



# Guide To Building A Quality Home

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# **Table of Contents**

	<b>Page</b>
1. Introduction	3
2. The 6 Commitments	5
3. Knowledge: The Foundation	6
4. How Much Is That House?	7
5. Quality: it Makes A Difference	10
6. Features, Benefits and Inclusions: The Armstrong Difference	11
7. The System that Makes the Difference	16
8. Conclusion	23



## **1. INTRODUCTION**

Welcome to Armstrong Homes. What you are about to read may change your whole perspective on the residential construction industry. If it does, then we have achieved our goal. Within this document you will come upon the Armstrong Homes 6 Commitments. Our first commitment is quite specific: *“Honesty and Integrity, Our Highest Priority”*. This document is provided to you on that basis.

Why are we so focused on doing it right? And why are we so determined to educate the public about the difference in quality that exists in our industry? To us it is a matter of honor. We do not know any other way to run our company. Armstrong Homes has brought together a management team with over 200 years of combined experience in the residential construction industry. People who have been hand picked because of their values and pride in what they do. We have seen it all and we all agree that the construction industry is long overdue for some of the principles and values that set leaders apart.

In February 2002, the University of Western Sydney announced the launch of the world’s first university degree for housing construction. This is a timely reminder of the need for education and training in the construction industry that has been lacking for so long. As a leader, Armstrong Homes was recognized in prestigious and award winning Ocala Magazine as 2006 “Best of the Best” Homebuilder in Ocala; this is an award given after a vote by the people in Marion County Florida.

Why do we bother to invest time and resources on these activities? This can be summed up in the words of Associate Professor Graham Miller from the University of Western Sydney: *“Builders today need more knowledge to pass on to clients, better communications skills and a firmer grasp of financial matters. Sadly, there are a high percentage of bankruptcies in the building industry and that’s because of their relatively poor business skills. Obviously the other issue is the poor quality of housing construction we are seeing these days – particularly in NSW.”*

He added: *“With Education and Training builders will be more professional, they’ll produce a better quality home and there’s less risk their business will fold in the middle of building your home. New home buyers would end up the big winners.”*

He said that part of the course would be dedicated to; *“lecturing students on ethical behavior, especially with the “corners cut” by many of the nation’s builders.”*

Take the time to read Professor Miller’s comments again and remember these are his words, not ours. Armstrong Homes has been committed to this process for some time and the satisfaction level of our clients is a testimony to that end. We will continue to invest in education and training and now we are going to include you, the consumer, in that education process.



This document will take you through what we call the Armstrong Homes Experience. It will show you what goes on behind the scenes to make your dream happen and it will expose to you why not all builders are the same. In effect we are sending out a challenge. We do not for one minute believe we are the only building company making the effort to raise the bar. In fact we welcome all companies in our industry that are putting the time and resources into improving their business and our industry.

We talk to and listen to our clients continuously. Where possible we even talk to those people who chose not to build with us. We recently engaged independent market researchers to talk to our client base and the general public on what their expectations were before negotiating the construction minefield and how well those expectations were met. We were proud of the satisfaction levels of our clients and are happy to share that feedback with any prospective client. However we were equally dismayed and continue to be dismayed by feedback from the general public who did not build with us with statements like:

- “We wish we had spent the extra money on quality.”
- “It was a disaster, we’ll never build again.”
- “If we had known it was going to turn out like this we would have gone elsewhere.””
- “In hindsight it wasn’t as cheap as we thought, there were so many hidden costs we didn’t know about up front.”
- We’ve realized now that not all builders are the same.”

Comments like these are rife in our industry and we are saddened by them. After all it is our industry and we are proud of our contribution to it. The satisfaction we get from making someone’s dream come true is one of the most exciting things in our business and we make sure we do everything we can to make the experience a memorable one.

**Memorable that is, for all the right reasons.**

Before we go into the Armstrong Homes Experience, lets go back to Professor Miller’s comments and think about this. In 2005 builders were hit with an average premium increase of approx 150% across the board on Home Owners Warranty Insurance. This is the insurance policy that builders must take out to protect the consumer in the event of the builder’s failure to complete the home due to bankruptcy or in the event that the home is poorly built and the builder has to come back to repair it. Guess who pays the premium? You, the consumer, get the pleasure of insuring yourself against the possibility of doing business with a poorly managed business. Ask yourself why, in a time of incredible growth, this premium continues to rise at such levels. The answer is obvious, or is it? Read on and find out. You are about to make a substantial financial investment. The investment you make right now by taking the time to read this document could be the difference on how you reflect on your “*building experience*” years from now.



## **2. THE 6 COMMITMENTS**

The Armstrong Homes Commitment is the cornerstone of our business philosophy. We are not perfect. We just strive to be. Building a home is a major project and it is as much about how we approach the experience as it is about the end result. It's all about client fulfillment.

