


# Hire a Certified Graduate Builder or a Graduate Master Builder



*“When looking for a builder we were worried about picking one with experience and reliability and not just notoriety. Knowing that Chuck Miller held the GMB and CGB designations from NAHB helped to put our worries to rest. We got an expert builder and an excellent home.”*

Darin Kennedy  
Boise, Idaho

Your home may be the most significant investment you will ever make. Naturally, you want to pick the right builder who can accomplish your plan within budget and on time. The hardest part is knowing what criteria to use when selecting a builder, and then finding a builder who will do the best overall job. There are no federal requirements for training or licensing, and very few states have such standards. We hope this guide will make what could be the biggest decision of your life a little easier.

## **WHAT ARE CERTIFIED GRADUATE BUILDERS AND GRADUATE MASTER BUILDERS?**

Certified Graduate Builder (CGB) and Graduate Master Builder (GMB) are two of the top designations developed by NAHB for builders. Designations help consumers to identify professionals who have demonstrated a commitment to excellence. Their credentials demonstrate that business owners and senior management have undertaken continuing education courses in professional management. To earn one of these designations, a builder must complete a regularly updated curriculum of industry-related topics. Candidates for these designations are also required to pledge their commitment to a professional Code of Ethics.

## **WHY HIRE A CGB OR GMB?**

When you hire a CGB or GMB, you can expect an experienced builder committed to delivering a quality product. Designations like the CGB and GMB are voluntarily earned and not required by law—they provide benchmarks of business achievement consumers can use to measure builders. Most conscientious builders belong to a local home builders association as well as the National Association of Home Builders. They know the value of the professional development that organizations provide. Quality builders who have elected to earn their designations welcome the peer contact and learning opportunities afforded by trade shows and educational programs.

HOW TO SELECT A BUILDER	DETERMINING YOUR BUDGET
<p>There are many considerations when hiring a builder. Listed below are some things to keep in mind:</p> <ul style="list-style-type: none"> <li>• <b>Seek a Professional:</b> Look for companies that emphasize customer service, quality, integrity and a commitment to education.</li> <li>• <b>Customer Service:</b> A company that's truly committed to buyer satisfaction will emphasize service from every member of its team and maintain a professional attitude in every interaction.</li> <li>• <b>Quality:</b> You get what you pay for. Be careful when assessing the prices set by different builders. The quality of the materials and service can make a significant difference in cost.</li> <li>• <b>Integrity:</b> Is your prospective builder trustworthy? Be cautious if you hear anyone suggest that a builder has been less than honest with clients.</li> <li>• <b>Commitment to Education:</b> Professional builders know that the quality of their service depends on the quality of their staff. They should be committed to ensuring their people have the tools to be successful with professional designations and continuing education.</li> </ul>	<p>Before you contact home builders, decide what you can afford to spend. Your total budget should comprise the sum of cash plus borrowing power plus equity available for your project. At this stage, NAHB recommends that you visit your lender and pre-qualify for your mortgage. A lender will help you develop a realistic expectation of the budget for your new home.</p> <p>Ask yourself the following questions:</p> <ul style="list-style-type: none"> <li>• What can I afford?</li> <li>• What attributes do I want my home to have?</li> <li>• What is my current property or home worth?</li> <li>• What will my mortgage payments be?</li> </ul>

GETTING STARTED	BUILDING BUDGET WORK SHEET																				
<p>Use the steps below as a guide when beginning your search for a builder:</p> <ul style="list-style-type: none"> <li>• Develop an idea of the building project you have in mind.</li> <li>• Determine how much you feel comfortable spending.</li> <li>• Seek referrals from friends and neighbors—make sure the builder has a working knowledge of the types of homes and considerations of the area.</li> <li>• Contact a local trade association and the Better Business Bureau to find out more about the builder you're interested in.</li> <li>• Verify the builder has the appropriate license(s).</li> <li>• Visit <a href="http://www.nahb.org/designations">www.nahb.org/designations</a> to find a list of active CGBs and GMBs in your state.</li> </ul> <p>Once you find a builder and settle on a plan, request a detailed, written contract that protects both you and the builder and that complies with local, state and federal laws. The contract must spell out the work that will and will not be performed and provide a fair payment schedule.</p>	<p>Now you can begin to determine the approximate cost for each part of the construction process. You probably won't be able to fill in all of these blanks right away. However, after a few conversations with builders, you will gain a clearer notion of where your dollars will go. Here is a budget break-down that covers all aspects of the home building process:</p> <p><b>Total project budget \$</b></p> <p>The project budget includes:</p> <table> <tr><td>Cost of the lot</td><td>\$ _____</td></tr> <tr><td>Architectural fees</td><td>\$ _____</td></tr> <tr><td>Interim finance charges</td><td>\$ _____</td></tr> <tr><td>Engineering fees</td><td>\$ _____</td></tr> <tr><td>Interior designer fees</td><td>\$ _____</td></tr> <tr><td>Landscape architect fees</td><td>\$ _____</td></tr> <tr><td>Landscaping/irrigation fees</td><td>\$ _____</td></tr> <tr><td>Pool</td><td>\$ _____</td></tr> <tr><td>Construction cost of house</td><td>\$ _____</td></tr> <tr><td>Other fees</td><td>\$ _____</td></tr> </table> <p>Now that you know where you stand financially, it's time to start talking with contractors who will work to build your dream home within your price range.</p>	Cost of the lot	\$ _____	Architectural fees	\$ _____	Interim finance charges	\$ _____	Engineering fees	\$ _____	Interior designer fees	\$ _____	Landscape architect fees	\$ _____	Landscaping/irrigation fees	\$ _____	Pool	\$ _____	Construction cost of house	\$ _____	Other fees	\$ _____
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*“Excellent knowledge of home building superior customer service highly intelligent, professional and outstanding builder would be our description of working with a CGB Mark Myers of Custom Homes, LTD”*

