

# new construction *guide*

A complete guide to the new construction process.



# ABOUT ME:

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Hi! My name is Michelle Seed and I'm so excited to be working together!

Originally from Houston, Texas and a Colorado resident since 1991, I am also a mom to two beautiful children, and the proud business owner of Brick and Mortar Realty.

I want to help you find your perfect home or investment property, and sell your home for top dollar in this competitive market. Let my expertise and over 16 years of experience in real estate assist you in making that happen.

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# New Construction Roadmap

10 steps to buying a new construction home - if you are thinking about purchasing a new-build, here's what to expect! Remember that this is just a basic breakdown, so you may have other steps to take - but this will give you a pretty good idea of the process!

1

## **Find a real estate agent**

It's highly recommended that you are represented by an agent, since the on-site builder agent is working and representing the builder

2

## **Work with a lender who's familiar with new construction**

When it comes to lenders, do your research. You may want to use the builder's preferred lender, since they sometimes will offer discounts or credits.

3

## **Research builders and developments**

You'll want to look for a builder with a good reputation - be sure to do your research, ask your realtor questions, and look at all options before making a decision.

4

## **Financing, pre-approval, contract**

It's important to know what you can afford - you will want to get your financing pre-approved or pre-qualified, and look at all different loan options. Then, it's time to sign the contract!

5

## **Decide on the style and floor plan**

Most builders will have different floor plans to choose from - you'll be able to select the square footage, how many levels the house has, the number beds/baths, etc

6

## **Choose your standard items**

After choosing the style and floor plan of your house, you'll pick the finishes from the selection of standard options. This varies on what's included depending on your builder.

7

## **Look through upgrade options**

If you aren't fond of standard options, you can look at the upgrades your builder offers. It's also a good idea to ask your agent if the upgrades are worth the investment so you can make a smart decision!

8

## **The Building process**

It typically takes 6-12 months to build a new construction home - be patient, plan accordingly, and enjoy the journey!

9

## **Home inspections, appraisal, walkthroughs**

Most lenders will require you to do an appraisal to put a value on the property, and getting an inspection is always a good idea. The walkthrough is where you will see your completed house for the first time - yay!

10

## **Closing day**

It's closing day! Once you get the keys and sign all the documents required, you are officially a homeowner of a brand new house!

# Frequently Asked Questions -

Here are some answers to questions you might have when considering buying a new build home.

**Q. How long does it take to build a new construction home?**

**A.** Timelines will vary, but typically anywhere between 6-12 months

**Q. Should I use a realtor?**

**A.** Yes, you should! Working with a real estate agent is free of cost to buyers and very helpful in the building process!

**Q. Is it more expensive to build a new construction home?**

**A.** Not necessarily - it just depends on your area, along with the customizations you make to your home.

**Q. Do I need a home inspection on my new build?**

**A.** Even brand new houses aren't perfect, so I would highly recommend doing an inspection!

**Q. Do I need to get an appraisal on my home?**

**A.** If you have a loan, your lender will require you to have a home appraisal. If you are paying cash, it's up to you!

**Q. Can I use my own lender when buying a home?**

**A.** Of course! However, many builders have partnerships with lenders that give discounts, along with other perks - so it might be a good idea to use their preferred lender

**Q. Do builders offer home warranties?**

**A.** Yes! Nearly all reputable builders offer some kind of home warranty, with different timeframes covering different elements of your new home.

**Q. Can I buy the model home from a builder?**

**A.** Yes! Most builders sell their models after all other homes in the community are sold, but there are some cases in which the builder will sell you the model beforehand.

**Q. Will a builder take a home-sale contingency?**

**A.** Some will, and some won't. Ask upfront and be ready for the consequences if you aren't able to sell your home.

**Q. Are new home prices negotiable?**

**A.** Sometimes they are, but it all depends on the local market

# Is new construction right for me?

## *Is your timeline flexible?*

Building a new home typically takes 6-8 months - from choosing your floor plan and features to move-in day. You'll want to consider your timeline when thinking about buying new construction.