### **The Armstrong Homes Commitment:**

As a customer of Armstrong Homes we make the following commitments to you:

1. **Honesty** and **integrity**, our highest priority.
2. **Quality** you would expect from the best craftsmen.
3. The highest level of **Customer Service**, before, during and after your home is built.
4. **Caring** for your needs and ensuring you are **listened** to at all times.
5. **Promptly** provide you with a **comprehensive** and **accurate** tender.
6. Ensuring that you have access to an **extensive** and unique range of **outstanding** designs.

We are able to achieve these commitments by utilizing the skills of the most committed team of professionals that our industry has to offer.

We hold all of our trade's people and suppliers in the highest esteem and welcome any opportunity to introduce them to you.

Armstrong Homes makes these six commitments to all of our customers. Witness for yourself how we can make building your next home an exciting and enjoyable experience. Visit our Corporate Office at 1415 SW 17<sup>th</sup> Street in Ocala, Florida or one of our many Model Homes locations in the Ocala area and we will show you how Armstrong Homes is "[Leading the Way](#)".



### **3. KNOWLEDGE: THE FOUNDATION**

Someone once said that real intelligence is the ability to seek out knowledge and then, more importantly, to apply that knowledge for a greater good through effective change.

Armstrong Homes is a company based on learning and applying that learning to enhance the client's experience. Our journey never ends. One of the biggest sources of learning for us is our client's. We are not perfect and will never profess to be so. What separates us is the fact that if we make a mistake we will accept it, fix it and learn from it. But just as important, is our goal of taking as much time as is needed with our prospective clients to make sure that we take every opportunity to minimize any possibility for error.

As a prospective client you deserve the benefits of that knowledge. This knowledge is of great value to you. Our first goal in dealing with any prospective client is education. Not budgets and prices and designs and all the things you usually expect to be bombarded with. We want to take the time to get to know you, your needs and desires and give you the chance to get to know us.

During this early stage it is imperative that you, the customer, take as much time as you can to understand the construction industry and it is our job to teach you. How can you possibly make a real, comparative decision on which builder to choose from if you only have half of the information you need to make that choice properly?

Many companies in many industries prey on the fact that the consumer is in a hurry. It is a sign of the times, as we all know. If you allow yourself to be rushed into the wrong decision and you only find out it was the wrong decision after the fact, then we are afraid to say that it is a case of "[Let the buyer beware](#)". Don't be the next victim. We want to change the rules but we need your help to do so.

The message we are trying to get through to you is this. There is a right way and a wrong way. If there wasn't, then why are so many construction companies going bankrupt? Come to us and find out in detail, what is the right way, and then use us as the benchmark in the market place.

To do this well then you need to invest the time with us. We have the knowledge and we want to share it. It's that simple.

#### **4. HOW MUCH IS THAT HOUSE?**

Singularly this is the most difficult question for us to answer in a brief conversation and yet it is the most frequently asked question by the consumer. For a product that is by far one of the biggest purchases in most people's lives, we are constantly amazed at how many people start with the price. And how the expectation of that price differs from the reality of the situation.

Because the consumer acts in this way the industry tailors its products and prices accordingly. Human nature dictates that if a customer is shopping on price then the marketers will make their product look as price competitive as possible to get them to buy their product. Every builder chooses a different path to market themselves and their product. Our choice is simply this; **to give you every bit of information we can, up front and in plain English.** That is how we market ourselves and that is why our customers come back, years later, to build another Armstrong Home. That is why most of our clients have come to us by word of mouth referral.

At Armstrong Homes we have over 200 different home designs. Yet we rarely build 2 homes exactly the same. That is why it is impossible to price a house accurately in a matter of minutes unless of course you pick a design off the shelf, make no changes at all to it, accept a standard range of inclusions and your home-site is near perfect to build on. It just doesn't happen!

Let's then consider what goes into pricing a home properly.

- Administration Costs
- Site Costs
- Soil Testing (Geo-technical Report)
- Independent Engineering Reports
- Surveyors
- Sediment Control
- Frames & Trusses
- Concrete Pumps
- Concrete Slab to Engineer Specifications or Bearers & Joists for homes built off the ground
- Termite Protection
- Plumbing/Plumbing Supplies
- Electrical
- Kitchen/Joinery
- Bricks/Brick laying/ Brick cleaning
- Scaffolding (where necessary)
- Windows
- Shower Screens/Mirrors
- Carpentry; Frames, Trusses and Internal trim packages

- Eaves
- Fascia & Gutters
- Roof Tiles
- Gyp-rock supply and installation
- Garage Doors
- Fix out materials and installation
- Tiling
- Painting
- Internal Cleaning
- Floor Coverings (if required)
- Doors
- Lighting
- Architectural Moldings

This list is a mere sample of the main costs. Depending on what house you build and what type of home-site you build on, the list of categories can expand with ease. Within these categories there are **hundreds** of variations. **Hundreds** of different items: **Hundreds** of different ways to put the various pieces of the project together. This is why you should never shop on price. There are just too many variables that can confuse you and allow you to fall into the trap of **not** getting value for your money.

