

# FEASIBILITY REPORT

FOR

Joe  
Smith

Prepared by:

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For over a decade BuildMax has been helping families like yours make the American Dream come true. We love that our work benefits families and helps them to create a homestyle that matches their lifestyle. Thank you for letting us be a part of this venture in your life. We have been working with you to determine the feasibility of your family joining the thousands every year who build their own home. Using your responses about what you want in your new home, historical cost data from a national costing service and a BuildMax proprietary software – we have compiled a feasibility study for your project.

**F**easibility study- a preliminary study undertaken to determine and document a project's viability. The results of this study are used to make a decision whether to proceed with the project or table it.- Wikipedia, Online Encyclopedia

**M**any factors affect the feasibility of your project, and often, one factor can influence others, which can lead to a change in the over-all assessment. These factors include such things as choices of materials used in the construction of your home; location/land cost; the value of your hands-on involvement and that of your family and friends; and changing the square footage in your home plan. We have compiled this report specifically for you based on what you have told us of your dreams and plans. This study may show you areas where you need to adjust one or more of the factors involved in order for the project to work. BuildMax can help. We can direct you to the right loan product for your particular situation, as different loan program requirements may yield less closing costs and more funds for hard costs simply because of the basic characteristics of the loan product. This study will assess the project merits and place them into one of three designated categories: Green light \* Red light/Green light and \* Yellow light.

**R**egardless of the results of this Initial feasibility study, we will develop an action plan to get you into a new home. The ultimate success is a result of your input as you select, correct, and plan a project that meets the requirements of your budget while also addressing a balance between your wants and your needs. From there, we can start project processing and submit your file for loan processing.

## Project Specifications

New construction,remodel,etc.?	0
Number of Bedrooms?	3
Number of Baths?	2
What is your garage type?	Detached
What is first floor square feet?	2078
What is second floor square feet?	0
What is porch/deck/patio square feet?	0
What is the garage square feet?	441
<b>Total Sq. Ft.</b>	<b>2919</b>

### Utility Connections:

Electricity	Y
Public Sewer	N
Public Water	Y
Natural Gas	Y

Conventional septic?	Y
What type foundation?	Basement
What type construction?	Stick
What is roof material?	Shingles
What type of exterior?	Some Veneer Brick some Vinyl
Driveway material?	Gravel
What is site size?	1-20 Acres

<b>A. Pre-Construction Costs</b>		Range of <b>POSSIBLE</b> costs	
<b>101</b>	Architect, Engineering & Soil Study Fees	4,932.90	5,481.00
<b>102</b>	Design Review/Plan Check Fees	0.00	0.00
<b>103</b>	Permits - City/County	1,199.93	1,333.25
<b>104</b>	Utility Connection Fees	1,479.87	1,644.30
<b>105</b>	School/Park/Misc. Taxes	0.00	0.00
<b>106</b>	Project Bonds	0.00	0.00
<b>Total Pre-Construction Costs</b>		<b>7,612.70</b>	<b>8,458.55</b>

### 101 Architectural / Engineering / Geo-tech. Fees

Preparation of construction plans including architectural design, development, and working drawings, structural engineering, civil engineering, fire protection system design, energy calculations, survey, geo-tech engineering, story poles (required in some areas by design review board to define location and height of building envelope).

If public sewer and water not available, septic percolation tests and potential well water quality and quantity tests. Borrower and approval agency changes, corrections, and plan reproduction costs. Manufactured or kit homes including standard plans usually require site plans and may require building plan changes due to local code requirements.

### 102 Design Review/Plan Check Fees

Fee payable to design review board and building department plan check at time of submissions for approval. Design review may require a series of public hearings, neighbor or HOA consent and approval by numerous governmental agencies.

### 103 Permit fees-City / County States

Permit fees for building permits, variances, special inspections, etc.

### 104 Utility Connection Fees

Right to connect to existing public utility fees including sewer, water, power, and natural gas. Cost of physically connecting including trenching, piping, etc. Utility providers or local government may require deposits and/or bonds.

