MIDDLE TENNESSEE REAL ESTATE

Build Your Own House in Tennessee

Land, due diligence, construction financing, and Mid TN texture

Prepared for buyers and sellers across Greater Nashville and Middle Tennessee’s surrounding counties.

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Kitchen table honest talk

A lot of people in Middle Tennessee dream about building their own house. Some want acreage outside Franklin, Murfreesboro, Clarksville, or the quieter counties. Some want a floor plan that fits their life better than what is already listed. A few want to act as their own general contractor and save money.

I wrote this guide the way I talk at the kitchen table: warm, plain English, and focused on the path that actually finishes. I am Trey Sugg, Tennessee license 328692, with Realty ONE Group Music City. I help residential buyers and sellers across Greater Nashville and Middle Tennessee, including people who are weighing custom build versus buying something already standing.

Educational disclaimer: *This is general education for residential owner occupants and households exploring a custom build in Tennessee. It is not legal, tax, lending, engineering, surveying, septic, insurance, or construction advice. County rules differ. Lender overlays differ. Your contract, permits, and lender conditions control. Verify every program number and timeline with your lender, builder or GC, surveyor, soil scientist, title company, insurance agent, and (when needed) an attorney before you rely on it.*

Throughout this guide I label **FACT** when something is a sourced rule or widely documented process, and **ASSUMPTION** or **SECONDARY** when I am summarizing common industry explainers that you still must verify locally. Research cited here was synthesized for Mid-TN guidance on 2026-09-11. Rules change. Re-check the AHJ, TN Board, TDEC, and your lender.

Why so few people finish this path

Building is not "just harder shopping." For many families it becomes a second job on top of work and kids.

Time really is a second job

Someone has to chase permits, answer the lender, walk the site after rain, review change orders, and keep trades sequenced. If you are the owner builder, that someone is often you. Even with a licensed builder, you still make selections, approve draws, and live with temporary housing longer than a normal purchase.

Lenders and programs often prefer a licensed builder

FACT (USDA 7 CFR 3555.105): On USDA's combination construction-to-permanent path, contractors or builders who are constructing their **own** residence are **ineligible**. That is a hard program rule for that product, not a soft preference. If you hoped to self-build on a USDA combo construction loan, plan a different financing path early.

FACT (FHA construction products, HUD ML 19-08 framing): FHA construction-oriented products generally require a licensed general contractor. A borrower may self-GC only if they themselves are a licensed GC. Land is owned or purchased at the construction closing under that framework.

SECONDARY (lender overlays): Many private construction and construction-to-permanent lenders underwrite more comfortably when a licensed, insured builder is under contract. Owner-builder files can face stricter overlays, more documentation, or a flat "we do not do that product." Ask early. Program rules and lender overlays both matter.

Overruns and sequencing

Budgets slip when materials move, when a trade is late, when the soil report surprises you, or when you change the kitchen after framing. Sequencing matters: you cannot finish drywall before rough inspections clear.

Missed sequence equals standing interest and longer rent.

Owner builder risk in plain English

Acting as your own GC can look cheaper on a napkin. It can also mean you own every delay, every insurance gap, and every county conversation. **ASSUMPTION:** For most first-time builders without a licensed GC background, hiring a builder costs more on paper and still finishes more often. That is judgment, not a guarantee.

SECONDARY: General industry explainers often list the same finish killers: underestimating soft costs, underestimating time, and underestimating how picky construction underwriting can be. Use those as a checklist, not as proof your county works the same way.

Tennessee owner-builder licensing (what the Board actually allows)

This section is about **contractor licensure**, not about skipping permits. An owner-builder exemption does **not** waive building permits, inspections, septic, zoning, or local codes.

Personal-use exemption

FACT (TCA §62-6-103(a)(2)(A)): A property owner constructing single residences, farm buildings, or other buildings **for individual use**, and **not** for resale, lease, rent, or similar intent, is exempt from Tennessee contractor Board licensure. Speculative, flip, or rental intent points the other way: a license is required under §62-6-103(a)(1). Verify licensed contractors at https://verify.tn.gov.

Mid-TN one residence / one permit every two years

FACT (TCA §62-6-103(a)(2)(B)): Outside a narrow large-county carve-out that does **not** cover Mid-TN counties for this purpose, an exempt owner may not make more than **one** single-residence permit application **or** build more than **one** single residence within **two years**. Exceeding that creates a rebuttable presumption of speculative intent. For Greater Nashville and surrounding Mid-TN counties, treat **one personal residence in two years** as the working limit unless counsel tells you otherwise for your facts.