For example some builders may appear to be a great value for your money, but then after a site evaluation their site costs seem extravagant. Ask them why. Some builders may only allow for the minimum standards of the Marion County Building Codes on frames and trusses. There is nothing wrong with this, but is the minimum what you really want or are you looking for something better? Some builders may not allow for costly items in their site cost analysis such as retaining walls and send you a bill later advising you that they have been instructed by the local building department to put these walls in prior to commencing construction.

We can assure you, the list of variables goes on and on. Our goal is to take the gray area out of these variables and give you a detailed and personalized analysis of your home. Then you have a complete picture that allows you the ability to decide, what is the best value for your money. That is the key.

**One of the most important rules you should never break is this. Never ask a builder to quote a house on a price per square foot. This is probably the most inaccurate form of pricing and is never a fair comparison. Get an itemized fixed price quotation from the ground up. If you cannot get this prior to entering into a contract then consider your options.**





**Let us give you an example. Let's say we have two different designs in our range that are only slightly different in overall square footage. Yet the price difference can be several thousand dollars. Why? The roof design can be completely different and require more or less detailed carpentry to ensure it is properly built. External wall dimensions can be different. Internal wet areas (kitchens/bathrooms) which are always more expensive can vary in size.**

**OK, so now we are starting to paint a picture.**

At Armstrong Homes we believe that an informed consumer is the best customer. We never want to enter into the relationship without understanding the goals and vision of our clients. This is why we invest our time and resources in continuous training and employ the top professionals in the industry.

From Day 1 you will be working with a highly trained Professional Sales Agent to assist you in choosing the right home. They will provide you with information regarding our minimum construction standards at Armstrong Homes, upgrades that are available, the best local financing available and assistance with home-site selection (if required).

After choosing your new home and home-site, our team of Site Evaluators will conduct a thorough inspection of your home-site to eliminate any surprises.

Only after this process is complete can Armstrong Homes present you an accurate price for your new home. We don't believe that you, the customer has the ability to make an informed decision without these steps being complete. Nor, do we believe that someone investing in a new home should have to deal with surprises along the way. This is a time of excitement and Armstrong Homes wants you to have a memorable experience for all the right reasons.

After you have made the decision to allow Armstrong Homes to build your new home, you will be assigned a Personal Home Counselor (PHC). This person will assist you in the interior and exterior color selection as well as carpet, tile, cabinets, countertops, etc... The PHC will work "hand-in-hand" with your personal Construction Superintendent. He/She is the professional assigned to assure that your home is built to Armstrong Homes standards and that no "shortcuts are taken"

Our Finance Department will assist you with all the details involved in the closing of your home. They will work directly with our clients, Title Companies, and Mortgage Companies (when applicable) to create a smooth flow throughout the construction process, from the signing of the contract until the client moves into their new home.

Our Management team is dedicated in providing ongoing training and continuing education to our professionals to assure Armstrong Homes stays on the cutting edge.

We believe in "Old Fashion Values" and we want our customers to know that "Honestly and Integrity" are not a thing of the past at Armstrong Homes.



## **5. QUALITY: WHY IT MAKES THE DIFFERENCE**

This is a very simple process for us. Of all the trades-people and suppliers that we deal with, of all the various items that we choose for our homes, we have selection criteria that are strict and virtually uncompromising. The key criteria that needs to be satisfied are:

- **Quality:** the product or service provider must have a proven track record of being measured to a high quality and must last the distance. Our houses are built to last, inside and out and our future business depends on this, so this is critical.
- **Service:** the service provider or product provider must be able to back up the product or workmanship with a commitment to after sales service that is to our standards.
- **Timeliness:** the products or services must be able to be ready for us in a timely manner to ensure our construction schedules are not hampered.
- **Delivery:** when we order a product or service for one of our homes we expect that to be fulfilled. If it is not delivered to our satisfaction then we expect to be compensated. Alternatively we will source from somewhere else to meet our standards.
- **Relationship:** if a product or service provider can deliver consistently to our standards then it goes without saying that the relationship grows strong as a result. The long-term benefit is our ability to ensure consistency and a powerful after sales service commitment.
- **Value:** the products and services must be proven to be value for money. We work tirelessly to ensure that we do not pay too much for something. However we will not compromise our other standards for price alone. We don't seek out the most expensive product or service nor do we seek out the cheapest. It is a fine balance to bring together for you the **"best value for the money"**, with services and products that allow us to deliver on our promise.