### 105 School/Park/Misc. Taxes

School and park tax, usually based on square footage of improvements, required in many areas to help fund schools and parks.

### 106 Project Bonds

Performance or other bonds required by governmental agencies, Home Owner's Association, etc

<b>B. Site Construction Costs</b>		Range of POSSIBLE costs	
201	Temporary Utilities & Facilities	904	1,005
202	Special Inspections/Testing-Geo-tech	0	0
203	Job Security	0	0
204	Equipment Rental	0	0
205	Jobsite Overhead	0	0
206	Builder Contingency	0	0
207	General Contractor's Office Profit	0	0
208	State Sales Tax (where applicable)	0	0
298	BuildMax Consulting Fee	7,422	7,422
<b>Total Site Construction Costs</b>		<b>8,327</b>	<b>8,427</b>

### 201 Temporary Utilities and Facilities

Temporary utilities including power, water, gas, sanitation, telephone, and facilities including job office, temporary fencing/barriers.

### 202 Special Inspections/Testing-Geo-technical, Structural

Special field inspections/reports/testing required during construction by local building official including geo-technical, structural, mechanical, health dept.

### 203 Job Security

Guard and alarm services during construction.

### 204 Equipment Rental

Scaffolding, materials handling, compressors, generators, etc.

### 205 Jobsite Overhead

Jobsite overhead including on-site layout equipment maintenance and repair, cleanup, waste disposal, mobilization, job closeout.

### 206 Project Management/Site Supervision

Independent retained Project Manager in lieu of General Contractor on owner/builder projects or General Contractor's on-site supervision.

### 207 General Contractor's Office Overhead/Profit

General contractor's office overhead including staff, equipment, licenses and taxes, general insurance/bonds, warranty services, estimating, submittals and project profit.

### 208 Construction Contract State Sales Tax (where applicable)

Several states require sales tax to be paid on the total construction contract including overhead, supervision and profit

<b>C. Site Preparation</b>		Range of <b>POSSIBLE</b> costs	
<b>301</b>	Demolition	0	0
<b>302</b>	Clearing/Stakeout	5,588	6,209
<b>303</b>	Rough Grading/Shoring/Excavation/Fill	5,819	6,465
<b>304</b>	Site Retaining Walls/Waterproofing	0	0
<b>305</b>	Site Drainage - Sewer	240	267
<b>306</b>	Private Septic System	4,793	5,326
<b>307</b>	Domestic Water Well	0	0
<b>308</b>	Pump House & Pressure Water System	0	0
<b>309</b>	Environmental	0	0
<b>310</b>	Off-site Improvements	0	0
<b>Total Site Preparation</b>		<b>16,440</b>	<b>18,267</b>

### 301 Demolition

Demolition of existing improvements (foundation, buildings, fences, etc.) to be removed from site.

### 306 Private septic system\*

Septic system where no public utility available

### 302 Site clearing and stakeout

Tree and brush trimming or removal, mowing, building stakeout.

### 307 Domestic Water Well

Potable water supply where no public utility available

### 303 Rough grading/shoring/excavation/fill\*

Grading including excavation, soil import and/or export, compaction if required for buildings, roads and driveways, trenching for underground utility placement

### 308 Pump house, water pressure system

Enclosure for pressure water system incl. tank and pump

### 304 Site retaining walls/waterproofing/backfill\*

Site (not building) retaining wall drilling, forming, steel placement, concrete pouring, masonry, stripping forms, waterproofing, and backfill.

### 309 Environmental

Toxic material mitigation.

### 305 Site Drainage

Ground and surface water site drainage including basement sump pumps.

### 310 Off-site improvements\*

City or County required paving, curbs, gutters, sidewalks, drainage or extensions of existing public utilities (gas, water, power, sewer lines) on public property required as a condition to building permit issuance.

