

Build your dream house now

It's the best time in years to take your blueprint off the drawing board and construct it for real.

By Carla Fried, Money Magazine, contributing writer

(Money Magazine) -- With home values tumbling and the mortgage market still in crisis, you'd think that Billie and Rodney Wylde would shelve their plans to build their North Carolina dream home - at least until the market stabilizes.

Not a chance. The thirtysomethings are set to pour the foundation on a 2,100-square-foot farmhouse with a wraparound porch in East Bend, a few miles from where they currently live. Estimated construction cost: \$140,000.

The couple hope to be able to move in as soon as November. "All the media talk about is this crisis," says Billie, an elementary school guidance counselor. "But it's actually a very good time to build."

She's right. Behind the dark clouds hanging over the housing market is a very compelling silver lining: The cost of building the home of your dreams is coming down. "If one or two years ago it cost you \$300,000 to build a custom home, today it should cost tens of thousands of dollars less," says Jim Haughey, chief economist at Reed Construction Data.

Why? With new-home demand drying up, the price of some construction materials has started to sink like a poorly laid foundation. Framing lumber is now 18% cheaper than it was 18 months ago, while drywall is selling for 40% less.

And because overextended developers picked up too much land during the bubble - and are motivated to sell - some lots are becoming dirt cheap. Land prices (often the single biggest expense for custom homes) in certain areas have fallen more than 20% in the past year or two.

"In terms of finding land you want at a good price, this is the best market that I have seen in my 30 years of home building,"

