



Plan your dream home project with confidence using this comprehensive budgeting and financing guide.

Budgeting & Financing Checklist

1. Understand Your Budget

Start by evaluating your financial readiness and setting a realistic budget range to guide your decisions.

- Assess current savings and financial resources.
- Consider other financial goals (e.g., retirement, education).
- Set a realistic budget range, including a 10-15% contingency fund.
- Identify key cost drivers such as home size, style, and land preparation.

2. Pre-Qualify for a Construction Loan

Getting pre-qualified ensures you understand your borrowing capacity and sets the stage for financing your dream home.

- Gather required documents (income proof, credit history, debts, and assets).
- Research and compare local banks, credit unions, and specialized loan providers.
- Understand loan requirements, including minimum down payments and disbursement schedules.

3. Explore Financing Options

Learn about the types of construction loans available and choose the one that best fits your needs.

- Review construction-to-permanent loans versus stand-alone construction loans.
- Compare loan features like fixed vs. variable interest rates and loan limits.
- Explore alternative financing options (e.g., home equity loans or builder programs).

4. Plan for Land and Site Costs

Budget for the often-overlooked expenses of preparing your lot and obtaining permits.

- Include land purchase price, closing costs, and property taxes.
- Estimate site preparation costs (clearing, grading, and utilities).
- Account for zoning fees, permitting costs, and inspection fees.

5. Account for Ongoing Costs

Factor in costs you'll encounter during and after construction to avoid surprises.

- Budget for builder's risk insurance during construction.
- Research homeowner's insurance requirements post-completion.
- Include property taxes and loan payments during construction.

6. Finalize Your Budget

Review detailed estimates and finalize your financing to ensure a smooth building process.

- Request detailed cost breakdowns from builders.
- Include allowances for fixtures, finishes, and landscaping.
- Allocate a 10-15% contingency fund for unexpected expenses.
- Finalize loan terms with your lender before construction begins.

Checklist Summary

- Financial readiness evaluated.
- Realistic budget range determined.
- Pre-qualified for a construction loan.
- Financing options researched and compared.
- Land, site, and permitting costs planned.
- Builder estimates reviewed, and financing terms finalized.