## D. Foundation Complete

Range of **POSSIBLE** costs

401	Embedded Hardware	0	0
402	Ground Plumbing	1,258	1,398
403	Ground Mechanical	0	0
404	Ground Electrical	0	0
405	Underground Utilities	0	0
406	Foundation & Building Retaining Walls	27,337	30,374
407	Concrete Slab Poured-house, Garage	6,896	7,663
	<b>Total Foundation Complete</b>	<b>35,491</b>	<b>39,435</b>

### 401 Embedded hardware\*

Foundation sill and shear wall tie down bolts, fasteners, brackets.

### 402 Ground plumbing\*

Rough plumbing, including any drainage piping, required prior to pouring foundation or concrete slab. Installations not easily accessible for inspection in under-floor areas and may be required to be inspected prior to sheathing floor

### 403 Ground Mechanical\*

Mechanical ducting is required prior to pouring foundation or concrete slab. Installations not easily accessible for inspection in under-floor areas and may be required to be inspected prior to sheathing floor

### 404 Ground Electrical\*

Conduit insulation is required prior to pouring foundation or concrete slab. Installations not easily accessible for inspection in under-floor areas and may be required to be inspected prior to sheathing floor.

### 405 Underground utilities\*

Sewer line from house to public sewer or septic system (may involve connecting in paved street if no lateral available), underground electrical, gas, water, cable TV, telephone, and drainage piping from street to house not installed by utility provider and house to any accessory buildings.

### 406 Foundation and building retaining walls poured\*

Drilling (pier and grade beam systems), trenching, forming, installing re-bar and hold down anchors, pouring concrete, stripping, waterproofing, drainage, and back-filling. Building Dept. inspection required prior to pour.

### 407 Concrete slab poured - house, garage\*

Trenching, forming, base, membrane, placing reinforcing steel and hold down bolts, pouring concrete, finishing, and stripping forms for house and garage concrete slab floors

## E. Building Rough-in Completion

Range of **POSSIBLE** costs

501	Structural Masonry	0	0
502	Rough Framing Materials	10,654	11,837
503	Structural Steel	0	0
504	Modular or Sectional Mfg. Home	0	0
505	Package/Kit Home	0	0
506	Mfg. Trusses/Components	7,560	8,399
507	Rough Framing Labor	11,317	12,575
508	Lightweight Concrete Interior Floors	0	0
509	Plumbing Top-out	1,335	1,484
510	Rough Heating, Ventilation & Air	4,151	4,612
511	Rough Electrical	2,328	2,587
512	Fire Protection Sprinklers	0	0
513	Fireplaces Including Flues	3,700	4,111
514	Security & Communications Pre-wiring	0	0
<b>Total Building Rough-in Completion</b>		<b>41,044</b>	<b>45,605</b>

### 501 Structural masonry\*

Masonry load bearing walls, columns, etc.

### 502 Rough framing materials

Lumber, plywood, light garage metal, and manufactured products including OSB sheathing, truss joist, glue laminated or composite materials, and rough hardware to complete building structural shell. Studs, beams, etc. may be pre-cut.

### 503 Structural Steel\*

Structural steel columns, beams, moment frames etc. usually installed by fabrication sub-contractor.

### 504 Modular/Sectional Home

Homes built in modules at a factory and set in place on the foundation permanently with a crane

### 505 Package/Kit Home

A material package usually pre-cut to complete a shell home to be assembled at site according to plans and specifications. Optional finish material package may be available

### 506 Manufactured Trusses/components

Pre-assembled structural components including wall panels, roof trusses, decking modules, and light gauge steel shear walls (Z walls, etc.)

### 507 Rough framing labor\*

Traditional rough framing labor on stick built homes, assembly of kit home framing materials, or manufactured home onsite attachment and installation. Rough-in inspection of framing required prior to covering after completion and inspection of rough plumbing, electrical, heating, ventilating, air conditioning.