Pam and Chris Nemic  
Buda, Texas

QUESTIONS TO ASK YOUR POTENTIAL BUILDER	QUESTIONS TO ASK REFERRALS
<ul style="list-style-type: none"> <li><input type="checkbox"/> How long have you been in business?</li> <li><input type="checkbox"/> In what areas have you built?</li> <li><input type="checkbox"/> What sets you apart from other builders?</li> <li><input type="checkbox"/> What type of warranty program do you offer?</li> <li><input type="checkbox"/> What are your fees for building a home (fixed price, cost plus, management fee)?</li> <li><input type="checkbox"/> How do you charge for extras?</li> <li><input type="checkbox"/> Who supervises your construction?</li> <li><input type="checkbox"/> How long have your trade people been working with you?</li> <li><input type="checkbox"/> How often during the week is the builder out at a job site?</li> <li><input type="checkbox"/> Who will I be dealing with during construction?</li> <li><input type="checkbox"/> Will that person have the authority to make final decisions?</li> <li><input type="checkbox"/> How many hours per year do you and your supervising staff participates in continuing education within the home building industry?</li> <li><input type="checkbox"/> Do you belong to a local trade association? Which one(s)? In what activities are you involved?</li> <li><input type="checkbox"/> Can you provide a list of references, including homeowners, suppliers, subcontractors and consultants such as architects and engineers?</li> <li><input type="checkbox"/> Have you ever been sued? If so, did you win or lose? Are there any suits currently pending? If so, please explain.</li> <li><input type="checkbox"/> Are there any liens against properties that you have built?</li> <li><input type="checkbox"/> Have you ever filed for bankruptcy protection?</li> <li><input type="checkbox"/> Do you use environmentally responsible construction techniques?</li> <li><input type="checkbox"/> Do you recycle material that cannot be returned to suppliers?</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Was the builder accessible or hard to find (during your project)?</li> <li><input type="checkbox"/> Was the home completed when promised? If not, why?</li> <li><input type="checkbox"/> Did the builder stay within your budget?</li> <li><input type="checkbox"/> Did the builder follow the plans and specifications, or did he or she make changes without consulting the architect or you?</li> <li><input type="checkbox"/> Were there any surprises, such as excessive change orders, or did the work go smoothly?</li> <li><input type="checkbox"/> How did the builder charge for change orders?</li> <li><input type="checkbox"/> Were the allowances adequate?</li> <li><input type="checkbox"/> Was follow up on warranty work completed in a timely manner?</li> <li><input type="checkbox"/> Do the home's mechanical systems (i.e., air conditioning, heating, plumbing and electrical) function well? Is the home energy efficient, keeping utility bills reasonable?</li> <li><input type="checkbox"/> Why did you choose this builder?</li> <li><input type="checkbox"/> Was the builder congenial?</li> <li><input type="checkbox"/> Did the builder supervise the job closely?</li> </ul> <p><b>CHECKLIST FOR TOURING A BUILDER'S MODEL</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Does the electrical system and duct work appear to be neatly installed?</li> <li><input type="checkbox"/> What materials are used in the kitchen and bath cabinets? <input type="checkbox"/> Wood? MDF (Medium Density Fiber Board) particle board? Do the cabinet side panels match the doors? What kinds of doors and hinges do the cabinets have?</li> <li><input type="checkbox"/> Are the lighting fixtures attractive and well arranged for general and task lighting?</li> <li><input type="checkbox"/> What types and quality of floor coverings are provided?</li> <li><input type="checkbox"/> What is the condition of the job site as a home nears completion?</li> </ul>

