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### Dear Prospective Neighbor:

I am writing this letter to share with you the experience I had working with Richard Best to build my home in Palmetto Bluff.

#### Who This Letter Is For

While I write this letter openly to anyone considering Richard Best, I write it especially to those for whom building a custom home is a really big, nail-biting decision.

I have no doubt that many potential homeowners around here are well-off, and the act of having a home built is just a fun little diversion. Perhaps you're an industry tycoon, and this is a second (or third) home for you. Perhaps you've done this several times before and have people who can sort out all the details for you. Or perhaps you know you can always throw a little extra money at whatever problems might arise. If this describes you, then hats-off to your good fortune. You're welcome to read this letter, but with all kind respect, you are not my primary audience. All you need to know is that Richard will do a wonderful job for you.

The intended reader is someone more like myself. Someone for whom the thought of building a home from complete scratch hovers somewhere between extremely intimidating and outlandish. Someone who will sweat the details. Someone who has doubts as to whether they have the temperament to take on such an endeavor. The myriad of decisions involved. The potential for cost overruns, unscrupulous vendors, errors, snafus, permitting red tape, delays. All on top of an already-demanding day job or other pre-existing commitments.

I'm writing the letter I wish someone had written me, back when I was at the start of my journey of trying to figure out how all this works. Back when I had this long-held goal of someday living in Palmetto Bluff – along with high design aspirations, a limited budget and plenty of nail-biting.

# **How I Evaluated Potential Builders**

I did a lot of due diligence in looking at potential builders. I read books and articles on homebuilding and choosing a builder. I spoke to many people in the community (e.g., residents who went through the build process here) and in the industry (e.g., local real estate professionals, architects, designers, attorneys, vendors). I researched public records for adverse events. I walked through sites at various stages of construction. I toured finished projects.

In total, I researched upwards of a dozen builders, ended up personally interviewing a total of seven, including the well-known ones responsible for many of the homes built in Palmetto Bluff, as well as some off-the-beaten-path alternatives who I thought might offer some cost advantage.

What I found was that, for the most part, there are some very fine builders in the area. Palmetto Bluff wouldn't exist otherwise. Under the hood, I did find some differences. One builder, for example, had a prior record of bribing local inspectors to pass inspections. Others could demonstrate competence with a cookie-cutter template they had used before, but seemed out of their depth when it came to competitively pricing something bespoke with strong design elements. Several who did have lots of experience building higher-end projects in Palmetto Bluff were, frankly, a bit smug and full of themselves. I didn't mind their self-confidence, but I also didn't get the sense that they truly cared about my personal circumstances and goals.

#### Why I Chose Richard

A mix of factors went into my decision, including:

- Reputation. If you do any asking-around locally, it will not take you long to discover
  that Richard has an outstanding reputation and a highly-visible portfolio of
  magnificent work. Almost universally among the people I spoke with, he is simply
  regarded as the gold standard.
- Cost Adaptability. Richard's reputation was so high that, quite frankly, I assumed that I probably wouldn't be able to afford him. I was not looking for a large home, nor did I have a large budget. After hearing about and seeing so many examples of his work, I recall asking in my first conversation with him, "Am I too small of a fish for you?" His answer: "Not at all."
- Personal Engagement. From our very first meeting, Richard's personal level of engagement in my project was *exponentially* higher than any other builder. He walked my empty lot with me and came up with a house layout that resolved the nagging challenges posed by the lot's unusual dimensions. He lined up an award-winning architect to sketch out what that layout could look like. He toured me through a project he had underway that was similar in scope to my own so I could visualize the space dimensions. He ordered topographical surveys, organized architectural planning meetings, prepared line-item budgets all the while patiently educating me and facilitating my ability to make informed decisions. In short, he took me by the hand from day one and walked me through every step of the planning process. And he did so with great skill, creativity and compassion in helping me first establish, and then realize, my vision.
- Value. If you're like me, you're probably looking for maximum value. You have
  defined resources in terms of budget, yet you want to stretch those resources as far

as they can possibly go in term of house design and features. This can be a particularly agonizing exercise in a place like Palmetto Bluff, where there is so much inspiration and architectural eye-candy on display.

What I found from talking to different builders is that they all have fairly similar cost components (e.g., labor, materials, etc.). They all have similar profits to meet in order to operate their businesses while remaining competitive. In fact, when I asked multiple builders for ballpark estimates given the general shape and size of what I wanted to do, they all came back with fairly similar estimates. What set Richard apart wasn't his cost estimate (he was competitive and in-line with others), but his ability to help me thread the needle in a way that allowed me to maximize what I could get for that cost.

At around 2,500 square feet, my home is not especially large by Palmetto Bluff standards. However, pound for pound, inch for inch, I would proudly stand it up against significantly bigger homes in terms of the design features and functional spaces it offers. By way of example, it has 3 bedrooms (plus separate bunk room and other flex sleeping spaces), 3.5 bathrooms, mudroom (with dog bath), the functional equivalent of 2 kitchens, open dining with fireplace (plus 2 outdoor dining areas), 2 living areas (plus 4 outdoor seating areas), multiple work/desk stations, hidden doorways, a sweet balcony overlooking a panoramic water view, and oh... lots of usable storage space. Function aside, it's a great looking house with strong design elements. People regularly seek me out to tell me how much they admire it.

