

The 9 Phases & Time

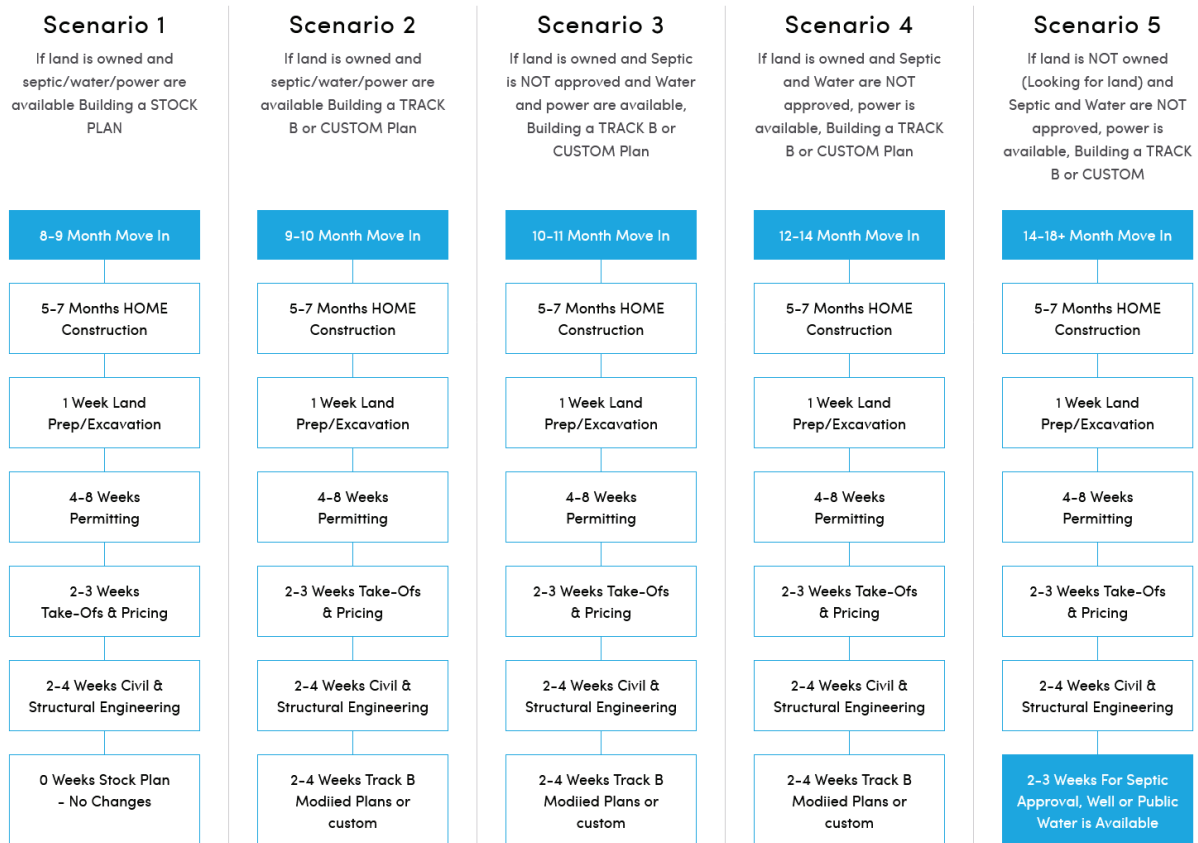
Typically Required to Buy Land and Build



