

Building or Renovating a Home In Houston, TX: Your Key Player Checklist to Get You Started



There's no doubt that building a new home or renovating your old one can be one of the most exciting and rewarding things for most people, yet, at the same time, it can be extremely stressful and heavy on the pocket.

Most homeowners aren't experts in building homes or getting them renovated; after all, if you're lucky, you'll build one or two houses in a lifetime and redo them two to four times at max. As a result, you can feel lost and overwhelmed and often end up spending more money than you should have on the whole process.

So, whether you are considering building on your lot in Houston or renovating your existing home within the next coming year, it's a good idea to get familiar with the parties involved who play a crucial role in the house building or renovation process.

As a Home Building Consultant in Houston, always looking to make home buyers and renovators lives, that little bit easier, I've put together a full list of all the pivotal players you'll come across before building or renovating your home:

All Listed Parties Crucial To The Pre-Construction Phase

1. Lending Institution or officer

Suppose you're thinking of obtaining a loan for building or renovating your home or want to cover a portion of the cost through financing. In that case, it's a good idea to start searching for which financial institutions to consider.

After you do your research, you can go through the pre-approval phase to see whether you're eligible for the loan and what you need to do to get to the next step.

It's important to note that this is only the pre-approval stage; you will be able to fill out the actual loan application after you've worked out your architectural and structural plans that the housebuilder in Texas can use to provide a construction budget. You'll have to submit this budget to the lending institution along with your loan application.

Ideally, you should start thinking about what your family will be comfortable spending and how much financing you're going to need. There is a lot to consider here, including the cost of the lot, down payment, monthly mortgage payment, and so on. Keep in mind that certain expenses, such as the builder's deposit, are not covered in the construction loan, so you'll have to keep a separate budget for that.

2. Realtor



Whether you're building a new home on a cleared lot or buying an existing home that you'll eventually renovate, you're going to need a realtor who can filter out the best options from all the potential choices.

An honest and reliable realtor will ensure that you find a lot or home that meets all your requirements and your budget. They'll work to secure and close a good deal and will take care of all the necessary paperwork on your behalf.

Steer clear of any realtor who puts you directly in contact with the builder. A lot of times, realtors partner up with builders who offer a commission in return for referrals, leading to a bias. However, it's common practice for realtors to request a fee less than or equal to 3% of the construction cost if the builder they suggest is hired.

3. Builder

Choosing the right builder (or construction contractor) for your home is critical, as they can either turn your vision into a reality or leave you with a poorly built home.

During the pre-construction phase. A builder's job is to:

- Produce a preliminary budget, then a refined construction budget
- Offer value engineering, or in other words, cost saving initiatives
- Submit for HOA approval and city or county permitting
- Procure a tentative construction schedule
- Work with both the architect and interior designer to review constructability design intent
- Coordinate with the interior designer on prioritization of selections

There is a lot more that a builder does *but* that falls in the actual construction phase. Custom home builders in Houston can charge \$5,000-\$10,000 separately for the pre-construction services. This cost is usually applied to the construction cost if the builder is hired.



Typically, construction contractors in Houston, TX offer two types of contracts: either a cost-plus fee contract or a fixed-price contract. In the former, the builder's fee can vary between 10-30% of the cost, depending on whether you choose a builder who works on an individual basis or an established builder with a team. Renovations typically run at a higher fee because there's a lot of uncertainty about the cost.

Most home builders in Texas prefer cost-plus contracts as they eliminate most of the risk, while in the case of fixed-price contracts, the builder carries most of the risk. When a builder offers a fixed price contract, they'll probably include a discretionary contingency lump sum to help mitigate any budget busts or unforeseen circumstances.

You should know that if you move forward with a fixed-price contract, the books will be closed and any savings will go to the builder (except for established allowance items).



4. Architect

In order for the builder to put together a preliminary or construction budget they will need the architectural and structural drawings.

An architect's job is to:

- Learn the needs of each household member and their architectural preferences
- Generate a concept sketch for the house
- Create CAD drawings for site plan, floor plan, exterior, and interior elevation

Custom home architects in Houston typically charge between \$2/sq. ft to \$5/sq. ft framed area (including garages and porches) to produce architectural plans. This fee doesn't include irrigation, landscape, audio and visual, permitting, and HOA submittal.

You'll need a Landscape Designer to take care of the irrigation and drainage system plans, and landscape plans with a materials and specifications list, which will cost you another \$2,000-\$10,000 depending on the scope of the project.

5. Structural Engineer

A structural engineer's responsibilities include providing foundation drawings along with framing plans and details with windstorm consideration. They typically charge about \$0.65/sq. ft to \$0.90/sq. ft.

In order to do this work, the structural engineer will need help from a soil testing company that'll test the soil. This test will help the engineer determine the foundation needed based on the ground conditions.

Soil testing itself costs anywhere between \$1,200 and \$2,400. On average you can expect to pay around \$600 a bore.

6. Interior Designer

The architect, builder, and interior designer work simultaneously on the home's design. It's important that all three collaborate with each other during the preconstruction phase when possible. The interior designer will make their magic and turn your house into a home.

An interior designer will:

- Provide design inspiration and concepts
- Advice on spacing and layout modifications
- Work off the architect's CAD elevations to produce detailed interior elevations
- Ensure furniture placement and sizing is taken into consideration

The fee of interior designers in Houston usually ranges between \$90/hour to \$200/hr with a minimum of about \$7,000 retainer. This isn't inclusive of material or furnishings going into the home.

It's also important to note that the fee charged by these parties is typically not covered in a construction loan unless you roll it under the builder's responsibility to contract these services out. If you choose to do that, be prepared to pay a fee to the builder on top of each professionals' price. This can be anywhere from 10% to 30% more depending on the type of construction, contract type, and magnitude of the scope of work.

The Bottom Line



Building or renovating a house is no easy feat, it takes a lot of time and effort to find the right players who will determine the cost and duration of the project, *and ultimately*, decide how good or bad your house turns out.

As an experienced home building consultant in Houston and a well-connected person in the industry, I know just how to take that burden off.

From writing your key player checklist to connecting you to the very best in the business. From attending your meetings until the last finishing touches in your home. I'll be there by your side to take care of every last detail, I'll hustle with heart to ensure you get the best deals and speak up on your behalf to address all of your concerns, without hesitation. You can put your trust in me, to walk you through the whole process.

So, no matter where you are in your home building or renovation journey, if you've hit a wall, feeling stressed, overwhelmed, or simply just need a second opinion, trust me as the advocate you can trust, the advocate who's got the key players in her back pocket, to get you from where you are now, to where you want to be.

Ready to keep on living, without the stress of your project getting in the way of life? Reach out today to lighten the load by booking your first home-building consultation NOW.

Get in touch today with Georgia Grace Collaboration, or you'll wish you'd done it sooner.

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