### Interior Floors

Concrete poured over wooden sub-flooring to conceal radiant heating piping or to deaden sound transfer to lower floors

### 512 Fire protection ceiling sprinklers\*

Piping and sprinkler heads installed to main water service including pressure test inspection. Inspection required usually by local fire department.

### 509 Plumbing top-out\*

Rough water, waste, vent, and gas piping from termination of ground plumbing to vents through roof. Pressure test inspection required. Built in bathtubs and shower pans required prior to sheetrock to be included.

### 513 Fireplaces incl. flues\*

Manufactured or masonry fireplace firebox and flue through roof.

### 510 Rough heating, ventilation, air conditioning\*.

Vents, ducting, boots, plenums, thermostat pre-wiring, and piping to exterior compressor location if air conditioning specified. Building department inspection required.

### 514 Security & communications pre-wiring

Pre-wiring for telephone, cable TV, security and communication systems.

### 511 Rough electrical\*

Service panel and entrance (overhead or underground) conduit, wiring, and device and fixture boxes installed.

## F. Exterior Weather-tight

Range of POSSIBLE costs

601	Waterproofing Decks, Shower Pans	0	0
602	Gutters, Downspouts, Sheetmetal	2,599	2,888
603	Roof Covering	7,200	8,000

604	Windows	5,837	6,486
605	Exterior Doors	8,222	9,135
606	Skylights	0	0
607	Glazing	0	0
608	Exterior Siding (See Project Profile)	6,052	6,724
609	Exterior Trim	463	515
610	Stucco	0	0
611	Masonry Veneer	6,577	7,308
612	Ornamental Iron	1,973	2,192
613	Garage Doors	1,973	2,192
614	Exterior Painting	1,800	2,000
	<b>Total Exterior Weather-tight</b>	<b>42,696</b>	<b>47,440</b>

**601 Waterproofing decks, shower pans, etc.\***

Membranes or other waterproofing for exterior walls, roofs, decks, shower pans.

**602 Gutters, downspouts, sheet metal**

All sheet metal incl. flashing. May be included in HVAC sub-contract.

**603 Roof Covering (Specify type on Property Profile)**

Roof covering including flashings-built up, membrane, composition shingles, wood shingles, slate, clay tile, concrete tile, metal, copper.

**604 Windows (Specify type on Property Profile)**

Metal, vinyl, wooden sash incl. matching sliding and French doors

**605 Exterior Passage Doors**

Wooden, metal, or composite exterior entrance/exit doors not including garage car doors in #613

**607 Fixed Glazing** On-site fixed glass or glass block installation

**608 Exterior siding (Specify type on Property Profile)** Wooden, composite, vinyl, metal, fiber cement siding or shingles

**610 Stucco\***

Lathing or other code approved weather barrier and 1-3 coat stucco finishes. Extruded foam trim if required. Lathing inspection required prior to stucco scratch or brown coats.

**611 Masonry veneer**

Pre-cast concrete, brick, stone veneer masonry.

**612 Ornamental Irons** Fabricated iron guard and hand railings, decorative exterior and interior detail ironwork

**613 Garage doors** Sectional or overhead garage doors including electric openers if specified.

**614 Exterior painting** Exterior doors, siding, trim, metal including gutters and downspouts. May include painting stucco in lieu of stucco color coat

**G. Drywall / Finish Carpentry**

	Range of POSSIBLE costs	
701	Insulation	4,658 5,176
702	Drywall/Plaster	5,159 5,732
703	Interior Stairways	411 457
704	Cabinetry	5,793 6,437
705	Finish Materials/Millwork	3,677 4,085

706 Interior Doors	2,072	2,302
707 Finish Hardware	0	0
708 Finish Carpentry Labor	2,299	2,555
<b>Total Drywall / Finish Carpentry</b>	<b>24,069</b>	<b>26,743</b>

### 701 Insulation\*

Roof, attic, wall and floor rigid, batten, or blown insulation.

### 705 Finish Materials/Millwork

Finish material for door, window, ceiling and wall casing, base, crown, chair rail, etc. moldings and trim, shelves and poles, paneling, special millwork.