Phase 1: Goals

- ☐ TOTAL PROJECT BUDGET \$_____ (Includes the following preliminary estimates)
 - ☒ **HARD COSTS:** \$_____ LAND ACQUISITION
 - ☒ **HARD COSTS:** \$_____ LAND DEVELOPMENT (EXCAVATION/DRAINAGE/EROSION CONTROL/ROAD/WELL/SEPTIC)
 - ☒ **SOFT COSTS:** \$_____ BUILDING PERMITS/UTILITY CONNECTIONS/CONNECTION FEES/TRAFFIC/SCHOOL FEES/PERMIT
 - ☒ COORDINATION SERVICES/ ARCHETCTURAL PLANS/REUSE OR NEW DESIGNS/STRUCTURAL AND CIVIL ENGINEERING/SEPTIC DESIGN)
 - ☒ **HARD COSTS:** \$_____ HOME CONSTRUCTION COST PLUS BUILDERS MARGIN
 - ☒ **HARD COSTS:** \$_____ UPGRADES
 - ☒ **SOFT COSTS:** \$_____ TAXES
 - ☐ **RESOURCES:** ☐ LOAN \$ ☐ CASH \$_____ ☐ REAL ESTATE WITH EQUITY VALUED AT \$_____
 - ☐ OWNED BUILDABLE LAND VALUED AT: \$_____ ☐ SALE OF ASSETS: I.E. STOCKS, BONDS, 401K ETC. \$_____
 - ☐ OTHER:_____
 - ☒ **TIMING:** WHEN DO YOU WANT TO BE IN YOUR NEW HOME?_____
- (We work the timing backwards: Start with the desired move in date, then minus home construction (Typ. 5-7 months based on complexity and size), minus land prep/excavation (1 week), minus permitting (4-8 weeks), minus take-offs & pricing (2-3 weeks) minus Civil/structural engineering (Simultaneously completed 2-4 weeks), minus home design (2-4 weeks), minus Well (2-4 mo, minus Septic (2-3 mo), Minus Land Feasibility (If buying land) Est 30-45 days. Add 1-4 mo. if wetland delineation is required)
- ☒ **CONDITIONS LIMITING MOVING FORWARD:**_____
 - ☒ **POTENTIAL PROBLEMS OR CHALLENGES TO ADDRESS:**_____
 - ☒ **SUPPORTIVE FRIENDS/FAMILY & SUPPORT GROUP:** (YES) (NO)_____
 - ☒ **REALISTIC GOALS, BUDGET AND TIMING (YES) (NO) ADJUSTMENTS NEEDED:**_____

Realistic Timing Visual Charts



0 WeeksSeptic is
Approved, Well or Public
Water is Available

0 WeeksLand is owned
or feasibility is
removed

0 WeeksSeptic is
Approved, Well or Public
Water is Available

0 WeeksLand is
owned or feasibility is
removed

2-3 Weeks For Septic
Approval, Well or Public
Water is Available

0 WeeksLand is
owned or feasibility
is removed

2-3 Weeks For Septic
Approval, Well or Public
Water is Available

0 WeeksLand is
owned or feasibility is
removed

4-6 Weeks For
Offer/Land Feasibility
Study & Approval

1-4+ Months to ind
buildable land at the
right price and location

* There are dozens of scenarios that cannot all be calculated in a Fixed format. This gives you a general idea of the timeline it takes to get permits and build a home.

House Budget Calculator & Residual Land Budget

\$_____ (A) TOTAL PROJECT BUDGET

HOUSE BUDGET

\$_____ Cost of House (Base plan on website)
\$_____ Architectural Re-Design (Track B Stock Plan
Modifications) \$250-\$1,000 Typ.
\$_____ Architectural Design (Track C Custom home)
\$2.50/sf-\$3/sf based on complexity
\$_____ Structural Engineering (Site Specific) \$0.65/
sf-\$1.0/sf (min \$1250)
\$_____ Upgrade Allowances* (From sidebar line item)
\$_____ Subtotal
\$_____ Tax
\$_____ (B) TOTAL ESTIMATED HOUSE BUDGET

Land Development Budget INC. Hard and Soft Costs

\$_____ Site Development Allowance**
\$_____ Septic Design (\$1,000-\$2,500)
\$_____ Septic Installation (3-4 bed/\$13,000-
\$19,000...\$28,000 if Mound/Exotic)
\$_____ Sewer (Based on jurisdiction connection fees,
line depth and ROW/TBD)
\$_____ Well Installation (\$10,000-\$17,000 based on depth)
\$_____ Well Water Filtration (\$500-\$3000)
\$_____ Public Water (Fees based on Purveyor \$7000-\$9000)
\$_____ Construct Road for Well Access (Based on length/
width/access/surface etc.)
\$_____ Civil Engineering Based on Scope (\$1500-\$3000)
\$_____ Geotechnical Based on Scope (\$500-\$2000)
\$_____ Wetland Biologist (Review \$500-\$900)
\$_____ Site development & building permit application fees
\$_____ Bundle of building permits (May include School,
traffic impact fire dept fees)
\$_____ Permit submittal technician and redline corrections
\$_____ Survey
\$_____ Turn-Key Site Management Fee or DIY
\$_____ Other
\$_____ Subtotal
\$_____ Tax
\$_____ (C) Total Estimated Land Development Budget
\$_____ (A) TOTAL PROJECT BUDGET
-\$_____ (B) Total Estimated House Budget
-\$_____ (C) Total Estimated Land Development Budget
-\$_____ (D) Residual Budget For Land Acquisition

