



Finding Land for your Modular Home

- Building a Home is...** Not the same as buying an existing home. The process is different and more complex. It is usually a very rewarding experience but it can also be time consuming.
- Why Modular is Better...** With a modular home, you start out with a specific model that you already know the pricing on. This is better for your budget than building on-site where you have no idea what any costs are until you have plans drawn up and engineered. Only after that are you able to determine if you can afford the home you designed. While we can't take all variables out of the process, at least we nail down the cost of the home. Please allow for inflation over time in material costs and labor.
- Important Note: As a general rule, your site development expenses are approximately the same between modular and site built construction. For example, if you are building a garage or you are building a driveway, whether the home is modular or built on-site, those costs are usually pretty consistent. The real value of a modular home is in the modular home itself and the excellent value that we provide. Yet, there are also a lot of efficiencies throughout the modular building that add incremental savings to your project.
- How Can Cutting Edge Homes Help Me...** Cutting Edge Homes can provide you with the current pricing for the modular home while you look for land and provide useful information to you. Yet, to keep our pricing low for everyone, we are not staffed to support general discussions about theoretical projects that are not based on a specific piece of acquired land. If you require assistance beyond general support, we offer fee based consulting, contact the [GM](#) for additional information on this service.
- Contractors...** Cutting Edge Homes is not a construction company. We do not estimate or perform on-site work. That is handled by an independent licensed contractor. We have several contractors that can help you once you have land and plans in place, and we will introduce you to the contractor directly. Yet, the contractors that we have worked with promise the best pricing to our clients knowing that they will not have to be involved in the engineering and permitting process (which we do). So, the contractors that we know do not get involved in projects where no land or plans are in place for them to estimate from. They need real data about the specific project to provide an estimate to you.

The Right Way...

The chicken or the egg: Many people ask the following question.... What comes first, buying land, obtaining a construction loan, or getting contractor estimate? There is only one right way to build a home in California.

The Successful Project Steps In Order:

1. Land - Secure land either by paying cash or getting a lot loan
2. Home - Choose a stock or semi-custom home model or work with us to design your home.
3. Plans - Prepare plans for the modular home and site built items, including site plan and soils report, etc.
4. Permits - Submit to the local jurisdiction for plan review.
5. Site-Work Pricing - Obtain licensed contractor proposals using the detailed plans that have been developed.
6. Construction Loan - Obtain a construction loan incorporating any debt that is carried on the land, the modular home, installation, and all on-site improvements.

Choosing Your Home...

If there are budget concerns at the outset, we recommend that you scale back and reduce the size of the home. In our experience, over-design is a typical reason that projects stall or are not built. While it is easy to dream about a large and complex home, it is best to determine what your needs are and build to that. Choose a plan that meets your needs, instead of one that meets lofty desires. It is usually possible to add-onto your home in the future (depending on your land) or upgrade features later.

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Budgeting...

There are several components for creating a budget. This is an overly simplified list but it can get you started. A complete project estimate can only be created once you have completed steps 1-5 of “The Successful Project Steps In Order.”

\$ _____	Land
\$ _____	Modular home model from Cutting Edge Homes
\$ _____	Modular home options (\$5.00-\$15.00 per square foot is typical)
\$ _____	Plans and engineering
\$ _____	Vertical construction (pricing by contractor)
\$ _____	Site development (pricing by contractor) Includes items like garage, driveway, grading, etc. and is priced out once there is a full set of construction documents).
\$ _____	City/County fees - Your fees can only be provided by your local approving authority.
\$ _____	Contingency - We recommend a generous contingency to allow for the little things that come up while developing plans and additional requirements from the local jurisdiction)
\$ _____	Total Preliminary Budget

Land is the First Step...

- A home-building project starts with having property. If you don't yet have land that is the number one priority at this stage.
- Once you have land under your control, Cutting Edge Homes can be engaged to work on putting the team together to prepare a plan submission package to the local planning & building departments.
- After plans are prepared, contractors can provide project specific estimates using the construction documents.
- While we can provide general assistance & support, Cutting Edge Homes is not a real estate company and we don't get involved in the negotiations of obtaining land. We are focused on the construction process after clients find land.

Financing...