### 702 Drywall/Plaster\*

Plaster or hanging and finishing sheetrock walls and ceilings. Fastening inspection required prior to finishing on drywall.

### 706 Interior Doors

Pre-hung with jambs or job hung.

### 703 Interior stairways\*

Interior stairway finishes materials including guard and hand railings.

### 707 Finish Hardware

Locksets, hinges, knobs, closet storage systems.

### 704 Cabinetry

Manufactured or custom-built cabinetry.

### 708 Finish Carpentry Labor

Installations of finish materials

## H. Building Rough-in Completion

	Range of POSSIBLE costs	
801 Countertops	3,294	3,660
802 Tub/Shower/Enclosures	966	1,073
803 Interior Painting/Wall Coverings - Cornice	2,116	2,352
804 Hard Surface Finish Flooring	3,700	4,111
805 Carpeting	5,180	5,755
806 Built-in Appliances	2,960	3,289

807	Modification Fund	164	183
808	Security System	0	0
809	Intercom	0	0
810	Built-in Vacuum Cleaner	0	0
811	Finish Plumbing	668	742
812	Plumbing Fixtures	1,501	1,668
813	Finish Electrical	1,560	1,733
814	Lighting Fixtures	1,743	1,937
815	Finish Heating, Ventilating, Air Cond.	2,767	3,075
816	Solar Backup	0	0
817	Bath Accessories	411	457
818	Tub and Shower Doors/Mirrors	435	483
819	Finish Grading	873	970
820	Additional Funds	0	0
821	Hardscape-Driveway, Walkways, Steps	5,406	6,006
822	Landscaping	2,693	2,992
823	Irrigation System	0	0
824	Fencing including Gates - Deck	0	0
825	Touch-up/Final Cleaning	600	667
	<b>Total Building Completion</b>	<b>37,036</b>	<b>41,151</b>

### 801 Countertops

Laminated, composite, tile, marble, stone, polished concrete kitchen and bath countertops

### 802 Tub/ shower Enclosures

Composite, laminated, tile, marble, stone

### 803 Interior Painting/Wall Coverings

Wallpaper, grass cloth, varnishing, painting or other finishes of walls, ceilings, trim, doors, and cabinets (unless pre-finished).

### 804 Hard surface finish flooring

Hardwood, tile, stone, slate, polished concrete, vinyl

### 805 Carpeting

Laid carpeting.

### 806 Built-in Appliances\*

Ranges, ovens, cook tops, dishwashers, compactors, warming ovens, microwave ovens, hoods, built-in refrigerators and freezers, etc.

### 807 Other Special Equipment

Safes, elevators, dumbwaiters, tennis or sport courts, home theater equipment, back-up power systems, etc. not normally specified. Some require inspections

### 808 Security System

The control box and sensors for a built in alarm system

### 809 Intercom System

A built in communication system including speakers

### 815 Finish Heating/Air Cond\*

Registers, grills, furnace(s) or boilers, A.C. compressor(s), coil case(s), thermostats, fans not installed in rough in.

### **810 Built-in Vacuum Cleaner**

A built in vacuuming system usually located in the garage

### **816 Solar Backup System**

Solar collectors and storage tank for a solar hot water or heating system

### **811 Finish Plumbing\***

All fixtures, valve faucets, water heaters, pumps not previously installed during plumbing top-out.

### **817 Bath Accessories**

Medicine cabinets, towel bars, paper holders, etc.

### **813 Finish Electrical\***

All devices including circuit breakers, switches, receptacles, smoke detectors, etc.

### **818 Tub and Shower Doors/Mirrors**

Interior glass doors, enclosures, mirrors

### **814 Lighting Fixture Allowance**

An optional allowance for lighting fixtures

### **819 Finish Grading**

Final grading in preparation for landscaping and hard scape.