*UPGRADE ALLOWANCES

\$_____ Int/Ext Pain
\$_____ Appliances
\$_____ Kitchen Countertops
\$_____ Master Bathroom Counters
\$_____ Tiled Flooring
\$_____ LVP/Engineered Hardwoods
\$_____ Master Bathroom _____
\$_____ Cabinetry Upgrades _____
\$_____ Additional Concrete/Decks
\$_____ Detached Garage or ADU
\$_____ Lighting Upgrades
\$_____ Plumbing Upgrades
\$_____ Other _____
\$_____ Other _____
\$_____ TOTAL UPGRADE ALLOWANCE

*UPGRADE ALLOWANCES

☐ Homeowner or ☐ Hire Professional Contractor
\$_____ Construction Entrance
\$_____ Erosion Control
\$_____ Storm Water Facility Construction
\$_____ Land Clearing & Grading
\$_____ Tree/Stump Removal
\$_____ Import/Export (Dirt/Gravel)
\$_____ Walls/Shoring
\$_____ Cabinetry Upgrades
\$_____ Trenching
\$_____ Conduit/Pull Ropes
\$_____ Mobilization
\$_____ Install Temp or Permanent Power Pole
\$_____ Install Temp Water
\$_____ Equipment rental
\$_____ Site Development Allowance for Det. Gar./ADU
\$_____ Other _____
\$_____ Other _____
\$_____ Other _____
\$_____ TOTAL SITE DEVELOPMENT ALLOWANCE

Provided costs are unverified, rough ballpark estimates only and are not to be relied upon. You must obtain verified 3rd party bids with engineering to obtain accurate costs. Diggs is not liable if these prices do not represent actual costs. Prices subject to change without notice. Prices based on Pierce County pricing on January 12th 2020. Other areas may cost more or less.

Phase 2

Land Aquisition and Feasibility



Land Aquisition and Feasibility



Land Research

There are many things that goes into land acquisition and development. Diggs will work with you and your land broker to help you determine the best property that is suitable and feasible to build your dream home. If you need land and do not have a land broker, Diggs can help you find and buy land. Diggs will assist you in conducting a pre-feasibility study at no charge. We can give you instructions to conduct your own feasibility study or we can refer you a professional feasibility company to do all of the work for you.

- 1. Finance** – Use Diggs approved construction lenders, get pre-approved.
- 2. Land Brokerage** – We can work with your broker or we can help you find land at no cost.
- 3. Terms & Offer** – Make sure your Terms match Lender requirements. Construction lenders require approved water and, typically, permits to close.
- 4. Feasibility Study** –Two-Part meaning. This is to ensure the land is, #1 Buildable, and #2 financially feasible to build the home based on your budget.

CADS & Permit Requirements Critical Area Designations (Wetlands/Slopes /Gopher) i.e. access, zoning, set-backs, design, EVA (Emergency Vehicle Access) access, stormwater.

Utility Availability & Costs – Public or Private Sewer & Water, Location of power and purveyor, permit, design, construction, connection fees, etc.

