

# Looking after a home same as looking after a business

As a builder who deals with very sophisticated and successful people, it often surprises me that many of them spend more time choosing a copier or a voice mail system for their company than they do choosing a builder for their home.

But your home is one of the most significant components in your investment portfolio and is a tangible asset that can be especially valuable in uncertain economic times. From a diversification standpoint alone, real estate is a smart investment.

Because your home is such an important part of your portfolio, you should apply to it the same care and standards you do to your cars and to the critical decisions in your business. Take a hard look at the financial realities when deciding whether to move, build, renovate or add an extension. Choose your builder with great care. And set up a regular maintenance schedule to keep what could be your most valuable asset in tip-top condition.

To move or not to move? Only you and your family can weigh the many intangibles that play into this decision. However, when considering a move remember the costs often forgotten in making this critical decision, including realty fees, closing and financing costs, temporary storage fees, new furniture, decorating and the like. You should also take into account the disruption that moving inevitably imposes on you and your family.

If you choose, instead of moving, to build a home, renovate or add an extension, you face other important decisions. And you should ask yourself: Do you know more about your broker than you do about your builder?

Considering the money you're probably going to invest, choosing a builder is a decision every bit as important as choosing someone to manage your portfolio.



## Expert Opinion

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Make certain any builder you're considering has a solid reputation. You may want to start by asking friends and neighbors — especially those who have undertaken a job similar to yours — about their builder or others they might recommend. No one knows more about working with a builder than someone who has gone through the process.

With that said, here are a few guidelines that can help in choosing your builder:

- Make certain the builder has experience with the type of project you're about to undertake. The builder who's best for that bathroom renovation probably won't be the right choice for your new pool house. Different builders bring different experiences to the table, and the best choice is one who knows all the ins and outs of the work you want to do.

- Get a clear understanding of how the builder works, including the type and quality of materials that will be used, the subcontractors that may be involved and other details you consider important. After the work has begun is not the time for unpleasant surprises. When evaluating builders, be thorough, be balanced and judge each builder by the same standards. If you do, chances are very good you'll make the right decision.

- Make certain you and your builder communicate well. As anyone in business knows, the best working relationships often start on a gut level. Even though having a comfort level with your builder isn't quantifiable, its importance shouldn't be underestimated.

- Look for your builder to offer a written warranty. Warranties should cover materials and construction for at least one year, although some areas may have laws requiring warranties for two years or more. You'll find that many reputable builders will warranty their work (even if unofficially) for a longer period than that specified. A good builder wants to keep you happy and will do whatever it takes to make certain that you are.

- Full time on-site supervision is a must for any projects over \$100,000. Too much can happen too quickly to risk going with a builder who doesn't offer daily hands-on supervision. (Just ask someone who's tried it!)

Don't forget to protect your investment with

an in-home audit. As most of us have found out the hard way, the fix-things-when-they're-broken strategy of many homeowners simply isn't smart — especially since preventative maintenance on a regular schedule can often save you a great deal more than you spend.

To avoid unnecessary expenses and keep your home in prime condition, I recommend you go through all the systems and the elements that make up your home and create a quarterly and yearly checklist of items that should be evaluated.

These can range from the obvious — checking your gutters, inspecting the grading to ensure proper runoff, and checking your heating, ventilation and air-conditioning systems — to things you might not think of so easily, such as winterizing your hose bibs and plumbing fixtures and checking outside for caulking, flashing, roofing and masonry that needs maintenance.

Even though there are no solid guarantees, investing in your home as your most tangible asset adds to its overall value and, in turn, adds to your family's future security.

Therefore, treat your home as you would any important investment: Evaluate your options carefully, make measured decisions based on all available information, and monitor its progress and condition carefully for any needed changes and maintenance.

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