

CORDILLERA RANCH PREFERRED BUILDERS

PRICE IS WHAT YOU PAY.
VALUE IS WHAT YOU GET



You have found the perfect property for your dream home, and now you just need to match it with the perfect builder to turn your vision into reality. Where to begin the search? First, it's important to understand that building a custom home is not a transaction: it's a relationship and a commitment that should not be oversimplified. Having built close relationships with so many of their clients, sales agents at Cordillera Ranch can tell you first-hand some of the feedback and experiences they have witnessed in the home-building process. "After just a few hours with a new lot owner, I can almost always predict the builder they'll end up selecting for their home," says Cordillera Ranch agent Tracy Harris. "It's such a chemistry, relationship, personality and value decision. I take great pride in seeing customers find their right fit because it makes such an invaluable impact on their building experience," continues Mr. Harris.

Cordillera Ranch currently has four Preferred Builders who were initially approved to build custom homes in Cordillera Ranch based on their reputation, experience building high-end custom homes and references from satisfied customers. Although it is not a requirement to use a Preferred Builder, their reputation for delivering the highest quality homes and value has allowed them to build the majority of homes in Cordillera Ranch. Their extensive experience in building custom homes in Cordillera Ranch and their knowledge of these uniquely comprehensive and detailed design guidelines is extremely valuable. Furthermore, Preferred Builders are the only builders that are pre-approved to build a home in Cordillera Ranch – all other builders must get approval on a home-by-home basis.

THE VALUE PROPOSITION

So often the search starts by seeking a comfort level that you're getting a great value: after all, for most families, building a custom home is their most significant investment, as well as a lifetime dream. The first question that pops into everyone's mind is, "What does it typically cost you to build a house per square foot?" That's the 'million dollar question,' and it obviously varies widely based on the programming of the home features, the detailed specs, site characteristics and, not to be overlooked, the community in which the home is being built. Cordillera Ranch has such a high quality of architectural requirements and restrictions that it's sometimes unfair to compare home building cost to other surrounding communities. For example, a builder that answers that question based on past construction experience in a community with weaker restrictive covenants and design guidelines may underestimate the cost for your home in Cordillera Ranch, particularly if your expectations are for quality of finishes and details comparable and

consistent with homes recently built in Cordillera Ranch. These thorough restrictive covenants and the diligent enforcement of them is one of the key factors in the 14 years of appreciating home values in Cordillera Ranch and the truly distinct feel of the community.

One myth about the Preferred Builders at Cordillera Ranch is that they are more expensive than other builders because of the marketing fee they pay to Cordillera Ranch. This is simply an inaccurate assessment of how all builders (and frankly all businesses) operate. Israel Pena of Authentic Custom Homes explains, "Our marketing relationship with Cordillera Ranch allows me to focus on operating a building company and delivering the best possible home for my client. I've effectively outsourced a major part of my marketing and branding to Cordillera Ranch – there's not a successful company in any industry that exists without some marketing budget." The notion that other builders don't have a marketing cost built into the cost of the home is a misconception. In fact, it's quite the opposite. It's likely that because of the scale of Cordillera Ranch's annual marketing budget and the ability to create a consortium of marketing power with the builders, that the Preferred Builders have a more cost efficient marketing operation and thus can allocate less dollars per home to marketing. Simply put: the Cordillera Ranch Preferred Builders have a marketing economy of scale that allows better cost efficiency than some equally-sized custom builder competitors.

The Preferred Builders' cost efficiency does not end with marketing. The Preferred Builders are each consistently building three to five more homes at all times in Cordillera Ranch than other builders. This leads to economies of scale with trades and suppliers that is difficult to achieve otherwise. You can figure the math pretty easily: if your builder has five homes



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currently under construction (versus one) wouldn't you think that would lead to more efficient material and labor costs because of buying power? In addition, each of the Preferred Builders have most, if not all, of their construction jobs within Cordillera Ranch which allows for much more cost efficient job supervision. The current builders in the program each have been building in Cordillera Ranch for at least nine years (45 years combined) and have built a combined 230 homes in Cordillera Ranch. Their lengthy relationships with suppliers and trades translate into economic advantages and pricing power.

The value proposition of a Preferred Builder extends beyond their cost-efficient model. How valuable is your time? Do you want to partner with a builder that knows the architectural review process like the back of his hand or one that may still be sorting through the nuances and thus may lead to costly delays or change orders? You cannot really put a price on your time, but it's easy to understand how much smoother your building process would be with someone that's built over 50 homes in Cordillera Ranch versus somebody that has just one under his belt. "It saves everyone time and provides great comfort to clients when I can confidently guide a client through the site layout process by understanding what has worked for me previously in the community on a similar lot," says Damon Christofilis of Christofilis Custom Homes. "We have some unique opportunities to capture stunning views that you don't have in other communities," adds Ray Stadler. "There is a lot of art in laying out your home site here, and if you approach it any other way then you probably haven't maximized the beauty of your lot and ultimately the value of your home. That's one of things I enjoy the most here is the flexibility and artistic approach to building," continues Ray.

TRUST, EXPERIENCE AND LONGEVITY

One word that is used over and over in reference to our Preferred Builders is "trust."

As Ken Nibling described when discussing his decision to choose Ray Stadler, "We had to do this [build] long distance, and we needed to be able to trust the person on the other end of the phone. We just felt we could put our faith in Ray." The long-term commitment these builders have to the community adds an intangible value. "I live here in Cordillera Ranch," says Christofilis, "and we are all members of the club so we, as Preferred Builders, have an elevated sense of obligation to protect our reputation! I'm going to see my clients for years to come at the club, and I've enjoyed continuing these positive relationships beyond the building process." This philosophy of trust and long-term commitment was echoed by Christofilis Custom Homes' clients Jan and Frank Newton, "We interviewed several builders. We chose Damon because we liked the quality of his work. We would go to see his worksites and they were very clean and really nice. We wanted to work with people who lived here because we knew we would always have a relationship with them."

In summary, choosing your custom builder can make or break the ease and enjoyment of your building experience. More than 60% of the homes in Cordillera Ranch have been built by a Cordillera Ranch Preferred Builder over the life of the community and that can only be attributed to consistent quality, dependability and good value provided by the Preferred Builders. As Warren Buffet says "price is what you pay, value is what you get".

CHECKLIST FOR CHOOSING YOUR CUSTOM BUILDER IN CORDILLERA RANCH:

- Ask the builder: Are you a Preferred Builder?
- Ask how many homes have they built in Cordillera Ranch and how many are currently under way?
- Ask to see some photos, elevations and floor plan examples of some homes they have built in Cordillera Ranch (and the area of Cordillera Ranch where your lot is) and explain how their square footage variations, site characteristics and finishes would compare to your house plans.
- DO NOT get caught up in a builder over-selling you a cost per square foot. Custom home costs/square foot can vary widely. Recent figures show that building costs have been ranging from \$170 - 330/sf depending on a large variety of factors. The less the square footage, typically the higher the cost/square foot. Also consider whether the cost includes architecture fees, landscaping, pool etc. The point is, take the cost/square foot answer with a grain of salt until you really understand what it means. This all leads back to history, experience and reputation of the builder in Cordillera Ranch.
- Do they have a local representative always in the community to oversee the job?
- Are their trades local so when you have warranty work to be performed it will be quick response?