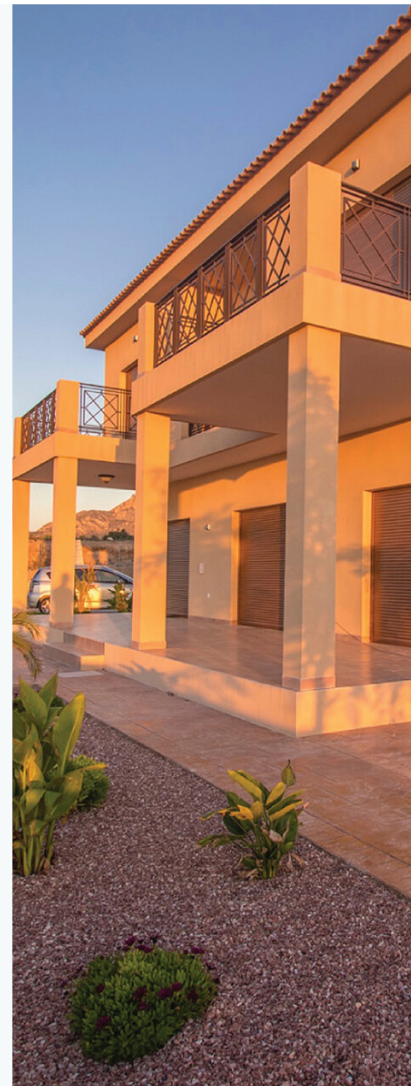
Land Development Cost Estimates – Land Development Bids from competent contractors

- 5. Timing** – The feasibility and closing dates must be timed according to the lender requirements and realistic permit timelines at the jurisdictions.

Appraisal –The appraisal is ordered and must come in at value based on a land only loan or a full all-in-one construction loan.

- 7. Underwriting** –The loan file must be 100% complete with all reports and verifications in and approved loan term and down payment, LTV/LTC (Loan to value/Loan to cost) must match and Payment Reserves etc.

- 8. Closing** –Occurs after you and the seller sign your closing documents and



Timeline When Making an Offer to Buy Land



Phase 3

Home Selection Architectural Design or Redesign



Home Selection Architectural Design or Redesign

Home Selection Design Redesign

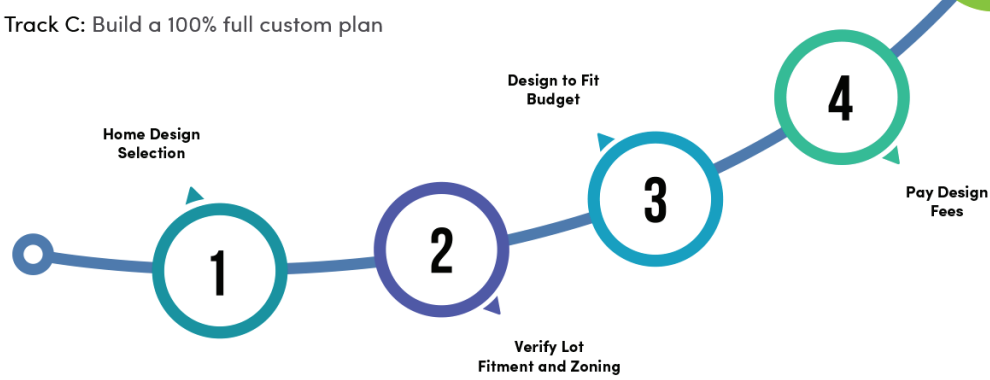
Diggs offers 3 Tracks or "ways" to build a home.

Track A: Build a Stock Plan

Track B: Build a Stock plan with Modifications

Put Design
Redesign Into
Production

5

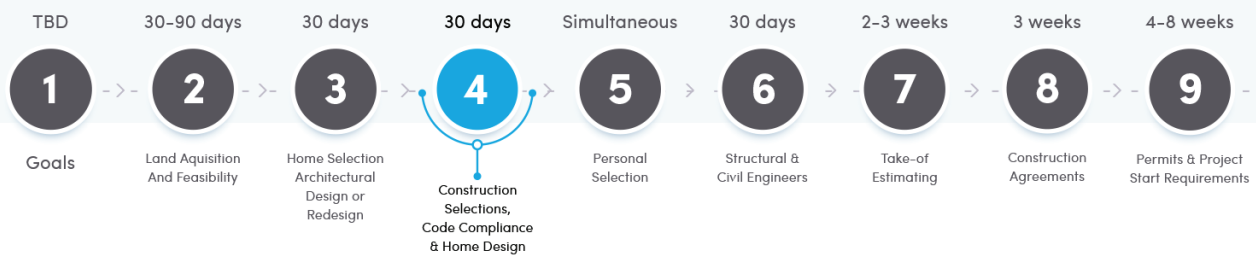


Design fees are due at the time you are ready to have the Architect draft a new plan or modify an existing stock plan.