## *Do you have design preferences, etc.?*

It can be challenging (and sometimes impossible) to find a pre-owned home that fits your exact style and lifestyle needs. If you decide to build a new construction home, you'll get to personalize the details to suit your preferences and design taste perfectly.

## *Are you looking for a turn key home?*

Buying a house sometimes means buying someone else's problems. When you purchase a previously owned home, you may need to upgrade design choices, buy new appliances, and make maintenance repairs. When you buy a brand new home, you won't have to worry about those issues.



# Is new construction right for me?

*Is energy efficiency and smart technology important to you?*

New construction home = the latest energy-efficient systems, most recent technology, and utilization of the newest construction materials. These features typically lead to lower energy bills and payments! If these things are important to you, a new construction home may be your best choice!



*Would you like to experience the process of building a home?*

Building a home is such an exciting process! From the foundation to framework, roofing to insulation, all the way to final walkthroughs, you'll get to watch the entire construction journey from beginning to end.

# Deciding on the builder

How do you decide on the right new construction builder? This is one of the biggest decisions you'll make in the building process, so it can definitely feel stressful and overwhelming! If you are looking into a new construction home, here are some things you'll want to think about doing before committing to a home builder.



## **ASK ABOUT EXPERIENCE**

How long has the company been in business? Don't be afraid to ask about past projects - it's important to work with a seasonal professional who knows what they are doing.



## **GET CLEAR ON YOUR EXPECTATIONS + ASK QUESTIONS**

You'll want to compare builders and what they can offer, so be as clear as you can with what you want from them. Don't be afraid to ask hard questions to get the information you need.



## **TALK TO THE NEIGHBORS**

If you are looking at different communities, don't be afraid to ask neighbors questions! They've been through the experience and will be able to give you great information.

# Selections & Upgrades

When it comes to deciding on new construction upgrades and finishes, it can feel overwhelming and exhausting... Is it a good investment to update the kitchen? Should you pass on light fixtures? What will add value to your home and what should you skip?

## *Selections*

Exterior finish colors

Flooring (tile, wood, vinyl, etc)

Interior color scheme (paint, wainscoting, etc)

Cabinets, drawers, shelving units

Interior doors + door & window hardware

Countertops, backsplash,

Light fixtures

Plumbing fixtures

Appliances (kitchen, laundry room, bathroom)

Landscaping





# Selections & Upgrades

## Upgrades

Want to elevate your kitchen? If the standard builder kitchen doesn't have an island, you'll probably want to add one. You can't go wrong with taller cabinets and extra storage space.

Replacing countertops can be SUPER expensive - you'll most likely want to upgrade from the standard base.

Want to upgrade your bathrooms? Replacing tile is not an easy process. Be sure to choose a tile you love! If it's too expensive to upgrade all the bathrooms in your home, the master bath should be #1 priority. Extra linen closets come in handy for storage and bathroom supplies! More bathroom cabinet space is always a plus too.

More functional features? A tankless water heater can be super beneficial if you have more than two people in your household. No such thing as too many power outlets! The more, the better.

Adding an extra bedroom, sunroom, bonus room, or loft (or making the office a bedroom) will add value to your home and give you more space. Builder paint is often cheap and watered down - you may want to consider painting the house yourself, paying someone to repaint, or asking if you can supply your own paint.

Quality flooring and tile holds up better over time and adds value to your property.



# Closing Day

## *Bring to closing*

A few things to remember to bring with you...

A government issued photo ID

Certified funds for closing

## *Closing costs*

Fees typically total 3%-9% of the loan amount, and can include

Escrow Fees

Appraisal Fees

Local Transfer Taxes

Homeowners Insurance

Homeowners Association Fees

Application and Underwriting Fees

Attorney Fees

Property Taxes

Broker Fees

Upfront HOA Fees

Lender's Title Insurance

Owner's Title Insurance

Assumption Fees