- On our FAQ page there is lender contact information for Construction Loans
- Most of our clients either pay cash for their property or first obtain a "land loan" to secure the property
- A "Construction Loan" requires that a contractor take full responsibility for the project. For a contractor to be able to prepare a formal agreement, you must have a full set of construction plans prepared and obtain permits for the entire build that is to be part of the bank loan

Locating Land...

- Work with a real estate agent to find land.
- Determine the price range that you can afford.
- Only sign an agreement with an agent if they focus on your search.
- Get out to see as many properties as time allows.
- Be aggressive and diligent in your search – you have competition.
- Have your financing lined up in advance of looking at properties
- Search outside sources yourself, the newspaper, craigslist.org, etc.
- Have an idea which floor-plan you want, but keep flexible.

The Right Property has...

- Good access to the building site, ie: wide roads, gentle turns.
- A flat building pad or a gentle grade.
- At least 14 feet wide throughout the route from the freeway.
- No 140 degree turns uphill on a skinny street, for example.
- Some turns in the route if it is still fairly wide.
- No power lines over-hanging the building pad or crane pad.
- Hilly terrain only if the land price has been discounted accordingly.

The Right RE Agent

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- Is working in your best interests.
- Takes a long-range view of searching for land.
- Searches the listings regularly, or better yet.
- Has an auto-program that emails listings which meet your criteria.
- May have access to listings not on the MLS.
- Calls you with new properties to look at and offers new ideas.
- Does not wait for your call, takes the initiative to find your land.

Finding Land Requires...

- Spending a lot of time in search of the right property.
- Not listening when others tell you that “there is no land left.”
- Getting out to see lots the same day they go on the MLS, or right after.
- Being willing to stay on the hunt for weeks and months.
- Being dedicated, diligent, and patient.

Make an Offer...

- Immediately, if it is a good deal it won't last even in a tough market.
- Know which floor-plan you want to build on this lot.
- Including your pre-qualification letter and a sizable earnest deposit.
- Contingent on a percolation test for a septic system if it is raw land.
- Contingent on financing unless you can afford to pay cash.
- Contingent upon sorting out the easement if the access is not clear.

Contingency Period...

- Review any plans or engineering seller has available.
- Meet with Planning and Zoning Department to review property buildability and permit fees.
- Locate utilities on/near property.
- Choose preliminary modular house plan.

Route Survey Critical During Contingency... Plans...

- Have Cutting Edge Homes conduct required Route Survey to verify road and delivery access.
- Begin working on your modular plans, soils report, etc. as soon as you are certain you are going to move forward, obtaining permits is a lengthy process and you'll want to prevent delays later by starting the plans earlier.

Closing Escrow...

- Duly investigate property and remove contingencies when appropriate.
- Complete financing if you are obtaining a loan for the property.
- Obtain insurance for the property and “Course of Construction”.
- Hire consultants to prepare plans.

Moving Forward...

- Complete Factory Built Home plans.
- Complete plans for all site work improvements.
- Submit plans to local approving agencies.
- Provide revisions and requests for additional information to the local city/county.
- Obtain planning and building department permits.
- Consummate purchase agreement of modular home with Cutting Edge Homes.
- Finalize agreement with qualified, licensed general contractor for on-site work.
- Complete financing if you are obtaining a loan for the property.

Finding land and building a home is a complex process with a rewarding result - A home built just the way that you want it. This document is only intended to be a general list of highlighted steps so you can better prepare yourself for your property search. The professionals working on your project will be able to provide you with direct advice regarding real estate, on-site construction, and engineering. Please start by working with a qualified Realtor to help guide you through your property search and purchase. Then, once you get to the appropriate phases of the project, other consultants can be brought into your project as necessary.

Cutting Edge Homes is not a construction company and we are not able to provide estimates for on-site work and the contractors that work on our projects are only able to provide accurate pricing based on a full set of construction documents.

Cutting Edge Homes recommends keeping a generous contingency available in your budget for things that come up during the process with the approving agency as well as options and things that you may think of later.

Best Wishes,

Cutting Edge Homes Inc.
270 East Douglas Ave.
El Cajon, CA 92020
(877) 280-6496
www.cuttingedgehomes.net