*Track B, Diggs allows minor and major modifications which include adding or reducing square footage, changing roof trusses, foundation modifications and moving load bearing walls. All changes may be subject to engineering (TBD). If a modification is over 25% of the plan, or there is a major design change, the designer may charge a full redesign fee. Once you make your modification choices, we will send the requested changes out to the designer for a cost estimate before moving forward with the design.

Phase 4

Construction Selections, Code Compliance & Home Design



Construction Selections, Code Compliance & Home Design

Architectural & Schematic Design

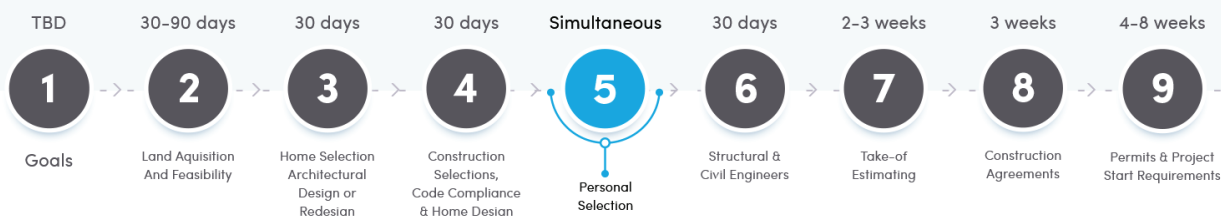
Every building jurisdiction is different and there may be various requirements to get home and site plans approved. These are the typical processes and procedures required. These Technical Architectural and Schematic Design changes are made typically at Diggs offices. It's critical that your plans reflect exactly what you want. If there is a component of the home that is desired and it is not on the plans, you will not receive it, even if you verbally told a Diggs staff member you wanted that component. There are hundreds of conversations, and intentions can change. We do not build off of verbal communication as it's not perfectly memorable. We only work off of written documentation. Please make sure you read the plans and the Standard Specifications form as that is how your home will be built unless there are other signed documents amending the plans and Standard Specifications.





Phase 5

Personal Selections



Personal Selections



Personal Selections

Time to go shopping!

This is the fun part where you can pick all of the finishes, colors, and textures. We have 4 beautiful showrooms to send you to which are Diggs standard suppliers. We do not allow materials and components to be ordered online from online retailers like Ebay, Amazon, or other suppliers. We also do not purchase parts, products, components, or materials from big box chains such as Home Depot or Lowes. There are definite reasons for this policy, and you can read more about it on the Selections form.

Phase 6

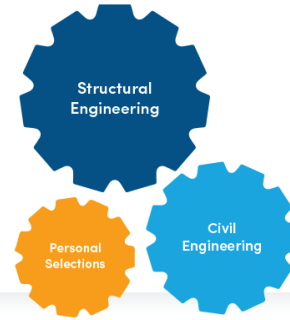
Structural & Civil Engineering



Structural & Civil Engineering

Structural & Civil Engineering

Once the Architecturals are completed 100%, they are sent to both the Structural Engineer (Sheer and Gravity Loads) and also to the Civil Engineer (Site development plan and Stormwater plan). The engineering can be worked on sequentially so we save time. During this time we start getting your cost estimates and quotes back from Phase 5 Personal Selections..

