequent alterations will definitely make the project lengthier which may impact costs like labour. So, once again, we implore you to stick as much as possible to the original plan. Buying or building a home can be stressful but if managed properly can be a very rewarding experience. Ensure that everything is in place when taking your first mortgage and take the time to gather as much information as possible. This may be the largest investment you will ever make and this may be the only home you will own so do not go into this naively.

If you require any information on mortgages, contact a personal banking officer at Bank of Saint Lucia at 456-6000.