



# Building Your Dream Home

When it comes time to consider a new home, the first of many decisions ahead is whether to build or to buy. If it's not immediately clear which one is the best option for you, looking into both isn't a bad idea at all. There are generally pros and cons either way you go, as with any fork in the road that you'll encounter in life. Specifically with respect to building a home, at the top of the list of pros is the ability to design your home to be exactly what you want it to be, with control over every single aspect from floor plan to finishes. Higher energy efficiency and lower repair costs are attractive benefits as well, and the list goes on from there.

## Financing Options

If you've made the decision to build, the next step is getting your financing in place as it will determine your budget. If you're thinking "construction loan" sounds scary, rest assured it's really not at all; it's actually quite similar to obtaining financing in order to buy an existing home on the market. The initial steps are the same with respect to both, in the following order:

1. Meet with your lender to get pre-approved for the amount you can afford.
2. Develop your wish list and preferences, including location(s) and features.
3. Tour new developments and visit with builders and/or the real estate agents representing them in your price range and preferred location(s).

From there, your next steps with respect to financing will be dependent upon whether you have opted for a production model or a custom home. The term production home refers to when builders construct multiple houses within a specific development, while custom home means building on your own lot with your own unique design. With the latter, there will be more financing options to consider as well as more steps involved, including arranging for a construction loan.

If you're buying within a development, you may opt to work with your preferred lender or the builder oftentimes can help arrange financing for you. This process will go much like buying an existing home, with the exception being you'll apply for your loan when you sign the contract with the builder, but the loan terms won't be locked in until the home build is complete.

For a custom home, construction loans aren't as widely available, so you'll likely have to shop around. There are generally one or two steps involved. First, you could obtain a loan that's interest-only during the building process, then converts into a mortgage once construction is complete. Alternatively, you could take out an interest-only loan for construction, then refinance into a regular mortgage upon completion. Since construction loans are considered to be higher risk, you'll need a very good credit and a larger sum of money for a down payment.

If you do already own the land, you can use it as equity for your construction loan. Then there's the possibility of your lender offering a bridge loan if you have equity in your current home. The risk with that lies in the contingency of selling your current home. You may also consider selling your current home and renting temporarily while waiting for the new one to get built. Moving twice isn't ideal of course, but it does allow the equity in your current home to be used toward your new home.

"One of the first things buyers need to distinguish is if the builder will carry their financing or if they need to look into construction financing," advises **Heidi Weeks with Centris Federal Credit Union**. "The two

are quite different and understanding that is important to the process.

If the builder will carry the financing during the building of the home, then the buyer only needs to focus on the purchase loan they will get when the home is completed. If the builder does not carry the financing, then the buyer will need to secure construction financing to help pay for the building of the home during the process. This option will also come with a final loan that ultimately pays off the construction loan, turning it into a traditional mortgage. I recommend working with a mortgage specialist who understands both options so they can help educate you and secure the right financing for your needs and desires."



**Heidi Weeks**  
Centris Federal  
Credit Union

She continues, "A newly-built home is exciting because no one has lived in it prior to you, which makes everything feel fresh, new and updated. It can also be customized to your family's design and functional interests.

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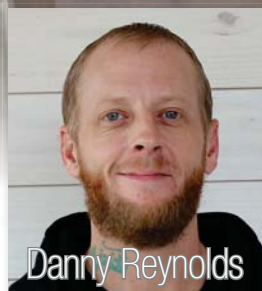


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A prospective buyer will want to consider several factors of building new versus buying resale such as:

- Cost/Budget – Can you afford potential increases in costs throughout the new build process? For instance, what if there are upgrades you just can't live without and you end up going a little over budget? Similarly, have you considered all of the costs associated to complete the home, particularly the things that will typically come with a resale home such as landscape and window coverings?
- Location – Is there land available in the location you want to build?
- Time – Do you have the time to wait for a new home to be completed? Building takes time and patience; the process can sometimes be delayed due to uncontrollable conditions, such as weather.

Understanding your financing needs and options is the best place to start. Also, be sure to work with qualified and experienced professionals, from the real estate agent and builder/contractor to the mortgage loan officer.

At Centris Federal Credit Union, we offer financing for the newly-built home – both traditional mortgage as well as home construction loans. We also offer our borrowers a long-term rate lock option for up to 360 days that helps to protect the interest rate during the home buying/building process. This can offer great peace of mind, especially when in a volatile rate market. We have 7 qualified and experienced mortgage loan officers throughout the Omaha Metro area and a construction lender to help serve you best. We are here to help make the dreams of home ownership a reality."