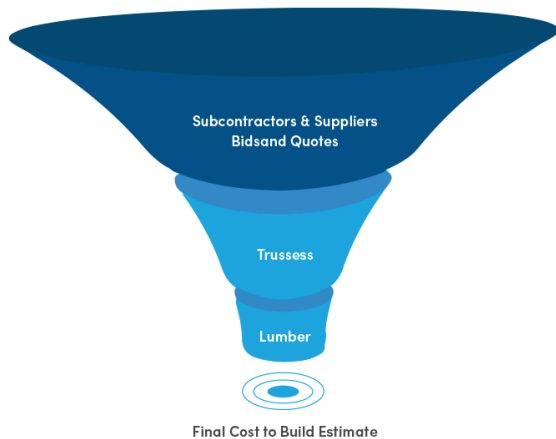


Phase 7

Take-Off Estimating



Take-Off Estimating

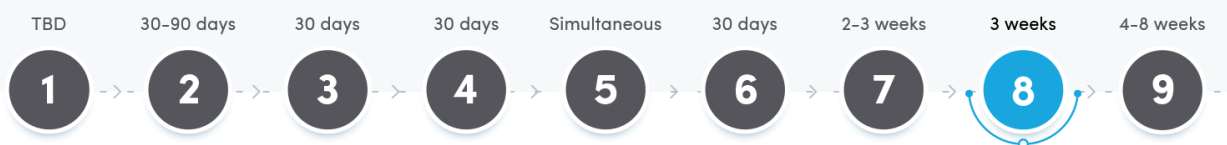


Take-Off Estimating

We send the final engineering out to all of our subcontractors and suppliers to get competitive live quotes, bids and estimates. This is typically a blend of all hard quotes (where available) and historical pricing based on ongoing agreements without subcontractors and suppliers. We compile all of the information into a formal cost to build estimate and provide you with that number. The estimate is good for 30 days. After signing the estimate, we give you access to the complete estimate with full product descriptions and pricing. At this time you can make one final selections change, then after the selections are re-priced and approved, the contract is locked. Any further changes will be a "Change Order". Once approved, you sign the agreement which initiates the production of the construction agreements. The project then goes into permitting and the appraisal is ordered.

Phase 8

Construction Agreements



Construction Agreements

Construction Agreements

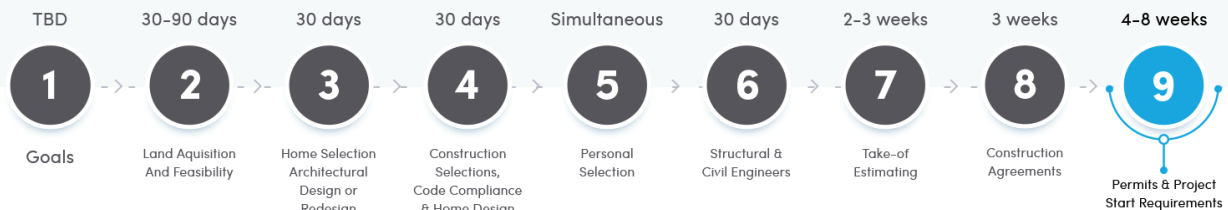
Now that you have approved the Final Cost to Build Estimate along with all of your final selection choices, we prepare the Cost-Plus Construction Agreement. With this agreement you get a guaranteed NOT TO EXCEED PRICE, and, if costs come in lower, you get the lower cost reflected in your final adjusted price. You will have access to our electronic communications, scheduling and construction software for to stay in the loop. As costs come in, you will also have access to all of the pricing data. Only Diggs offers this level of transparency.

Cost-Plus Construction Agreement

- ✓ Standard Specifications
- ✓ Options, Materials, and Specifications
- ✓ Homeowner Construction Guidelines
- ✓ Moisture, Intrusion, and Water Guide
- ✓ Recommended Maintenance Schedule
- ✓ Change Orders (If applicable)

Phase 9

Permits and Project Start Requirements



Permits and Project Start Requirements



Take-Off Estimating

Now that you have approved and signed the Cost-Plus Construction Agreement, the project now goes into Permitting. This is where you can submit your own permits to save money, or we can refer you to a permit technician that will prepare the paperwork and submit permits for you. Permits can take 4-8 Weeks. By now you should have communicated with the power/water company to make sure they are all on a schedule to start work once permits are submitted. This is a great time to formally coordinate your temporary power and water to be connected at the house. The water and Power purveyors, your excavation contractor, and an outside electrician and plumber of your choosing will work together to accomplish this. Once we have approved building permits, we will need power and water at the site to start construction. We will give you a manual called "Homeowner Construction Guidelines". It is important to read this as it will help you manage the pre-construction items that are required BEFORE we can start construction. The "Homeowner Construction Guidelines" will have details regarding project start requirements.

Timeline