The $25,000 Board threshold

FACT (TCA §62-6-102 and TN Commerce Board guidance): "Contractor" includes anyone who undertakes, bids, offers, or supervises construction when the **total cost is $25,000 or more** (materials plus labor). Anyone paid **more than $25,000 by the owner** is a **prime** and must be licensed. Do **not** split contracts to dodge the threshold. Do **not** pull the homeowner permit so an unlicensed GC can hide behind you. Trades who bid **to the owner** at $25k+ are primes, not "just subs." Construction managers who take charge of a $25k+ project need a license too.

FACT: A homeowner performing electrical work on their **own** residence has a limited electrician exemption under §62-6-103(a)(4)-(5). Local plumbing and mechanical self-perform rules still need a local check. Board license exemption is not a blank check for every trade desk.

ASSUMPTION for this guide: "Owner-builder" means a lot owner intending personal occupancy, using a homeowner or Self Permit path where the AHJ allows it, and either self-performing or hiring **licensed** primes for any $25k+ work.

The step path from dream to permanent mortgage

Think of this as a sequence, not a buffet.

- **Dream and constraints.** Budget range, commute, schools conversation, lot size, one story versus two, timeline. Write the non-negotiables before you fall in love with a wooded lot that cannot percolate a septic field.
- **Land search.** Vacant lots, estate splits, builder inventory lots, and "tear down and rebuild" are different animals. Price the dirt with eyes open about what it costs to make the dirt buildable.
- **Due diligence on the land.** Zoning and allowed uses. Survey and boundaries. Legal access and driveway rights. Flood zone and drainage. Soil scientist and septic feasibility for rural Middle Tennessee. Utilities or well and septic reality. HOA or PUD rules if any. Title exceptions and easements.
- **Contract.** Land purchase contract, and later a builder contract with scope, allowances, change-order rules, and timeline language you understand. If anyone on the team will be paid over $25k, confirm they are a licensed prime.
- **Design and engineering.** Plans, structural engineering as required, site plan, septic design when needed.
- **Permits.** Building department, septic (TDEC SSDS construction permit when applicable), driveway, and any HOA architectural review. **GAP note:** County and city requirements vary across Middle Tennessee. Williamson, Rutherford, Davidson, Montgomery, Maury, and the outer counties do not run identical desks. Confirm with the jurisdiction that covers the parcel. Do not assume Nashville Metro rules apply to a rural lot two counties out.
- **Financing.** Land loan or cash land, then construction financing or a one-time-close product. Confirm whether your program allows owner-builders (USDA combo construction path does not for builders of their own residence).
- **Build and draws.** Foundation, framing, mechanicals, insulation, finishes. Lender inspections before money releases. Written borrower approval and completed-work verification are normal before draw funds move.
- **Inspections and Certificate of Occupancy (CO).** You generally cannot live there permanently, or convert to a regular mortgage, until the jurisdiction says the house is ready. On septic lots, expect a TDEC (or local) Certificate of Completion on the SSDS as well.
- **Permanent mortgage.** Either the construction loan converts, or you refinance into a long-term loan after CO. Then you are a normal homeowner again, just with a newer house and a longer story.

Permits in Mid-TN: Metro Self Permit, codes, and county variance

Metro Nashville / Davidson Self Permit path

FACT (Metro Nashville Codes): An owner who occupies or intends to occupy a single-family residence may **Self Permit** with affidavits and assumes Zoning, Building, and Trades compliance. A site plan is required (often a Mortgage Loan Survey showing location, setbacks, and easements). Construction plans are **not normally** required at the SFR application except for houses **over 5,000 square feet** or **over 3 stories**. Apply through Metro's residential building-permit process (zoning help desk is part of that path). Self Permit is **not** for a DADU. Septic properties need **Metro Health** approval **before** the building permit issues.

FACT (Metro adopted codes): Metro adopted the **2024 IRC** (and related I-Codes), 2023 NEC, and 2017 ICC A117.1. Those editions apply to plans and applications after **July 16, 2025**, with a published grace window for some earlier preliminary designs. Confirm the adopted-codes list on nashville.gov before you bid plans.

Franklin and unincorporated Williamson (quick texture)

FACT / verify locally: City of Franklin guidance has allowed a homeowner to pull a permit for a **primary residence** on a limited cadence (commonly framed as once every two years) with a notarized homeowner affidavit; work over $25,000 still points to a State-licensed contractor pulling the permit. Unincorporated Williamson County uses its own Building Codes desk and electronic plan review; municipalities inside the county go to the city. Always confirm current forms with the AHJ that covers your parcel.

