

Basics of Building: Step 2-Site Related Costs by Michael Watson

When I got the call, I was convinced it was the brother of the cartoon character Fog Horn Leg Horn, you know, the oversized Rooster from the South. He was loud and he was excited. I held the phone about 3 inches from my ear as the sonic bombardment continued.

“I got some land and I want, I say, I want you to build me a house on it”, he roared!

“Great! Let’s go look at the land”, I replied. He spent an hour explaining over the phone how nobody had such a parcel and how lucky I was to build on it. I tried asking questions, but he would reply, “Well, I don’t know about that, but it’s, I’m telling you, I say I’m telling you, it’s a great piece of land”, he proudly stated!

I followed him out to a part of a valley I had not been to. We pulled off on a dirt road and then we turned left, and then right, then left again, then another left, up around a bend, with yet another right. He was really beginning to worry me, that nagging banjo echoing in my head the theme from “Deliverance”. Just when I was getting really nervous, he stopped about 30 yards ahead of me with the back wheels of his pickup sliding slightly to the right. He jumped out practically before the vehicle came to a stop and the dust just lingered there in the air; with kind of a Charles Manson gleam in his eye he shouted out, “Well...what do you think”!

Let me ask you as a reader, what do you think I thought? I was sure I past the last power pole about 2 1/2 miles ago, so unless this guy was thinking solar, he probably didn’t stand a chance.

We drove out of there a whole lot slower than we drove in; “he weren’t up for no sissy solar system”, as he called it. His property had already closed escrow, and this guy had taken a big wad of money out of his “Building Fund” hidden under his mattress to build his dream home. I think he still owns the property, and it’s still in the middle of no-where.

A couple months ago a guy called me on the phone and said he had purchased a Lot up in Pine Mountain Club, of course my first thought was a 25 degree incline, then he told me he only paid \$12,000.00 dollars for it, that 25 went to 45 degrees or better. I went out to look at the lot for him and as I got out of the truck, I didn’t look out, I looked up. The excavation was going to cost him 5 times the cost of the property. I haven’t heard back from him, that excavation cost could have gone into better land and his home.

Three weeks ago, a young couple was referred to me. He bought auction land online for \$10,000.00 in an area I knew could only mean “bad move”. I used a GPS to find it. When they got out of the car, he said, “Is that it”? I said, “Yep”. He said, “How do we get to it”? I said, “Ya don’t. You sit on it and wait for someone else to bring in power and water next door and then we evaluate at that time what it will cost to excavate a road to it (we were literally looking straight up from a paved road).

These poor fella’s have in common the lack of due diligence. I can tell you story after story about the guy who didn’t check to make sure that the site related costs made sense. We bought 12-5 acre parcels from a guy a while back and had planned to create a nice gated community of 5-acre ranches. We drilled our first hole for a water well, then another and then another. 12 dry holes later at \$8,000.00 a pop, do you think we made a good decision to buy all that land without drilling a test hole? I feel confident saying no.

Site Related Costs is the amount of money that it takes to transform a chunk of land into a plausible building site. Some of the criteria are as follows:

1. **Build-ability:** More thoroughly covered in the article “Land”; can I build on this property without it affecting my pocket book so much that it would impede on my ability to afford the entire project.
2. **Utilities:** How far away is power? If you’re not up for solar figure at least \$35.00 per linear foot to get power to you’re house from the closest pole. More, if you desire to put power underground. Natural gas or propane? Septic or sewer? Currently 99.9% of our California builds are in the country. Septic is not an expensive item, but an item nonetheless. It could cost approximately \$4,500.00 to \$5,500.00 if all is well with the soil type, if not, plan on a percolation test also known as a perc test. Plan on an engineered septic system if you have limited space for your leach lines or difficult soil.
3. **Water:** Well or a water district? Counties have different requirements; L.A. County currently requires a Well to produce 4 gallons per minute for a period of 24 non-stop hours; what does your County require? If it’s in a district, how much is a meter? Remember, “If you can’t get water to the property, you only have a piece of dirt!”
4. **Survey:** Don’t think your saving money not getting a survey. “Awe, that’s close enough”, the licensed HVAC Contractor said when he built his garage 10 feet over the property line. He discovered that

mistake as we had the adjacent property surveyed for a home we were building for our client. Can you say demo?

5. **Excavation:** This one can be a biggie! “How much is it going to cost to shape this property so that we can build on it?” We never do excavation without an Engineered Grading Plan anymore. The big one now a days is water flow. “How is the water going to flow off your property onto someone else’s?” If you know a good Civil Engineer, they’re not that expensive, so get one! Martin Brothers is a Company from Pennsylvania so basements are a specialty. For hilly terrain it’s worked very well using that theory to build our homes. Why build a retaining wall to hold back a slope when you can use that retaining wall to create a living space, and, it has never made sense to us to have a costly crawl space under the house as a raised foundation when you can use it for a game room, a bowling alley, a skating rink, or a place to stuff relatives during the holidays... Uhh... well, you get the picture.

In regards to Site Related Costs, these are some of the basics to putting together a snap shot of what it takes for the big picture. It’s easy if you do your homework. Of course, Martin Brothers will help you through, and even take over these responsibilities as part of your building process for you. As a **Turnkey Builder** (we’ll talk about that later) it’s our responsibility as a professional to help guide a potential client through this and to help them make good decisions about the building processes and be smart with their money.

Don’t be like poor old Fog Horn Leg Horn’s brother and jump in the deep end with your eyes closed, we’re the folks that will help guide you through all the processes to the successful build of your dream home.

Michael Watson is the General Manager and RMO of Martin Brothers Development Inc., a local Custom Home Builder to the Tehachapi, Frazier Park and Bakersfield area. Martin Brothers is a 40-year-old company who has built 88 custom homes in the last 7 years on the West Coast and 100’s of Custom Homes in Pennsylvania. You can contact Michael at 888-375-1129 or write him at mikew@martinbrothersinc.com. You can visit Martin Brothers on the web at www.martinbrothersinc.com.