Our goal and therefore the end result that we are striving for is simply this. What we say we are going to do, we do. It is done with predictability and consistency. There are no surprises. You have a great experience and years from now you are proud to tell people that you own and live in an Armstrong Home.



## **6. FEATURES, BENEFITS AND INCLUSIONS: THE ARMSTRONG DIFFERENCE**

### **DESIGNS:**

We have taken considerable time and effort to bring together over 200 great designs. This entails over 28 years of building custom homes. We have designs from starter to retirement homes and everything in between. Understanding the changing needs of our customers is why we are offering three different collections in 2006. Our **Armstrong Collection** gives you the quality of Armstrong Homes with our standard list of inclusions; the **Woodland Collection** has been a favorite of both the retirees and young professionals with spacious designs that include upgrades to our standard list of inclusions; our **Estate Collection** offers our customers the luxury and spacious designs the name implies. This versatility is what has made Armstrong Homes the largest independent builder in North Central Florida.

However, beware of falling into the copyright trap. We have gone to great effort and expense to bring you these designs and we have exclusive rights to them. Copyright issues are becoming increasingly apparent in the construction industry.

Ask yourself this question. If I were to take one of these brochures to another builder to be priced and they agreed to build it, what other “[codes of ethics](#)” would they be willing to break in order to get my business? Be assured that we are approached regularly with offers to build homes that have been designed and copyrighted by other builders. If we can’t find an alternative product to meet your needs, then we simply can’t do it.

### **DRAFTING SERVICE:**

We have highly qualified drafting staff to assist both you and our Sales Agents to adapt any of our existing plans and therefore tailor it to meet your needs. This is a great service if you need to add your own personal touch to the design process. This service comes at no additional cost to you but is part of the way we add value to our service.

### **INTERIOR DESIGN SERVICE:**

We have dedicated Personal Home Counselors (PHC’s) to manage the selection and implementation of your interior design requirements. We set aside a minimum of one day for you to spend with the PHC who will personally take you through the design and layout of your home and introduce you to the relevant suppliers. If one day is not enough then additional time will be allocated. You will be asked to sign off on your selections; this is an important document as this is the way your new home will be constructed. You will be given a copy of this document along with the contract.



## **OUR PEOPLE:**

We have invested heavily in our people. They are highly qualified in their areas of expertise. Whether it is the consultant that you deal with during the early stage of your relationship, the drafting and estimating staff that support them, the PHC who is there to guide you through the experience or the Construction Superintendents and local trades-people who build your home. Everyone associated with Armstrong Homes is there to enhance your experience, to listen to your needs and make your dream come true.

## **OUR KNOWLEDGE AND EXPERIENCE:**

We have strong relationships with the local building departments and Home Builder Association. We do this by meeting regularly with the local officials to keep up to date with changing building requirements. A perfect example of this is our new status of being accredited Energy Efficiency advisors. When we realized that the State of Florida was legislating to have local building departments introduce energy efficiency compliance measures, we made the investment to have our senior draftsman fully accredited in these compliance measures.

We are now in a position to offer this advice to you and pass on that knowledge as part of our service. If you do not comply with the new energy efficiency regulations then you may not get approval for your home design. Wouldn't you rather know in advance what impact this has on your design and budget? We feel so strongly on this issue that we enlisted part of our management team to be trained immediately. At the time of printing we are not aware of any builder in our region, which has made the same investment in this knowledge.

Remember also that we are the experts. Often customers will come to us with a design they think is right for them. If we disagree it is because our years of experience tells us otherwise. If we suggest an alternative it's because we know that it works. In the end the customer is always right, but we will always be compelled to give you the best advice because it's the only way we know how.

## **OUR LOCAL TRADES-PEOPLE:**

Now this may sound obvious but it is not always the case. Ask around and you will realize that some building companies bring trades people in from other regions (even interstate) and when the job is done they go home. Not only do we support our local trades-people but also we help them through training and education to build their own businesses smarter.

By doing this you benefit from a stronger local economy. But most importantly we personally know every trades-person that worked on your home. If anything ever needs to be rectified on your home, especially during our regular servicing visits which we will tell you about further in this document, we are able to call upon them to revisit any problems that may arise.



In fact we are so proud of the trades-people we work with, we will give you a refrigerator magnet along with your service manual listing the names of each of the trades people that built your home. This is to ensure that if you have any additional work that you wish to do in the future you will be confident in the quality of the service you will be given.

We go after the best. Our trades-people aren't just "contractors". These people are our partners. Without their skill and dedication we couldn't possibly make our commitment to you. When we find them we keep them. It isn't rocket science how we do that. We make sure that they are paid according to their worth. Our partners are paid on time, as they should be.

### **OUR SERVICE MANUAL:**

By far one of the most innovative processes that we have at Armstrong Homes is the service manual itself. This document itself is an indication of our commitment to quality. Designed to last as long as the home, it is a comprehensive document with everything you need to know about your home including approved plans, your original color selections (including paint codes etc), certificates, warranties and many other important documents.