Also offering professional advice on obtaining a loan for new home construction, **Monica Alm with American National Bank** adds, "The first order of business would be to obtain pre-qualification for a construction loan along with pre-qualification for the long-term mortgage loan, which is needed, once the home is completed. When our clients know what they can afford, they are more empowered to begin looking for a home that will fall within their budget. It is so much better to find out what you can afford to build ahead of time, rather than falling in love with a home that is out of reach for you financially. Knowing upfront what your future house payments will be gives the client confidence comfort and reassurance that the price of their new home purchase meets their financial ability to repay the housing debt. We also give our clients tips on keeping their credit and debt stable as their home is under construction.



Monica Alm  
American National Bank

Going over budget on a home build can be one of the hardest obstacles for our clients. It is imperative that the client knows going in what they want in their build, prior to signing a contract. Talking with the builder and letting them know everything you want in your new home upfront is pivotal in making sure changes are not needed while the home is under construction. I would say the typical home build goes over budget an average of 5-10%, which can cause a financial burden, if not paid as the cost of changes are incurred. By working with a local builder and lender, the process runs much more smoothly. The construction of your new home will take months to complete, during which time we will be working closely with you and your builder to make sure everything is going smoothly."

She continues, "Mortgage rates have been creeping up slightly in the last 12 months, so if you were ever thinking of building, now is a great time. When evaluating building versus buying, there are many pros to building a new home. Building a new home can get you into the 'home of your dreams' because you are in control of what goes into it. You get to make all of the decisions. You get to choose from a large variety of new products and technology that are now available in the marketplace. Who wouldn't want to build a new home with all the great 'smart home' features that are now available? Building your own home is just that, it's YOUR home, built the way you want it in an area you have chosen. With the housing market low on existing inventory, it's yet another reason why now might be a great time to look into building your dream home. If you own a home currently, you would have time to get your home on the market to be sold as you are waiting for your new home to be built and have a pretty solid guarantee that it will sell within that time frame. Having some flexibility to get your current home ready for sale does ease the stress a bit. On the other hand, be prepared for possible weather delays;

Mother Nature always seems to interfere when we are anxiously waiting for something special. And you'll likely have to exercise patience for other reasons, too. If you need to get into a home quickly, the purchase of an existing home might be a better option.

Alm concludes, "As I previously mentioned, staying in touch with your builder and lender is crucial in making sure everyone is on the same page. As with any big project, there will be hiccups along the way. Choosing a local, reputable builder and mortgage professional will help in keeping the lines of communication open. Don't be afraid to ask questions along the way; we are experts at what we do and are here for our clients. If you have your dream home in mind, go for it. The process isn't as scary as you may think."

### Features & Upgrades

Going back to planning for the features of a home, having that freedom sure is exhilarating. With an endless amount of options for just about anything you can think of that you'd find in a home, having a general idea of what you want going into the process is a good idea. Take advantage of the opportunity to visit your local showrooms and tour different home models, as actually seeing these things in real life helps quite a bit.

Take the integration of technology in your home, for example. To get the end result that you want, you'll need to have a plan for the electrical infrastructure and components as well as for the design features in the space and the actual tech items.



**Doug Dushan**  
Echo Systems

"At Echo Systems, we install lighting control systems, motorized shading solutions, audio and video systems, robust wireless networks, televisions (both standard and aesthetically integrated), landscape audio and private theater design," says **Doug Dushan with Echo Systems**. "Our team gets involved as early as possible to plan and lay down the wiring infrastructure that will allow for the addition of technology in the future, which establishes the foundation for everything else. There is a common misconception that wireless devices are going to replace the need for wires in the near future. While wireless technology is definitely

going to continue to be more prominent, wires are still integral to the bulk of technology available today. Also, we see some areas of unreliability in counting on wireless devices alone, especially with home security.

As far as what's out there to evaluate when planning to build one's dream home, there are a wide range of luxury items that are available depending on the specific interest of the client. This includes aesthetically-integrated technology such as art TVs, mirror TVs, motorized lifts, invisible speakers, flush electrical outlets, to name a few. Echo Systems Experience Center features these and many more examples for public viewing.

One of the most exciting products we are going to be offering to the region in the coming year is full-color, temperature-tunable lighting fixtures. We are currently under construction on an exciting addition to our Experience Center in order to showcase these. The lights we will have available can adjust from 1400 kelvin to 10,000 kelvin. They can be configured to adjust with the color temperature of the sun to match our body's natural circadian rhythms, which is incredible. From an aesthetic standpoint, we can adjust color temperature to better highlight artwork, granite or even wood grains."

