



Common pitfalls to avoid when building your home

In our previous article we examined the documents required for processing a mortgage and the usual associated costs. This week we will address the common issues first-time homeowners may encounter when building their home and the possible ways to avoid these pitfalls.

The most common mistake most homeowners make is visiting an architect first, instead of the bank. Going this route could give rise to a series of other problems including loss of time and money as the architect could design one's dream home but it may be outside what the homeowner can afford. To avoid this problem you should visit your bank to meet with a personal banking officer who would assess your financial situation and determine the amount of debt you can afford.

Another usual pitfall arises when the contractor or builder is changed during construction. This can be very costly, time consuming, impact on quality of finish and cause delays. It could also lead to borrowing additional funds to complete the project which will in turn increase your liability and your monthly installment. To avoid this it is recommended that: you exercise caution when selecting the builder or contractor and ensure that they are reputable. Do background checks; visit projects that they have done, talk to people who have used them.

Always try to avoid making alterations to the house during construction. This could have serious financial and psychological repercussions. Some people after construction has started will decide that they do not like a wall, want a room bigger or add a space. While this may be with all good intention it must be remembered that there are usually cost implications. To avoid making changes or alterations to the house during construction choose an architect who, apart from designing a house that meets your fancy and budget, can help you visualize what the finished house would look like using 3-Dimensional computer software. It may also be necessary for the architect to take you to an actual house to fully appreciate the various room sizes and styles or designs.

Another important issue some homeowners tend to overlook is that of contracts. It has become standard practice to have a signed agreement between the contractor or builder and homeowner. This contract should indicate the responsibilities of both parties, and certain clauses such as the date of commencement, completion and penalties



for non-performance. The contract is the one document that you can refer to when works are not proceeding as planned.

As with everything else in life there are challenges to overcome, but with proper planning and knowing how to avoid the common snags can make your life much easier. Visit your bank first to get an idea of the mortgage size you can afford. Equipped with this figure and your own preference of house design visit an architect to draw a house plan. After you have obtained you approved house plan, shop around to get quotes from two or more contractors or builders. You must also get a Quantity Surveyor to also cost the plan. When you are satisfied with the costing from the builder or contractor draw up a contract to capture the terms and conditions of agreement. The last step would be to visit the bank again to continue the loan process and prepare for approval and disbursement of funds. If you have any questions call the Loans Department of Bank of Saint Lucia at 456-6000, send an email to [moneymatters@ecfh.com](mailto:money matters@ecfh.com), or visit us at www.ecfh.com