CONFLICT / variance (not a fight, just geography): Metro often keeps SFR plan submittals light and field-checks later. Franklin commonly wants detailed electronic plans up front. Same dream, different desks.

Land due diligence that Mid Tennessee buyers skip

Zoning, survey, access, flood

FACT pattern: Zoning decides what you may build and whether a secondary dwelling or workshop is even allowed. A current survey beats guessing fence lines. Legal road access and recorded easements matter when the driveway crosses someone else's land. Flood maps and drainage after a hard rain matter on creeks and low ground.

FACT (Metro SFHA highlights): In Metro flood hazard areas, local permits cover development; grading permits kick in above published land-disturbance thresholds; residential lowest finished floor rules include freeboard above the 1%-chance flood elevation; floodway development is generally prohibited. Check Metro's Build Responsibly guidance if your parcel touches a floodplain.

Soil scientist, septic, and TDEC SSDS

In much of rural Middle Tennessee, public sewer is not available. Counties often require a soil evaluation by a licensed soil scientist and a septic system design that matches soil and bedroom count. People still say "perc test" from older habits. Ask your county environmental or septic office what they require today. A pretty lot that fails soil suitability is an expensive camping site.

FACT (TDEC): Installing or repairing a subsurface sewage disposal system (SSDS) requires a **TDEC Septic System Construction Permit**, a **licensed installer**, a final inspection before cover, and a **Certificate of Completion**. Site prep typically means staking property lines and the house pad, mowing as directed, and **not** doing cut-and-fill as "prep." Where accessible public sewer exists, the SSDS path is refused. Construction permits expire on TDEC's published schedule (commonly three years). Published TDEC fee tables exist on the agency site; I will not invent a Mid-TN "average septic cost" here.

FACT (contract counties): Davidson and Williamson are **contract counties**. They may require an **additional** local installer permit beyond the TDEC layer. Budget time for that stack: TDEC plus Metro Health or Williamson local process.

Wells and utilities

Some lots need a private well. Some need temporary power for the build, then permanent service. Confirm water, electric, gas if any, and internet reality before you treat the lot as "ready." Utility extension costs belong in the budget, not as a surprise after closing on the dirt.

HOA and PUD rules

Even on vacant lots inside a subdivision, architectural guidelines can control materials, setbacks, fencing, and timelines to start building. Read them before you buy the lot. There is no statewide FACT that "HOAs ban owner-build." Check the recorded covenants for **your** parcel.

County impact fees and related charges

FACT framing, no invented fee table: Impact fees, capacity fees, and inspection fees vary by county and sometimes by city. Treat fee amounts as a check-your-county item. I will not invent a fee chart here. Call the building and planning offices that cover the parcel and ask what applies to your proposed house size and use.

Financing differences in detail

I will not invent rates, APR, points, or your down payment. Those belong to your lender and your file. What follows is process education with labels.

Cash land versus a land loan

SECONDARY (lender explainers): Buying land with cash is simpler: you own the equity and later finance construction against a clearer picture. Land loans, when available, often want a higher down payment and a shorter term than a regular home mortgage. Raw land (no utilities, no improved access) is usually harder to finance than an improved lot in a recorded subdivision. Labels like "raw" versus "improved" are lender categories. Confirm how your lender classifies the parcel.

Standalone construction loan

FACT / CFPB framing: A construction loan typically funds the build in stages called draws. Interest is often charged on amounts advanced. When the house is finished and you have a CO, you often refinance into a permanent mortgage (two closings). Draw and inspection fees are disclosable loan costs. Ask your lender how many draws, who inspects, and what happens if the project runs long. I will not invent a draw schedule or percentage as FACT.

Construction to permanent / one time close (OTC)

FACT / HUD and CFPB framing: A construction-to-permanent or one-time-close loan aims for one closing before construction. The same loan covers construction and then converts or reamortizes to a permanent mortgage after completion (product rules vary). Rate lock and conversion mechanics are lender specific. Read the disclosures.

Land you already own can count toward equity

SECONDARY: If you already own the lot free and clear, many construction products can treat that land equity as part of your skin in the game. How much credit you get depends on appraisal, acquisition cost rules, and the loan family. Do not assume 100% of what you paid years ago counts dollar for dollar. Ask for the lender's written method.

Owner builder is harder to finance than builder attached

FACT (USDA 3555.105 again): Builders constructing their own residence are ineligible for that USDA combination construction-permanent path. Escrow goes to the builder; the borrower approves each draw in writing; leftover escrow goes to principal, not cash-out.