He also notes, "One of the most common questions we receive from clients is whether there will be unexpected costs once a system design is approved or ongoing maintenance fees. At Echo Systems, we do as complete an initial design as possible, which in turn reduces the likelihood of change orders and surprises. In the planning phase, be cautious if you're shown a very basic or limited design with a low entrance price point, as there will very likely be change orders added on the back end in order to deliver the further customized final product you ultimately want. This often results in budget fatigue and frustration.

With home technology, as well as all of the other decisions you'll be making, be sure to educate yourself. Technology is expensive. The good news is that it can be implemented over a period of time with proper planning. Visit an experience center or showroom to speak with a professional. Make sure their design philosophy matches with your

own expectations. Finally, be sure to have fun designing your new dream home."

The area under the umbrella of technology that's accessible for use in the home setting today is full of modern marvels, that's for sure. In addition to what was already covered, there are also the sophisticated systems that help your home to operate at peak efficiency, among other key benefits. Being in an ideal position to capitalize on all of the benefits that come along with energy efficiency in all aspects is definitely a perk of a brand new home. With smart home technology, you can do that and so much more.

"When looking into your options for your new home, remember that many building technology contractors also serve residential clients. Companies such as Engineered Controls represent a whole host of smart home products that will improve your home's comfort and help you operate your home more efficiently," advises **Pat Killeen with Engineered Controls**. "From the most state-of-the-art Wi-Fi enabled thermostats and zoning systems to whole-house air cleaning systems, whole-house humidification and dehumidification systems, Zigbee and Z-Wave wired and wireless home security and video systems; everything is geared toward making homes more energy-efficient, safe and secure. Engineered Controls represents Honeywell residential products, the most trusted and recognized name in home comfort and security. No other manufacturer offers more for homeowners in the way of increasing comfort, saving energy, and protecting your home than Honeywell.



**Pat Killeen**  
Engineered Controls

One of the most important benefits of a 'smart home' is that homeowners can now take advantage of new, cutting-edge residential technology that gives them full control over their living environment. Today's smartphones and wireless devices keep homeowners connected everywhere. Honeywell's Total Connect Service provides a personalized

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web portal with mobile apps that allow the homeowner to stay connected to their home's heating and cooling system and security system from their smartphone, tablet or personal computer. With Total Connect, the homeowner can monitor and control critical aspects of their home at any time and from anywhere.

The popularity of smart thermostats such as Honeywell's Prestige Wi-Fi Smart Thermostat and the Ecobee3 has also been steadily on the rise. These thermostats allow the monitoring of temperatures from mobile devices and PCs. By monitoring the humidity, temperature and altering heating and cooling cycles, it results in energy and monetary savings that can end up being substantial. These thermostats are further advancing in terms of technology, even within a year's time the progress is incredible.

As far as what might be a smart investment for you, smart home technology that will help save on utility bills is a great starting point. It's no secret that heating and cooling account for the bulk of a home's energy usage. Depending on the size of a home, utility bills can average over \$1,000 annually and a programmable thermostat is one simple way to save as much as \$180 a year.

If you're interested in integrating technology into your new home, my advice is to make sure and do your research. Most of us like to start that process by conducting an online search, and there is plenty of information on the Internet today that will make the average person much more knowledgeable about what is available in the residential construction market. That being said, keeping in mind that not everything you see on the internet is accurate or credible information, it should simply serve to guide your conversation with a professional so that you can ask the right questions are better able to articulate exactly what you want. Far too often we encounter homeowners who have moved into their new house only to find out that they did not get what they wanted. The moral of the story is to get involved, educate yourself, ask questions, know what you want, and be clear on what you are getting BEFORE the decisions are made by everyone but you, the customer."

Altogether, when considering everything that goes into designing your home, particularly for those who are starting with a blank slate, there's

a lot of ground to cover. There's everything that goes into the floor plan, for starters. Additionally, there are many things to take into consideration aside from layout and how many bedrooms and bathrooms, with the infrastructure and key systems being important too – electrical, plumbing, HVAC, etc. to support the functions and various other features you desire. Then there's the selection of windows and doors, color palette and finishes for cabinetry, flooring, walls, trimming, fixtures, tiling, and finally the appliances, furniture and décor. Moving outside, you'll be making decisions on the roofing, gutters, siding, porch, garage door system, deck and/or patio area(s), fencing, outdoor lighting, sprinkler system, and then tree placement and installation of other landscaping features. While that's not an exhaustive list, it does sum things up in a quick overview.

