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Buying a Log Home

Tips from the Log Homes Council of the National Association of Homebuilders

By Jim Cooper

If you think log homes are a quaint part of America's past, you are mistaken according to Ed McGinnis, President of the Log Homes Council of the National Association of Home Builders.

"Over 25,000 log homes are built every year with the majority being the homeowner's principal residence," says McGinnis. "Log homes now represent 7% of all custom homes."

Indeed, with over 300 manufacturers, log homes represent a growing segment of the custom home market. And today's log home is a far cry from the tiny rustic cabin of our forefathers. What would Abe Lincoln think, for example, of media rooms and shower grottoes, some larger than the entire log cabin in which he was born.

With this increased interest, the Log Homes Council, an organization of log home manufacturers, urges potential homeowners to do their homework carefully.



“There are a few differences between buying a log home and a conventionally framed home,” says Rich Horn, Log Homes Council Vice-President. “Any kind of home represents a substantial investment so it’s important to understand what you are purchasing and the terms.”

Unlike buying a conventional new house, where buyers either choose an already-built home or work with an architect to design their home, log homebuyers usually work with a manufacturer to obtain log and other structural components. In addition the manufacturer assists in design and may provide construction services. When design work is complete, the manufacturer prepares a detailed materials list and delivers the materials package to the homeowner’s building site to be constructed.

Just as with stick-built homes, it’s important that people understand the services and costs required to complete their home. There are a number of costs in addition to the log home materials, such as site work, foundation, heating and cooling, electrical and plumbing work, cabinetry and final finishes as well as the labor cost to erect the home. Reputable manufacturers include guidance in the form of trained sales staff, construction manuals and videos and technical support to ensure that the home is properly built. Most manufacturers can also offer approximations of the final cost of construction.

Because of their increased popularity, the Log Homes Council urges potential log homeowners to be especially careful. “The increased interest in log homes has brought an increased need for caution,” Horn says. “People sometimes experience a lot of frustration or get in over their heads because they don’t understand the construction process and the

importance of preparing an accurate budget”

“Unless they work in home construction,” McGinnis stresses, “few people understand the details and costs associated with building a home. Just looking at the package price from the manufacturer can make it seem that log homes are an exceptional bargain.” Indeed unless they undertake a major part of the labor and management of their project, log homeowners can expect to pay the same or slightly more than they would for a similar conventionally constructed house of similar design.”

A recent phenomenon causing special concern is the purchase of log home materials packages through auctions. “Auctions are exciting and can create a real sense of getting a bargain,” says Horn. “The trouble is that it also bypasses many of the safeguards of working with a manufacturer. There is no opportunity for design advice or anyone to help explain final costs. Many people think that once they’ve bought that package, a few thousand dollars will give them a beautiful, finished log home. At auctions, people don’t always understand that they are obligating themselves to take delivery of an entire log home package, even though they will only have to pay a small percentage up front. If they find out later that they aren’t prepared or can’t afford the home, they stand to lose the money they’ve already invested.”

To help people interested in building a log home, the Log Homes Council offers the following advice:

1. Own the land where the log home will be located before making a commitment to

a log home manufacturer for a particular design. Site costs can affect the overall project cost dramatically and some designs simply will not work with some building situations.

2. Have a realistic idea of the total project cost before making a commitment for a log package. This means talking to builders, contractors and people who already own a log home. Reputable log home manufacturers are more than willing to share references and cost information.
3. Be sure to check references for the log manufacturer also. Membership in an organization such as the Log Homes Council, which has a written code of ethics, implies a high level of integrity. Council members also must have a comprehensive construction manual and adhere to agreed upon log grading standards. Council standards have been developed to benefit consumers. However, there are no restrictions or requirements on who can sell log home packages.
4. Be sure you have financing for the entire project in place before beginning construction of a log home. Lenders usually refuse to loan money on construction in progress. Home buyers with disposable income may be tempted to start the process paying out of pocket and see how far their money goes before seeking a construction loan. Don't do it.
5. Be sure you understand your manufacturer's terms of purchase and that you have the financing available to meet those terms. Pay special attention to the time period of the agreement and what happens if you exceed time limits. Understand refund and warranty policies.

“The key to an enjoyable log home-building experience,” concludes Horn, “is to do your

homework. Work with a reputable log home manufacturer and be sure you understand the process and costs.”

Jim Cooper is a construction consultant and author of *Log Homes Made Easy* and *The Log Home Project Planner*.