

Frequently Asked Questions

As an investor or a custom home client, what kind of insurance should I have during the duration of the build?

You will need builder's risk insurance and a general liability policy for the duration of the build. Builder's risk generally covers loss from theft, vandalism, fire, etc. A general liability policy helps protect you and your business from claims concerning bodily injuries and property damage.

How much seed money (start up cash) should I have for a project?

Ten percent of your over-all build budget would be ideal. Most banks offering construction loans do not disburse payments until the work has been completed. In order to keep jobs moving, it is paramount to pay subcontractors in a timely manner. Otherwise, if they have to wait for the bank to disburse funds (which can take a few days to several weeks from the time of the draw request), your build may not be a priority.

As an investor, should I pay to stage a house prior to listing it?

Yes. Staging a house is the process of adding enough furniture and home furnishings to give potential buyers a better sense of how the space can be used and what it could look like when it is lived in. This is one of the most important steps in marketing new construction. A well-staged home can often lead to a quick sale with top dollar offers.

How do you calculate cost of construction for the purposes of due diligence?

Cost of construction is often calculated using a square foot price. These prices can differ widely depending on what square footage is taken into account. At Ballast, our typical calculation will include the heated square feet of the proposed build as well as the square footage of the garage. If the current cost of construction were \$115 a square foot, our formula would look like this: 2400 (heated) sq ft + sq ft of garage x \$115 = a rough estimate of build cost. This can be used in the early stages of due diligence in order to determine if a particular project is worth looking into further.

What does the 12-month warranty consist of?

Typically, we will conduct an eleven month walk through with the homeowner to make a list of any minor adjustments that need to be made, such as tightening a loose door handle or opening stuck windows, at which time we schedule a time to make the adjustments.

As an investor looking to build spec homes for resale, how long is the average investment cycle?

From deciding you want to invest and beginning your search for land, the average SFR (Single-Family Residence) project takes about twelve months from inception to sold. If the project is multi-unit or a subdivision, the investment cycle is longer.

Why does the time it takes to get a permit vary so widely from project to project?

Each project can come with issues that can add time to the permitting process, but more than any other factor, one must consider the sheer number of people involved in the process. Applying for and receiving a permit is a complex process that involves at a minimum: an architect, an engineer, the EWP designer, the applicant and at least 7 separate departments at the City of Atlanta Building Authority. Each professional, as well as the city officials and their respective departments, are all working on their own lead times and work load. It is the applicant's job to coordinate with all of these people and ensure, to the best of their ability, that communication remains open and fluid between all parties involved. In addition to the normal complexity, we have seen a lot of challenges arise with the

communication channels between the applicant and the City of Atlanta as many city workers are still working remotely post the COVID lockdowns.

What is the difference between a blue tape walk through and an ATAC?

ATAC is short for Amendment to Address Concerns With Property Amendment. This is a legally binding agreement to make certain changes to the home prior to the closing. It is signed by the buyers and the sellers. Failure to comply with this agreement on the part of the builder can result in a delayed closing. ATACs are written and signed immediately following the home inspection. A blue tape walk through is the process of inspecting a home's finishes for blemishes. Noted defects in paint, cleaning, etc. are marked with blue tape and addressed by the builder. This is normally conducted by the buyer(s), their agent and the seller's agent. This takes place close to the closing date and is not a signed agreement.

Where are the user manuals for my appliances?

They are in one of the top drawers in the kitchen, usually next to the stove.

Should I expect there to be a break in period?

Yes. While we certainly strive to deliver top quality, it is inevitable that some systems like the heating and air or water heater temperature may need some adjustment once you are living in the house and start using everything regularly. When an issue arises, first check your warranty handbook, you may find a simple solution there, if not then give us a call.

Is it normal for windows to stick in a new house?

Yes. Interior paint can take up to a year to fully cure and during this time windows may stick a little. We unstick all windows prior to closing but some of them may stick again. Let us know if you encounter a stuck window and we will send someone over to open it.

What does the Latin script mean in the Ballast logo?

Firmitus, utilitus, venustus means solid, useful and beautiful. The three characteristics every structure needs to be truly great.

What is the origin of the name Ballast Design Build?

For several hundred years, ballast stones were used as counter weight in large empty wooden trading vessels to keep them from capsizing at sea. The stones were offloaded at port and the weight was replaced by merchandise. Often these stones were used to build streets and buildings in and around the port city. This is why old port cities have entire areas, like the renowned River Street in Savannah Georgia, that are built using these massive, heavy stones. Not only are these ballast stone streets and buildings still standing several hundred years later, but one could even say the reuse of ballast stones was a precursor to recycling building materials.

Why is it crucial to get a survey before the due diligence period is over, prior to purchasing a property?

A registered survey is a legal document that not only describes the location of your property lines, it also identifies any issues related to encroachments (i.e. a neighbor's fence may be slightly over the line and on your property), flood plains and Historical District designation. These are all important things you need to know prior to closing on a property.

What are the main steps of due diligence?

Have a survey conducted. Identify whether or not you are in a flood plain, stream buffer or historical

district, as these all affect a potential build. Search the property for any possible issues such as proximity to a stream or trash pit. Verify with the permitting authority that you can build the structure you are planning to build.

I noticed the gutters are piped into the ground, why is this done and where do the pipes go?

Rain water runoff must be captured and redirected to a holding system. These systems are called rain gardens, infiltration trenches, or flow-wells. They are engineered to capture runoff and then allow it to seep back into the water table without overwhelming the city's storm water runoff systems. Ask your builder to show you where the system is buried in your yard and to explain what is needed in terms proper maintenance.

What are some things people often forget to do prior to closing on their new house?

New home owners often forget to register their address at the post office and to put all three utilities (water, electricity and gas) in their name. It is also essential to register all appliance, water heater and AC equipment warranties in the your name. Some of these warrantys are automatically extended when the home owner puts them in their name (most AC handlers come with a 5 year warranty that is extended to 10 years merely by the homeowner completing the registration).