The product that we build is so important to us that we will come back, by appointment, six months after handing over your home, to conduct a full service on it. We want to make sure that you are completely satisfied with your new home. We conduct a complete inspection to ensure that the home is to the standard and quality that we promised. If not, then we will rectify it, guaranteed. If it is a simple task then our service officer will correct it on the spot. If it requires further action we will set a time and date to return and make sure we satisfy your needs.

A further six months after that we are back again. We go through the same process. If you are not satisfied then we are not satisfied. These inspection reports are kept in your service manual and you may then engage us on an annual basis to conduct further services for a nominal fee, as you would for your car for instance.

The service manual becomes a living document for your home and will add value to it in the event of resale. Just imagine being able to hand this document to your chosen real estate agent selling your home. They will be impressed with the added value they will get from utilizing this great tool when selling your home.

### **OUR INCLUSIONS AND PRODUCTS THAT WE USE ON YOUR HOME:**

There are simply too many to name. We have included this on a separate document titled the Armstrong Homes List of Inclusions. Many of these products and inclusions come with explanations so that you understand why we have chosen them. We do not select products on price alone. After all it goes against the grain of the entire message of this document.



## **OUR CONSTRUCTION METHODOLOGY:**

This is explained in a separate document titled “[How We Build Your New Home](#)”. This will be given to you with our Armstrong Homes List of Inclusions. As part of our system and our commitment to you we do not always consider the minimum standards in the local building codes. We believe in “[quality beyond code](#)” and it is important that you understand how far we go beyond code before you do your comparisons.

## **OUR FIXED PRICE CONTRACT:**

During your meetings with our consultants you will be taken through a comprehensive guide to your home inclusions. We start with the design of your choice (after all alterations have been drawn and assessed), add to it the standard inclusions, the site costs and any other item or request that does not fall within the standard inclusions. In essence your contract price is personalized, specifically to the home and your special requirements.

**You must become conversant with Prime Cost Items (also known as PC items). These are an area where consumers often find cost overruns. A PC item is one that the consumer hasn’t specifically selected at the time of the contract but the builder has made an allowance for in the total price. It is possible for you to be quoted on a PC item for the cost of the cheapest product or service on the market. Often the real cost is greater when it comes time for you to make your selection as often you will be seeking better quality than what was allowed for. BE VERY CAREFULL AND ONCE AGAIN, TAKE YOUR TIME AND DO YOUR HOMEWORK.**

**Armstrong Homes has a policy of doing everything we can to eliminate all PC items where possible prior to entering into a contract. We will step through each part of your home and advise you on the actual price you will need to allow to ensure that your expectations are not poorly managed. That way our fixed price contract becomes exactly that.**

## **OUR CONTRACTS:**

We use contracts that have been approved by the Florida Association of Realtors and the Florida Bar in our spec home transactions. Regarding our custom built homes, we use a detailed construction agreement designed to cover any and all aspects of building your new home. Why? Because it is comprehensive, written by the attorneys and regulators to ensure equity and there is nothing left out. Within the contract package we include:

- your personalized fixed price contract,
- an exhibit that details the construction of your new home,
- a copy of our builders license,
- a copy of all exhibits relating to the contract



Each section of the contract will be explained to you in detail and you will be encouraged to seek independent advice on any matter that you are unsure of. We will never rush a contract signing. If there is an issue in which either party is unsatisfied with, then we need to work together to resolve it immediately.

### **OUR WARRANTIES:**

We allow for a 10-year structural guarantee on our homes. How do we do that? Because of our strict guidelines and our use of qualified engineers and surveyors to ensure that we get it right from the start.

We uphold all of the industry service guarantees and we are a builder that is proud of its local record when it comes to after sales satisfaction from our customers.

### **OUR SYSTEM:**

By now you are probably wondering how you are going to manage to get through this process without going nuts. Any builder who tells you that building a home is a piece of cake should be avoided at all costs. It is not. It is a complex matter that needs an effective system in place to ensure that every detail is paid attention to. We take what we do very seriously, **that is why we do it so well.**

Our system has been built from the ground up. It is not a project homebuilders system. It is designed with our clients in mind and is founded on communication, relationship and service. We are telling you what we deliver and to what standards we deliver it. In order to do that we need to have a procedure in place to ensure that it happens predictably. We have worked tirelessly to implement this system on your behalf and we continue our quest to improve on it always.

Remember this. The system is as good as you let it be. We have been building homes for many years and have hundreds of satisfied clients. Let us be your project managers from start to finish. Let us take the time to assess your needs and get the detail right before rushing headstrong into the construction phase. We will explain to you what you need to do to make the relationship work. If you have an idea then please let us know about it. If we can make it work then we will, if we cannot then we will tell you why.



