



Acquiring your building site

Finding the right building site is as important as building your new home. If the location, drainage, zoning regulations, sewage-disposal situation and many other factors are out-of-whack with your plans, then the grandest house is going to be a pain in the neck, even if it gets built.

Don't be daunted by all the steps we're going to take you through here! If you really want that dream, it will be well worth it! Be sure to check out the cost of utilities

Utilities

Don't assume that electricity and telephone service are available at the site. If they are, find out if there's a connection charge. If they're not, how expensive will it be to bring service to the site?

How about water? If municipal water isn't available, you'll need to have a professional find out things like the depth of the water table, water quality, where a well can be drilled and how much it will cost.

If cable television service isn't available, find out if local regulations permit satellite dishes.

Wetlands and septic systems

If your site has no access to public sewers, you'll have to think about an individual sewage disposal system (ISDS). In Rhode Island, permits for these can take months to obtain, especially if there is a wetland on your site or close to it. Complications such as a "site suitability determination," wetlands-related applications and occasional delays in obtaining permits can be frustrating.

Whatever you do, be sure the site can legally accommodate an ISDS, if you need one, before you buy the land!

Taxes and maintenance

Before buying, find out if the municipality has impact fees on residential development or has real-estate conveyance taxes, as these can add several thousand dollars to the eventual cost of your land and house.

If you're moving into a subdivision that has a shared-maintenance arrangement for public areas, landscaping and so on, there almost certainly is a homeowners association that requires fees. Find out what the fees are before buying, and if the group puts any restriction on your house design or where you can place it on the lot.

Zoning laws and deed restrictions

With any custom home, find out if anything you're doing will require a zone change or a zoning variance. In Rhode Island, a zone change almost always has to be approved by the city or town council, while a variance usually can be granted by the local zoning board of review. Either way, this can cause a delay of a month or more.

Title searches and insurance

For any property purchase, always have your lawyer do a "title search," which will reveal any liens or hostile claims on the property. It also will uncover any deed restrictions: such as the trucking company down the road having a deeded easement to run 18-wheelers through your land. You want to be sure that you'll have clear title to the property!

Saving a few hundred bucks by not doing a title search isn't worth the potential heartache! While Rhode Island law doesn't require a title search, your mortgage lender almost certainly will. The lender also will require "title insurance" in case the title search is faulty and misses something expensive. This almost always is figured into your closing costs or mortgage. But beware: Title insurance usually protects only the lender. Ask your insurance agent for a homeowner's policy that includes title protection for you, too. And since you have to clear the title again after the house is built, ask if you can purchase a "twostep" insurance policy.

Check to see if your site is in a flood plain. If so, you'll need flood insurance, and your lender probably will require it. Rhode Island isn't the Midwest, but we are prone to flash flooding in some areas several times a year.

No matter where your site is in Rhode Island, you also should consider earthquake insurance. That's right -- earthquake insurance. Believe it or not, New England is a highly active seismic area, though tremors are nearly always too small to feel. Seismologists will tell you, however, that New England is ripe for a "big one" such as the estimated 8.0 that destroyed large areas of Boston and eastern Massachusetts in 1825. Even small quakes can damage homes, as happened in a few cases in Rhode Island in 1986 and 1994, and standard homeowners' policies won't cover it.

Because few people realize all this, earthquake insurance here is in very little demand and is, therefore, cheap, so you should find it an inexpensive but prudent investment in your new home.

The neighborhood

When it's resale time, will the home you plan to build attract buyers in this neighborhood willing to pay at least what you plan to invest in construction? Or, if you're one of the increasing number of established people who plan to build their dream house, then stay put, would you be willing to spend the rest of your life in this neighborhood?

If you have a young family or plan to have one, you also need to consider schools not only as an asset for you but as a consideration for a potential buyer. Are the public schools good? Are there private schools within a reasonable distance and does the municipality provide bus service to them?

Try to imagine daily life in the neighborhood. Is there shopping nearby? Is there any public transportation? You'll want roads that are in good condition, accessible and well cared for in the winter.

Surveys

Under most circumstances in Rhode Island, a seller doesn't have to provide a survey of the lot, but you're going to need one to build your house. Builders need to be sure they're not encroaching on property lines or zoning setback limits.

When a deed or real-estate ad says, "two acres more or less," or words to that effect, it's a good bet that the place doesn't have an up-to-date survey. If the seller wants your money, insist that he have the place surveyed.

Construction issues

If your site is on a steep slope, has ledge, or is composed of certain types of soils that don't drain well, your builder may have to use expensive, special approaches to pouring the foundation and in other elements of the project.

Is the road or driveway into the site accessible for the needed construction equipment and trucks, or will they have to cross someone else's property?

At the closing...

Times being as litigious as they are, your attorney should be there when you close on the property to be sure that everything is on the level. He or she can be sure you get the right answers to questions about clear title, all costs associated with the purchase and closing, or about whether there are impediments to financing.

Now that you're ready to close on your home site, all the homework you've done up to this point is paying off! Builders will respect your attention to detail, so you've already helped establish your credibility. And you're a step and a half ahead of most people in the process of turning your vision into reality.

Now you can begin the design and construction phases with hard information about what's possible and desirable. You've earned a little insurance for your peace of mind, and probably a smoother construction process with fewer surprises.

And that will result in an earlier housewarming celebration!