So yes, several builders probably could have built a house this overall size within my budget, but I'm very certain only Richard could have built one with so many design and functional elements included. He delivered the most bang for the buck.

- Focus. Unlike any other builder that I'm aware of, Richard's entire organization is focused exclusively on building custom homes in Palmetto Bluff. They do nothing else, nowhere else. His team is not bouncing between multiple towns or developments. They are not juggling commercial and residential projects. That laser-like specialization translates into higher levels of expertise (his team knows what it takes to pull off successful projects here), efficiency (his systems and operations are aimed only at pulling off successful projects here), accountability (his business depends on maintaining a flawless reputation here), and service (when issues arise after the construction is done, his team is often close enough in the vicninty to respond promptly, including immediately if needed).
- Transparency. What's the catch? Where are you going to get hosed? I don't think there really is a catch given how Richard does his pricing. Every raw cost item is clearly and plainly laid out. Every window, every faucet, every doorknob, every permit, every trash haul. Broken out this way, you can see where every dollar is going in terms of costs. Equally clear and transparent are the overhead and profit

- figures that go to Richard in terms of margin. You will be in a position to evaluate whether the costs and margin seem reasonable. I found that they were.
- Fairness. I also found his contractual terms to be very fair (and so did the attorney I retained to vet it). For example, it was his practice to cap the amount of overhead and profit he would charge on certain budget allowances (meaning, for example, that if I decided to splurge on a higher-end appliance, he did add additional layers of profit on top of that). Not all builders offered this. Contractual terms aside, Richard invested an very generous amount of time in good faith (uncompensated) helping to get my project off the ground before he ever presented a bill or a contract.

#### What I Experienced During My Build

You can do lots of due diligence, but ultimately, the decision to contract with a builder is a leap of faith, and a leap into the unknown in terms of what your actual experience will be. Based on my own experience, here's what I think you can generally expect:

- **He delivered on agreements.** Naturally, a top question is whether your project will be done on time and on budget. In my case, I'd give a thumbs up to both. My project did take 2 months longer to complete than originally estimated, but the reasons behind that were largely out of Richard's control. He stood behind his budget entirely. While there were some "ut oh" situations that arose due to unforeseen circumstances, none ever resulted in additional costs that were passed on to me.
- He didn't artificially low-ball my budget. Any builder bidding on work has the ability to present a low-ball budget knowing that they will make money through change orders later on. When coming up with an initial budget, Richard and his team make good faith estimates on things like the quality of materials you'll want. Unless you request otherwise, they aim for midpoint quality standards as set around Palmetto Bluff (not midpoint standards set by mass budget developers). For example, in my case, windows were assumed to be impact/hurricane windows. Other builders might price these as an upgrade. I could choose to downgrade if I wanted, but the downgrade version wasn't the baseline assumption. I also foresaw upgrades that I would likely want from the start and Richard's team worked to price those into the initial budget so there would be fewer surprises down the line.
- Any budget changes were voluntary, and under my control. As a project
  progresses, I'm sure everyone spots little upgrades they want to make along the
  way. You likely will too. When I made change orders, I found the pricing to also be
  transparent and fair. I was also in control over every added cost decision, and no
  additional cost was added without my explicit approval.

- Richard's enthusiasm derived from helping me realize my goals, not from how I spent money. I recall feeling a little self-conscious when I would want to spend less in some areas and asking for advice how to save money. Rather than making me feel cheap, he would embrace the question and enthusiastically offer up creative alternatives for lowering the costs. He would also gently steer me away from decisions that would save money initially but wind up being more costly over the long term. After going through rounds of helping me dial-back the budget in some areas, I felt similarly awkward when I then wanted to do the opposite: up the dial on special features I really cared about. There too, he would embrace what I wanted to do and marshal the creativity and resources to make it happen. Ultimately, I appreciated how I never felt judgment or tension on how I wanted to spend money; he only cared about whether my goals were being achieved.
- He remained actively involved. Richard provided me with weekly updates throughout my project and was always responded promptly to any questions, concerns and ideas that I had. I never had any doubt about my ability to reach him or get a helpful response. While many day-to-day details get assigned to other team members for execution, he remained plugged into those details at every step. I can provide countless examples of items, big and small, where Richard was very handson throughout my project. Knowing that he had many projects going on simultaneously to my own, I was often humbled and surprised by how much personal attention I received.
- He had a high-caliber, professional team behind him. Obviously, Richard is not a one-man-show, but he does have a team supporting him that reflects his own high standards. For example, many day-to-day details are managed by a project superintendent who is responsible for coordinating and overseeing the work done onsite by various subcontractors (e.g., plumbers, electricians, painters, etc.). As a matter of practicality, you'll likely have a fair degree of interaction with your superintendent, and so this becomes a significant player regardless of which builder you choose. Everyone I have spoken with who has used Richard has raved about quality of the superintendents he has on his team. Mine was no exception: he was on top of every detail, cared about what was happening, actively sought out my input and preferences, anticipated issues and was just as responsive and communicative as Richard.
- The worksite didn't sit idle or stall in the middle with undue delays. My impression is that most owners oversee their construction projects from out-of-town. As such, they are reliant on things like emails, photos and occasional visits to judge progress. In my case, I relocated to the area before construction began. That afforded me the ability to physically stop by on random afternoons or weekends to see firsthand what was going on. Things were constantly going on, and I never got the impression work was being put on hold because resources were spread too thin or timelines weren't being managed.