## **7. THE SYSTEM THAT MAKES THE EXPERIENCE**

The system is based on the one core ingredient that binds everything together. **Communication.** Without it, and as far as we are concerned there can never really be too much, then something will be missed. We will listen, we will discuss and we will educate you right through the process. We are building a relationship for life and any great relationship requires strong levels of communication.

The building of your new home falls into 3 distinct sections. The length of time each section takes varies according to a number of factors, some of which you control, some of which we control and some of which are controlled by local authorities and weather conditions etc.

We will not proceed to the next stage of any project until we have ticked off all the things we need to take care of in the stage preceding it. If you need to work to a dedicated time line then work closely with us to make it happen. If you have the extra time then use it wisely.

### **DOCUMENTATION (APPROX. 8 –10 WEEKS)**

The documentation stage includes the preparation of all documentation of your new home. This stage may take at least 8 weeks. However the number of changes you make can delay the process so you need to carefully consider your decisions to avoid a protracted period of re-documenting your home. This time frame can be minimized if you are choosing a standard design with minimal variations.

### **APPROVALS (APPROX. 2-6 WEEKS)**

The approval stage can vary in length for a number of reasons. Due to the differences between varying State and Local government regulations in the area in which you are building, permit requirements can vary. In addition to the building permit, other permits such as development approval, sewer permit, etc. may be required. As a guideline, this process will take no less than 4 weeks.

### **CONSTRUCTION (AVERAGE OF 20 WEEKS)**

The size of your home and its complexity are the key factors influencing the length of the construction period. However, the availability of trades-people, the weather and the supply of materials can also delay the original estimated completion date. Generally 16 to 24 weeks is the normal range of the construction period for most designs, however larger or more complex homes could take longer.

The above 3 sections can be further broken down into 10 steps which give our customers a full understanding of the exact processes we go through to provide their dream home.





They are as follows:

## **1) DESIGN ASSESSMENT**

This is the process where we do a detailed assessment of your wants and needs. In this step we will ask you a number of “lifestyle” questions about your design options to help us narrow it down. At the end of this process the result is a design that suits your requirements in respect of your budget, your land and all of your personal needs. All of this process remains “obligation-free”. At this stage the price indicated will be firm for everything from the ground up or it may be a budget estimate if there is something unique about the design or your desired inclusions. It will remain subject to any changes requested by you and any structural requirements determined by the engineer or surveyor.

This process also involves a site inspection by our team of Site Evaluators to make a professional assessment of your land. This is critical to the process, as it will allow us to make a more accurate assessment of the site costs associated with building your home. It may also highlight any technical construction issues that may arise.

Also critical is our requirement that you furnish us with certain documents in relation to the land itself. Without these how can we tell what regulatory requirements and costs associated with these are going to apply? How can we tell if the home will suit the site or if the home will even fit on the site? If we are to get it right these issues must be resolved early to ensure we can move to the next stage. These documents will assist in our ability to assess any energy efficiency issues early in the process.

The length of this process can vary. Our research shows us that clients in our region invariably wish to add their own personalized touch to their home. The more changes you make using our drafting service the longer it will take. Go through every aspect of the design from the front sidewalk to the back porch to ensure you cover it. Our consultants are trained to work you through this process efficiently and effectively. Allow them to guide you using the tools that we have developed with this purpose in mind.

The end result is a design that is tailored to your needs with a solid estimate of the costs associated with the delivery of the final product.

## **2) FIXED PRICE CONTRACT**

If you are satisfied with the Design Assessment you will then be asked the simple question: *Is there any reason why we should not proceed to the next stage?* If there is, then we have missed something in the assessment and we need to address it. If there is not a reason then you need to decide if we are likely to be your builder of choice and give us permission to proceed on that basis. For an initial deposit of \$3000 (which is deductible from the contract price) we can now fix the price of the home including site improvements and service connection costs.



The first cost that is derived by you is the acquisition of a geo-tech soil analysis on your land. This takes about a week. In some instances you may have already received one with the paperwork you were given at the time of your purchase. If so and we are able to use this report then you will be credited with the cost of this service. If we are unable to use this report, i.e. it may be out of date or not suitable if we are cutting into your block to a certain depth, then we will advise you accordingly. We will not engage a soil test unnecessarily.

This report is then forwarded to our Construction Manager and our independent engineers to assess any issues in relation to the soil analysis. If there are any concerns at this stage that may result in the likelihood of additional site costs you will be advised immediately.

The only cost changes from here will be:

- those made by you, i.e. internal design selections,
- any unforeseen conditions of approval by the local Building Department as a part of the Development Application process,
- any conditions applied after the structural engineers report is produced

Your fixed price contract will have conditions applied to it to this effect so that you understand that although we are now very close to a final price there are still items that will impact the price.

As a part of this stage a full set of working drawings will be prepared and presented to you.