### **823 Irrigation System**

An under-ground water sprinkling system for outside irrigation

### **824 Fencing including Gates**

Wood, ornamental iron, wire, masonry, stucco fencing and walls including any gates and electric gate openers.

## 822 Landscaping

All specified landscaping, paths, stepping-stones, garden walls and miscellaneous hardscape. May be required for certificate of occupancy.

## 825 Touch-up/Final Cleaning

Building touch up, and complete grounds, exterior and interior cleanup including hauling trash.

## 821 Hardscape-Driveway, Walkways, Steps\*

Concrete, asphalt, stone, tile paving including exterior steps, landings, patios, etc.

## 820 Pool/ Spa\*

Excavation, gunite, tile, plaster, decking, fencing and equipment.

### I. TOTALING NUMBERS

LAND COST	25,000.00
INTEREST RESERVES	11,875.60
EMERGENCY/CONTINGENCY RESERVES	13,321.00
CLOSING COST	8,698.00
PRE-CONSTRUCTION COSTS	8,055.77
GENERAL REQUIREMENTS	8,379.25
SITE PREPARATION	17,396.83
FOUNDATION COMPLETE	37,557.00
BUILDING ROUGH-IN COMPLETION	43,440.98
EXTERIOR WEATHER-TIGHT	43,092.80

DRYWALL/FINISH CARPENTRY	25,469.69
BUILDING COMPLETION	39,020.19
<b>TOTALS</b>	<b>281,307.12</b>

Using the Buildmax Program	
Mortgage Amount	\$269,900
Interest rate	7%
Years	20
Monthly Payment	\$2,012
Total Payments	\$482,952

Using a General Contractor	
Mortgage Amount	\$300,000
Interest rate	7%
Years	20
Monthly Payment	\$2,237
Total Payments	\$536,813

<b>Instant Equity</b>	<b>\$30,100</b>
<b>Long term savings</b>	<b>\$53,860</b>

## Buildmax Greenlight

Rating: BuildMax Green Light – Using the data you gave us, this project will work ONLY using the owner-builder approach. The 10-30% you would pay a general contractor pushes this project out of the feasibility range unless you choose to owner-build.

### J. CONCLUSIONS

Construction loans are story loans. That means that the lender has to know the story behind the planned construction before they're willing to loan you money. Construction loan financing shares many of the ordinary banking and real estate features of both an acquisition loan and a future advance loan.

However, a construction loan has an additional dimension, which typically makes it riskier than both of these products, and which therefore requires

makes it riskier than both of these products, and which therefore requires special focus. The one obvious distinction is that, until construction is completed and the building may be legally occupied, the collateral value and liquidity of the property upon foreclosure is problematic. Thus, special due diligence and monitoring is required for the construction loan in order to minimize this risk. To address this risk and fulfill this lender-required supervision requirement, the vast majority of lenders utilize the requirement of a licensed General Contractor with adequate experience and references.

With BuildMax, our lenders will accept **your involvement "+ " our consultants** as adequate supervision. This shift in responsibility and corresponding elimination/replacement of the sizable (15%) general contractor's overhead and fees with the substantially less (2.75%) BuildMax consulting fee yields equity to the borrower and a broader range of feasibility options. Additional direct labor is also permitted, but not required, and adds to the opportunity to save more on direct construction and increase equity.

**The BuildMax program will help you manage the process of financing, bidding, and organizing tasks for building your own home.** All services are provided on a "best efforts" basis. While we attempt to help our clients find information that will help them answer their own questions or solve their own problems, please remember that every situation is unique. You are advised to seek additional competent legal and/or engineering, and/or other construction consulting or real estate advice from licensed professionals who are familiar with your specific project and situations.

We appreciate this opportunity to create this initial road map for your project. Further, we would appreciate the opportunity to work with you through all the phases of building your home. Starting with the conclusions we have drawn from this preliminary study, we would work with you to complete your new home. These construction plans would be reviewed early in the process and fine-tuned throughout the process, adapting the various factors to achieve a workable solution. We look forward to putting your project plan into action.