- The various subcontractors Richard worked with are talented and dedicated tradesmen. Richard is a nice guy, but he isn't the one swinging the hammer. But because he stands by the work, he makes sure the people doing the work are professionals, and likewise stand behind their work too. I'll even give a special shout-out to his trim carpenters. I could show them an inspirational photograph or pencil sketch of something I had in mind, and through some mix of art and magic, they would make something even better appear. I personally met many trades over the course of the project, and they were all good people and willing to tailor what they were doing to match my goals.
- I didn't have to use his vendors, but I was satisfied when I did. Richard has relationships with vendors who supply things like appliances, plumbing fixtures, tile, lighting, etc. I was initially skeptical that these suppliers might be overpriced, or that I could find better deals if I shopped around a little. I didn't find this to be the case. For example, the appliance supplier's prices matched the same below-MSRP listed on places like Amazon. What's more, his vendors stand behind what they sell. For example, I found that a ceiling fan that I ordered from the lighting person was noisier than I had expected. It was replaced without issue, and without cost. I did go outside the Richard Best ecosystem in a few instances when his usual vendors did not carry the specific products I wanted. When this happened, his team made sure these one-off purchases were integrated as seamlessly as possible.
- If problems came up, Richard made it right. Despite lots of careful planning goes into a project, I would imagine that it's inevitable for unforeseen issues to arise. They did for me. For example, the chimney cap detail on my home was inadvertently presented two different ways on the blueprint. No one (including me) noticed the difference. I had approved everything assuming it would come out one way, but the details the chimney installer followed resulted in something else. It wasn't really anyone's fault, but after a chimney cap has been cemented in place over 30 feet in the air, what's to be done? My service yard was constrained in width given its proximity to my lot's setback line. The original HVAC unit priced for that area wouldn't fit, and a more expensive one ended up being required instead. A plumbing fixture malfunctioned after installation, causing visible damage in some areas, and raising the prospect of other items to be replaced out an abundance of caution even though there was no visible damage. I can provide other examples. But in all of these cases, everything was corrected to perfection, and in none of these situations was I presented with an additional invoice.

Even in more subtle cases where there was no clear fault (or clear error for that matter), he would always meet in the middle to make it right, and then still take one step further in my favor. Sometimes, the problem would clearly be driven by me (e.g., changing my mind), and I was fine taking responsibility for costs when this happened. However, I never felt penalized; but instead, the team tried to find the most cost-effective path to make changes.

He and his team didn't disappear after they handed me the keys. I'd like to report that every single item in your house will be perfect the moment you move in. Mine wasn't. I don't think anyone's is, regardless of who the builder is or how many walkthroughs you do. I had mostly minor issues like a squeaky stair, a missing door lock, a stiff window, a loose faucet, some missing grout, a low shower temperature, needed paint touch-ups and, as noted earlier, a noisy ceiling fan. I also had things I wanted to change, like adding gutters, changing the color temperature of undercabinet lights, re-wiring light switches, adding some railings and pairing a television to some speakers wirelessly. These all became punch-list items, and Richard has a dedicated team in place to respond to them. Because his team and contractors do so much work in Palmetto Bluff, they are never far when you need them, and always responsive. In any urgent situation that has ever arisen, I have always received a same-day response. A neighbor who used an out-of-town builder has lamented about not being able to say the same.

# Why I Wrote This Letter

As I said at the start, I wrote this letter with the intent of writing to my former self. To the person hand-wringing over whether building here on a budget is possible, whether to consider Richard Best as a potential builder, and what you're likely to experience if you do. At the time of this writing, I've lived in the home Richard built for about 9 months (and over two years after I first met with him), so I am in a position to be reflective about my experience.

I also wanted to write this letter as a personal thank-you to Richard. It is testament to the debt of gratitude I feel toward all he has done for me. I wouldn't necessarily trumpet all the naiveite and anxiety I had in building a home, but in truth, the defining role Richard played in helping me establish and realize my vision deserves to be trumpeted – loudly – and I would proudly do so for anyone wondering if he can do the same for them.

Feel free to contact me if you would like to discuss any of this, or if I can impart any other knowledge or lessons that I picked up through my own experience. Ultimately, seeing is believing, and if it can be arranged, I'd be happy to show you my home so you can see the results of Richard's talent and dedication firsthand.

I can be reached at scottavelino@mac.om or (843) 706-2524.

Warm regards,