By using this process, you will not suffer any expensive surprises once you have signed a contract. As explained before, we are a company that believes in offering service to our clients. What better service can we provide than to know you are not likely to incur any additional costs? This is always our aim.

At this stage, if you are somehow dissatisfied with the results and do not wish to continue with Armstrong Homes, you are under no obligation. You can walk away with the geo-tech soil analysis report on your property. This can be used by you in preparation of plans and designs elsewhere.

**The working plans and designs however remain the property of Armstrong Homes under copyright law. You are legally not entitled to recreate these plans or designs without our written permission.**

**A refund of the deposit of monies will be provided to you less the cost of the geo-tech report of \$550, office and administrative costs which will be at least the amount of \$400, and a minimum of \$1500 for our drafting service to provide a full set of working plans. If any other costs are to be incurred from the deposit monies you will be advised prior to proceeding.**



### 3) BUILDING DEPARTMENT SUBMISSION

If you are satisfied with our fixed price contract and the working drawings that we have produced then again we will ask you the simple but important question: *Is there any reason why we should not proceed to the next stage?* On that basis we will ask you for an additional \$2000.00 to initiate the submission process.

If we receive your permission to proceed then we will conduct with you a full step-by-step interview to ensure that every detail of your home has been assessed and addressed on the working plans. **This is critical because after the local Building Department approves the plans no structural changes are allowed. If you request any additional changes after the plans are submitted to the local building department you will incur an additional administrative cost of \$1000 for us to redraw and resubmit the plans to the building department.**

The local Building Department application including any other permits relevant to your new home approval will be on file with the local governmental authority as soon as you have approved our fixed price contract and the final plans that have been prepared for submission. You must sign these plans prior to submission.

From time to time, the Building Departments may require us to make minor changes or to clarify certain points. This may involve changes to your drawings. If the changes required by the local authority affect the price of your home you will be advised immediately and these costs will unfortunately have to be passed on to you. Because of our experience, knowledge, systems and relationship with our local Building Departments we should already have addressed any concerns with you prior to submission of your plans. Again this is to ensure that you will have no surprises.

Some building departments may only take 2 weeks, however other building departments may take up to 12 weeks. We should however have an indication of the proposed time frame before we submit the application to the local building department. We are in constant contact with our local building departments while the application is being processed to ensure they have all relevant information required and also to anticipate an approximate approval date. If our submission is of a high quality, which we ensure that it is, then this process is usually a smooth one.

Once you accept the Fixed Price contract and the submission process is commenced we do two things:

- we order our structural engineering report immediately. This report is necessary for the Construction Manager to ensure there are no additional costs or issues and underpins our warranties with you prior to entering into a contract. **We will not proceed until this report has been produced and properly assessed.**
- we arrange a meeting with our Personal Home Counselor who is then responsible for ensuring that your experience from this point onward is smooth and enjoyable. This person will set a time and date for your interior design “color” selection



process. They will be responsible for ensuring that all details are recorded and that the final contract is in order prior to signing. They will also be your personal contact during the construction phase. This person is dedicated to making sure we deliver on our promise.

#### **4) INTERIOR DESIGN ASSESSMENT**

Your Personal Home Counselor (PHC) will meet with you at the appropriate time. You will have been given some information at your initial meeting with the PHC so that you will have had time to prepare. The time you spend in this process is critical because this is usually the final stage before we move to the contract preparation.

Remember, there are no structural changes allowed at this stage. This meeting is for interior color and product selection. It is however important to note that some Building Departments have certain regulations that require their final “aesthetic” approval and energy efficiency ratings can be impacted by these selections, such as roof tile color.

Your PHC will take you through the entire home and introduce you to a variety of our specialty suppliers to help guide you in this process. Each item selected that is not part of our standard “[Armstrong Homes Inclusions List](#)” will be priced for you exactly and you will be given an item-by-item report of your selections with any cost variations associated with it.

**You must sign this document and you will be given a copy to keep with you. We will not proceed until this document has been signed.**

#### **5) THE CLOSING**

We now have every conceivable detail covered to ensure that we have addressed everything we need to. All of this information is collated into a new fixed price contract, which you are required to sign. We have researched a number of different types of contracts available, and we use contracts and agreements to us are the safest ones that exist, for both you the client and Armstrong Homes.

Now is the only time we ask you to make the final commitment. This is the stage where we read and if necessary explain all the relevant documentation incorporated in the contract to ensure that it is accurate in its comprehensive detail. Up until this stage you are still under no obligation.

At the closing we ask you for the pre-construction advance of 10% of the contract value. This is the last amount of money paid until the first draw payment. The draw payment schedule is spelled out in the contract.



## **6) BUILDING DEPARTMENT**

By the time the local building department approval is received and any conditions (if any) assessed our structural engineers report and interior design selections will have been made. Again if these have not then we will not proceed until they have. If we have done our part right and you have spent the time with us that we need you to then this should be a matter of course. Building Department approval will be the start of the pre-construction phase.

