

2023 OPERATIONS SURVEY

Company Name: _____

I. COMPANY

A) Geographic location: Main office

1) City _____ State _____ Approx. population _____

Geographic locations: Divisions

2) City _____ State _____ Approx. population _____

3) City _____ State _____ Approx. population _____

4) City _____ State _____ Approx. population _____

5) City _____ State _____ Approx. population _____

B) Describe your PRIMARY type of residential construction

1) Custom Homes _____ %

2) Production Homes – single-family _____ %

3) Production Homes – multi-family _____ %

4) Single-family for rent _____ %

5) Multi-family for rent _____ %

C) 2023 Gross Revenue - homes for sale only (single-family and multi-family) \$ _____

C) Projected percentage of sales revenue growth for 2024 _____ %

E) Number of ready to build finished lots in inventory at year end (2023) _____

This represents a supply of: _____ months

F) Number of years supply of land controlled: owned, under contract or option _____ years

G) Provide the following production information for 2023

1) Number of active communities _____

2) Number of single-family units closed _____

3) Number of multi-family units closed _____

H) Do you build in:

1) Scattered lots _____ %

2) Communities _____ %

I) How many W-2 employees do you currently employ?

1) Full time (excluding sales agents) _____

2) Part time (excluding sales agents) _____

3) On-site sales agents _____

J) Do you offer flex time? Yes _____ No _____

K) Do you have an on-going drug testing program? Yes _____ No _____

L) Do you have: (check all that apply)

1) Written employee manual _____

2) Written job descriptions _____

3) Formal organization chart _____

4) Formal orientation/training program for new employees _____

5) Continued training program for employees _____

II. HUMAN RESOURCES

- A) Do you have a full time HR Manager? Yes _____ No _____
- B) The HR Manager reports directly to the:
- | | |
|--------------------|--------------------------------|
| 1) CEO _____ | 3) VP Finance/Accounting _____ |
| 2) President _____ | 4) Other _____ |
- C) What is your current employee turnover rate? _____%
- D) What is your Superintendent's turnover rate? _____%

III. PRODUCT DESIGN

- A) Do you have a new product design standard process? Yes _____ No _____
- B) What is the typical duration of the design process? _____ months _____ days
- C) Who participates in the process? (check all that apply)
- | | |
|-------------------------|-------------------------------|
| _____ Architect | _____ Engineers |
| _____ Sales & Marketing | _____ Top Management |
| _____ Production | _____ Purchasing & Estimating |
| _____ Key Trades | _____ Other _____ |

IV. PRODUCTION

- A) Does your company use the following? (check all that apply)
- | | |
|-----------------------------------|---|
| _____ Trade contractor agreements | _____ Safety programs |
| _____ Supplier agreements | _____ Even-flow starts (slots) |
| _____ Scopes of work | _____ Quality checklists (job ready/complete) |
| _____ Purchase orders | _____ Final quality inspection checklist |
| _____ Variance purchase orders | _____ Trade contractor evaluations |
| _____ Start packages | _____ Computers/tablets/smart phones |
| _____ Master central schedules | |
- B) Do you have a production/superintendent manual? Yes _____ No _____
- C) Does your company have a Trade Council? Yes _____ No _____
- D) What are the average **CALENDAR** days from:
- | | Plan | Actual |
|--|------------|------------|
| 1) Contract to start (dig date) | _____ days | _____ days |
| 2) From start to closing for homes of less than 1,800 s.f. | _____ days | _____ days |
| 3) From start to closing for homes 1,800 to 2,500 s.f. | _____ days | _____ days |
| 4) From start to closing for homes 2,500 to 4,000 s.f. | _____ days | _____ days |
| 5) From start to closing for homes 4,000 to 6,000 s.f. | _____ days | _____ days |
| 6) From start to closing for homes over 6,000 s.f. | _____ days | _____ days |
- E) Do you allow structural changes? Yes _____ No _____
- Do you allow structural changes after start? Yes _____ No _____
- F) Do you allow non-structural custom options? Yes _____ No _____
- Do you allow non-structural custom options after start? Yes _____ No _____
- G) Do you have a quality assurance program? Yes _____ No _____
- How do you manage the program? Internal _____ Third Party _____
- H) Cost variances as a percentage of direct construction cost _____%

- I) How many internal inspections do you conduct? (check all that apply)
- | | |
|-------------------------------------|-------------------|
| _____ Foundation | _____ Frame |
| _____ Drywall | _____ Paint |
| _____ Prior to customer orientation | _____ Other _____ |
- J) Average number of homes closed, per superintendent, in 2023:
- 1) Entry level (less than 2 years residential experience) _____ houses
- 2) Experienced (more than 2 years residential experience) _____ houses
- K) Average number of houses supervised per cycle by superintendent _____ houses
- L) Production capacity
- 1) What is your optimum production capacity in # of units? _____ houses
(Optimum # of houses a superintendent could close per year times # of superintendents)
- 2) What % of capacity are you currently operating on? _____ %
(# of houses closed divided by production capacity)