FACT (FHA): Licensed GC required; self-GC only if you are licensed.

SECONDARY: Files with a licensed builder under contract are generally easier for construction and OTC underwriters than true owner-builder self-contract files. Many lenders still overlay "no self builds" even when a program is quieter on paper. Verify with the specific lender before you buy land assuming you will self-contract.

VA and FHA construction products (eligible borrowers)

FACT: Government-backed construction-oriented products exist for eligible borrowers. Availability depends on lender participation and your eligibility.

SECONDARY / common program framing from lender marketing (verify before you rely on it):

- FHA one-time-close construction products are often marketed with a **~3.5%** minimum down payment framing for qualifying credit profiles, similar to other FHA purchase messaging. That is common marketing language, not a hard promise that your file qualifies at 3.5%, and lender overlays may be stricter.
- VA construction or construction-to-permanent options are often marketed with **$0 down** framing for eligible Veterans and service members who otherwise qualify. That is common program framing, not a guarantee for every build, every county, or every owner-builder structure.

Point: talk to a lender who regularly closes construction files in Tennessee. Bring your builder plan (or your honest owner-builder plan) early. I coordinate. I do not underwrite. I will not invent an APR for you.

The crazy stuff people underestimate

Change orders

Every "while we are at it" adds cost and sometimes time. Decide what is allowance, what is fixed, and how change orders are priced before framing starts. Put change orders in writing.

Material volatility

Lumber, cabinets, windows, and appliances do not always hold a quote forever. Ask how long supplier quotes are good and who eats the difference.

Septic fail or redesign

A soil result that forces a different system type can rewrite the budget. Build contingency for septic reality on rural lots, including TDEC permit timing and any contract-county installer layer.

Driveways and easements

Long gravel drives, culverts, sight distance, and shared easements create cost and neighbor conversations. Temporary construction access can tear up a drive you just paid to install.

Temporary power and job site logistics

The build needs power, a place for deliveries, porta johns, dumpsters, and weather delays. Soft costs add up.

Builders risk insurance

Someone must insure the project during construction. Ask who carries builders risk, liability, and workers compensation, and request certificates. Do not assume your homeowners policy covers a house that does not exist yet.

Punch list fatigue

Near the end you are tired, the builder is tired, and the list of small fixes feels endless. Schedule a careful walk with notes. CO and final draw should not skip unfinished safety or contract items.

Living in limbo: rent plus interest

ASSUMPTION many households face: During the build you may still pay rent (or another mortgage) while also paying construction interest. That double housing cost is one of the biggest stress points. Budget months of it, then add a buffer. I will not invent a dollar figure for your household.

Mid Tennessee texture worth repeating

- Owner-builder Board exemption is for **personal use**, with a Mid-TN **one residence / one permit in two years** rhythm under §62-6-103(a)(2)(B). It does not skip permits or codes.
- Anyone paid over **$25,000** by the owner needs to be a **licensed prime**. Do not split contracts. Do not pull a permit for an unlicensed GC.
- Metro Self Permit is real for owner-occupied SFR, with light plan rules under 5,000 sf / three stories, and 2024 IRC adoption for apps after July 16, 2025. Other counties are not Metro.
- USDA combo construction path: builders of their own residence are **ineligible** (3555.105).
- Septic: TDEC SSDS construction permit + licensed installer + Certificate of Completion; Davidson and Williamson may add a contract-county installer permit.
- Wells are common on rural parcels; test and budget accordingly.
- Crawl space versus slab decisions interact with grading and moisture in this climate.
- County impact and capacity fees vary. Check your county. No invented fee tables here.
- HOA architectural review can slow a custom look even when the county permit is ready.
- Builder-attached new construction in a subdivision is a different path than a one-off custom house on raw acreage. If you are comparing those, also read the New Construction vs Resale Free Guide on the site.

How I help without pretending to be your GC

I can help you think through buy versus build, tour comparable finished homes so your budget is grounded, coordinate with a lender who understands construction products, and keep the residential purchase or lot contract process clear. I do not pull permits for you, design septic systems, or supervise framers. When you need those experts, we bring them in.

If you want a calm walkthrough of whether building fits your timeline, call or text **615-943-1644**, email **suggsells@gmail.com**, or start from the Free Guides page on the site.

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Educational only. Not a commitment to lend, build, or insure. Verify all financing figures, including any ~3.5% FHA or $0 VA framing you see in marketing, with your lender. No invented APR. Confirm TCA, Metro, TDEC, and USDA rules with the agency that owns them before you rely on this guide.