## **7) WORK ORDERS PLACED**

While your application is at the local Building Department, we start preparing all of the work orders to our suppliers and tradesmen in anticipation of commencing work on your home. These are the instructions for the suppliers and tradesmen on the materials and method of construction required to construct your home. We do this to speed up the construction process after approval and contracts have been signed. These are double checked after the contracts are signed to ensure we have every detail to hand.

## **8) CONSTRUCTION BEGINS**

Once we have the approval from the local Building Department, we may commence work on your new home. Although we do try to anticipate the approval date, we will commence work on the site within 14 days of appropriate permits being issued.

At this point your relationship is still with our Personal Home Counselor who will continue to work with you through the construction process. You will be given strict guidelines on what can and cannot be undertaken by you during the construction phase. You will be introduced to your personal Construction Superintendent. Any concerns you have will be addressed with your Personal Home Counselor. The communication process is just as important at this stage as it has been throughout. This is where all the planning and preparation comes together to deliver what we promised.

**If at any stage of the construction process you request any additional work from us or any changes that were not previously addressed you will need to sign a “Change Order” form prepared by the Construction Superintendent and authorized by the Personal Home Counselor. A copy of this document is given to you and any costs associated to this work will be added to your final progress claim as a post contract variation. We will not undertake any changes that may jeopardize our Building Department submission. We will not undertake any changes that are not agreed to and authorized by you.**



## **9) PRESENTATION**

Once the home is nearing completion, your PHC will conduct an inspection with the Construction Superintendent. Your PHC will go through a comprehensive checklist to ensure the home is to our standards and your expectations. Once we are satisfied we will arrange an appointment to do a “New Home Orientation” with you.

You will be provided with details on how to plan gardens and site drainage, the measures we have taken to prevent termite damage and your responsibilities when occupying the home. You will be handed your Armstrong Homes Service Manual and we will explain how the service program works.

**In order for you to take possession of the home on the day of the new home orientation, we will require the final draw payment to be made. You will then be presented with the keys to your new home.**

## **10) THE FIRST SERVICE VISIT**

Most new homes go through a “settling-in” period, which is quite normal. One of our staff will contact you approximately six months after you have taken possession of your new home to arrange a suitable time to inspect your home. Our Warranty Department will then conduct a comprehensive inspection of your home. You will be asked to provide any feedback that you have either positive or negative and help us to address any concerns that you may have.

The same process is repeated 6 months later.

We are so proud of the homes and relationships that we build that we encourage active communication long after the dream is delivered. When you build an Armstrong Home you are engaging a company that expects to build every home you ever build and every home of any friend or family member that you recommend to us. With this attitude you can expect us to do all that we can to make your experience the best it can be.



## **8. CONCLUSION**

You have read this document because you are about to make what is likely to be one of the most important financial decisions of your life. Add to this the other documents that you have probably gathered from you and us are starting to understand why all builders are not the same. You are probably by now also considering the level of investment that is needed in a construction company to make sure it gets done right. Are you still thinking of finding the cheapest product?

It may seem strange to you that we are giving away all this information freely and openly. Why would we give away our secrets?

Firstly it comes back to our 6 commitments. They are not just words on paper. We live them. Secondly we are not afraid of other building companies following our lead. If they choose to do so then to us that is the greatest of compliments, not a threat. It is up to us to continue raising the bar, and we will, to do our bit to change the construction industry for the benefit of you, the consumer.

Consider this quote. It was made some time ago but is more relevant today than ever:

*“When you buy on price alone you can never be sure. It’s unwise to pay too much, but it’s worse to pay too little. When you pay too much you lose a little money – that’s all, but when you pay too little you sometimes lose everything – because the thing you bought is incapable of doing the thing it was bought to do.*

*The common law of business balance prohibits paying a little and getting a lot. It can’t be done! If you deal with the lowest bidder it is well to add something for the risk you run, and if you do that, you will have enough to buy quality.”*  
*Ruskin. 1819 - 1900*

Armstrong Homes lives by this philosophy when we deal with suppliers, trades people and clients. Quality comes at a price and that philosophy will always mean Armstrong Homes will never be the biggest construction company and that’s OK, but it will certainly take us in the direction of our goal of being the best.

We challenge any building company to build a home to our standards, with our inclusions, backed by our warranties and service agreements, supported by our commitments and levels of service and to do it cheaper **in the long run over the life of the home**. If they can then we would congratulate them.

We love building great homes, big or small. We would love to build your home. If we do not then we hope that this document has educated you and empowered you to ensure that whoever you do build with, the experience is rewarding and without incident.

Good Luck and we look forward to seeing you soon so that we can show you how we are *“Leading the Way”*.