V. WARRANTY

- A) Warranty work is managed by:
- | | |
|---------------------------|--|
| _____ Superintendent | _____ Both (Superintendent & Warranty) |
| _____ Warranty Department | _____ Third Party |
- B) Average number of punch list items at:
- 1) Internal walk (pre-orientation) _____ items
- 2) Orientation walk with buyer _____ items
- 3) Closing walk with buyer _____ items
- 4) Reported after closing during one-year warranty _____ items
- C) Average \$ amount of first year warranty cost per house \$ _____
(Include cost of warranty department staff allocated to each unit)

VI. SALES AND MARKETING

- A) What is your sales conversion rate? _____ %
(Total contracts divided by traffic units)
- B) Cancellations:
- 1) Cancellation rate (cancellations divided by total contracts) _____ %
- 2) Reasons given for cancellations:
- | | | | |
|-------------|---------|-----------------|---------|
| Financing | _____ % | Relocation | _____ % |
| Contingency | _____ % | Dissatisfaction | _____ % |
- C) Concessions:
- 1) Average price concessions given to buyers \$ _____
- 2) Percentage of sales price _____ %
- D) Do you have a sales training manual? Yes _____ No _____
- E) Number of active plans offered for sale _____ plans
- F) Average number of options offered for sales _____ options
- G) Average % of options and upgrades sold to total sales price _____ %

- H) Average number of change orders processed per contract _____ change orders
- I) Average number of change orders per contract processed after start _____ change orders
- J) How are your sales agents compensated?
- 1) Salary only _____
- 2) Commission only _____
- 3) Salary plus commission _____
- K) Do you have a Design Center? Yes _____ No _____
- L) Who oversees the Design Center?
- _____ Sales _____ Operations
- _____ Purchasing _____ Third Party
- M) % of advertising and marketing expenses used in electronic media _____%
such as website, social media, Google ads, etc.

VII. FINANCING

- A) Average interest percentage paid on construction loans _____%
- 1) Interest rate based on:
- Prime + _____%
- Libor + _____%
- Fixed rate _____%
- 2) Up-front points paid on construction loans? _____%
- 3) Personal signature required? Yes _____ No _____
- 4) Discount points paid for buyers? Yes _____ No _____
- How many? _____%

VIII. CUSTOMER SERVICE

- A) Do you have a homeowner's manual? Yes _____ No _____
- B) Formal meetings held with buyer: (check all that apply)
- _____ Selections/décor _____ Preconstruction
- _____ Frame/pre drywall _____ Orientation
- _____ After move-in _____ Other _____
- C) Buyer orientation meeting is conducted by:
- _____ Superintendent _____ Warranty Department
- _____ Both (Superintendent & Warranty) _____ Other _____
- D) Do you survey the following? (check all that apply)
- _____ Target market _____ Community traffic
- _____ Buyer prior to closing _____ Buyer after closing
- E) How do you conduct surveys?
- _____ In-house _____ Both
- _____ Third Party
- F) If you survey, what is your "willingness to refer" rating? _____%

IX. TECHNOLOGY

- A) Are computers, tablets, and other mobile devices being used by: (check all that apply)
- _____ Sales agents _____ Superintendents
- _____ Warranty technicians _____ Design Center

B) Do you have a "customer" oriented website? (check all that apply)

_____ None	_____ Information updates
_____ Documentation	_____ Selections
_____ Customer Service	

C) Do you have a "vendor" orientated website? (check all that apply)

_____ None	_____ Information and documents
_____ Bidding	_____ Purchasing
_____ Schedules	_____ Payment documentation

D) Are you currently using any cloud-based services/systems in your business?

Yes _____ No _____

E) Which of the following systems are currently computerized or planned to computerized in 2024?

Current	2024
_____	_____ Accounting
_____	_____ Design (CAD)
_____	_____ Estimating
_____	_____ Purchasing/PO's
_____	_____ Schedules/Project management
_____	_____ Marketing/Sales/Lead-tracking
_____	_____ Website-customer oriented
_____	_____ Website-vendor oriented
_____	_____ Payment approval (paperless)
_____	_____ Payment releases (direct deposit/ACH)

X. INSURANCE AND LITIGATION

A) What were your 2023 annual premiums for the following?

- 1) \$ _____ Worker's comp
- 2) \$ _____ General liability
- 3) \$ _____ Umbrella: Amount of coverage \$ _____
- 4) \$ _____ Mold
- 5) \$ _____ Group medical

B) What types of coverages are excluded? (check all that apply)

- 1) _____ Mold
- 2) _____ Soils
- 3) _____ OSB
- 4) _____ Other (describe): _____

C) Are you currently in litigation for mold related issues? Yes _____ No _____

D) Are you currently in litigation for product defect issues? Yes _____ No _____

E) How are you documenting construction processes to support future litigation? (check all that apply)

- 1) _____ Photos
- 2) _____ Third Party inspections (other than building department)
- 3) _____ Internal checklists
- 4) _____ Trade checklists
- 5) _____ Buyer sign-off's