The fact that you make all of the decisions about every single aspect of the home is a major benefit of building versus buying when all is said and done. It's important to work with experienced professionals who will guide you through the process and help you make the best possible decisions based on your wants, needs, and budget so that you end up getting exactly what you want. Even something as seemingly small as outlet placement can make a big difference when actually put to use.

As evidenced by all of the home inspiration found on Pinterest and in magazines and blogs, there are SO many really cool things you can do with your space. Creativity and personalization are what will ultimately make the new house your home. This is particularly true with the color palette and finishes, which sets the tone for everything else design-wise. Based on your aesthetic, the professionals will be able to present you options that would be a good fit at different price points and advise you as to important factors such as durability and functionality.

Take tiling, for instance. Whether it's flooring, backsplashes, decorative accents, shower and bath areas, countertops, or all of the above, tile will likely be a big part of your interior design.

Many experts agree that it's wise to invest in the kitchen and master bathroom because they are the areas that get the most use and provide the most enjoyment, and they also add value and appeal to the home when it comes time to sell.



# THE ART OF MODERN FUNCTION

When high-performance technology meets high-end design, something wonderful happens: the client's dreams are realized. Maybe it's an outdoor audio system that needs to be heard, not seen. Perhaps it's a television hidden in a living room mirror. Some call this 'aesthetic integration.' At Echo Systems, we call this "The Art of Modern Function."

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**Mike Prendergast**  
Modern Concepts Tile

“Our specialty is custom tile work that will add luxury and character to your home,” says **Mike Prendergast with Modern Concepts Tile**. “We are fortunate to have the opportunity to do a lot of unique projects, so there’s not much we haven’t tried. Our portfolio is something we take great pride in and really speaks for itself; you can take a look at some of our more recent projects on our Facebook page for reference. We always welcome projects that challenge us and allow us to be creative. With the wealth of options available in tile products today, there truly are endless combinations of tiles and designs. Because of this, you can really

make areas of your home become works of art as opposed to just being functional living spaces. Although tile doesn’t necessarily sound all that glamorous, from natural stone to glass mosaics and faux finishes, and with the different combinations of styles and patterns, it’s incredible how much it can really elevate your space. For example, wood plank tiling is still very popular and for good reason – you get the beauty of wood flooring that’s on-trend but without all of the maintenance that goes along with protecting your investment. It’s also popular to mix different sizes, shapes textures, and orientation of tile; the complexity adds beauty and interest.”



**Danny Reynolds**  
Modern Concepts Tile

**Danny Reynolds with Modern Concepts Tile** further advises, “By working with Modern Concepts Tile, you can expect the work to be done above industry standards. We want it to last a lifetime, so we’ll advise you on material selection and we also take great care with installation as far as techniques, leveling, the grout that we use, and so on.

It’s important not to sacrifice quality if at all possible when making selections for your new home, as it may cost more up front, but you’ll end up saving money as well as time, effort and stress in the long run when you find that you have to replace something much sooner than you had originally anticipated. With the variety of products on the spectrum at different price points, the quality is commensurate, so you’ll be saving money now but at what cost later on down the line? On the flip side, there are any products that have been designed to stand up to high traffic and regular use for such a long time it’s honestly impressive. Don’t just focus on price, but rather, ask questions about the benefits versus the drawbacks when evaluating a few different options and then make your final decision.”

*If building your very own dream home is a fixed part of your future plans or, at the very least, has crossed your mind recently, either way it doesn’t hurt to dip your toe in the water now and see what’s out there. Across the spectrum of custom homes, there are definitely nice options at very affordable price points as well as the luxury homes at higher price points. The best place to start is touring homes showcasing the work of our local builders. On that note, stay tuned because we’ve got a feature story in the works that will focus exclusively on local builders and developments here in the Omaha Metro!*

*Then, once you’ve committed, the same holds true for everything else that will be incorporated into your home – you’ll have a much better idea of what you want and what would best fit your needs if you have the opportunity to see it for yourself. There are many impressive showrooms across the Omaha Metro you can visit for product demonstrations and where you can meet with professionals to learn more and get a feel for what it would be like working with them. It’s a process that requires you to be actively involved to a certain extent, but that level of personal investment will reward you with all of the benefits that come along with living in a brand new home that was custom-built to your exact specifications.*



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