

Canady Realty R

The Truth about Buying a New Home

What you should know before purchasing your next To Be Built home:

Many people think that buying a new home is difficult. It doesn't have to be. Many people think that you can get the best deal possible, by walking in and talking with the builder's rep by yourself. Often times, you don't. We're only going to scratch the surface here, but realize most of this information can be gleaned from, or utilized through working with a professional, and knowledgeable REALTOR.

There are many ways to help yourself out during the purchase of a new (to be built) home, whether it's already built and waiting to be sold, as inventory home or spec home, or if it's only a dream and a blueprint. We're going to pass along to you some of the best choices we help people make during their purchase and build of a new home.

- **Negotiating is a skill.** Ultimately, you want to end up happy, and builders want you to buy their products and feel happy. They're worried about dollars and timelines, you're worried about flex rooms, extra tv outlets, and the covered and extended back patio. The trick to successful negotiating is, helping both parties come away closer to their end goals. It can be *difficult* to negotiate on price with builders. Where you might have someone who asks if we could offer \$15,000 less for the home they'd like to buy, it may be more prudent to have the builder knock off \$4000 in price, add a few extra costly options into the build, and both parties feel better about the deal. Where a builder might charge you more for upgrades, they're almost always cheaper to do during the construction process, as opposed to after the fact. Now that's not to say they're cheaper to the buyer, just a cheaper cost during construction for someone to pay.
- **Upgrades!!!** Everyone loves an upgrade. Few people like the sticker price. Builders often markup their prices for options and upgrades from between 18-250%. That is a lot of markup. It's prudent to know which upgrades are cost effective during construction, and thereby worth consideration given the premium price, and which upgrades can be simply done after the fact for potential savings. Now it would be difficult for me to list these value upgrades out, because value is subjective, and in this sense, can be determined by finances, knowledge, and time. Do you have the financial ability to upgrade to your heart's content? Do you have the knowledge necessary to install your own theater surround sound wiring? Is it worth the time for you to sod your own yard, or hire out to do it?
- **Contracts?!?!?** Every builder uses them, and almost every single time they're used to purchase a builder's product, they're written for the builder's protection. This is where I suggest you ask the builder for a blank copy of their contracts before you sign, to give you some reading material. It can be incredibly important to read up on them, and indicate what you don't understand, or where you might have a question. Often times, the builder's rep will take you through your contract as you're signing, but may not spend the amount of time and fine detail you would prefer. At the point you're sitting down to contract, you may be a bundle of nerves trying to figure out how this new home of \$300,000 is now being purchased for \$347,589. You may be a bit intimidated sitting in their office, on their home field to open up and ask questions. This is the perfect time to make sure you and the builder are on the same page about everything. Don't leave anything to chance, or assumption.
- **Builder's Street Cred!!!** I'm often asked is this builder a good builder, or is this builder better than that builder? The answer truly is, it all depends. It's easy to say certain builders build with a closer nod to quality over quantity than others. It's also highly likely that all builders can build good or bad houses. Unless you're constructing an true custom home, then more times than not, you're probably buying from a builder who builds a lot of homes. I may think Chevy builds a great truck, but it still sucks when my transmission goes out too soon, as if there's ever a time that was just right for that. Some builder's are perfect for an entry level home and a couple buying for their first time who may be watching their nickels and dimes. For other people, that same builder in a pricier neighborhood may not even be worth considering. This too is subjective. We've sold a lot of new homes, and the question invariably comes up, but I'm never surprised to hear how much people love this builder, and hate that builder. If you build houses long enough, you'll get sued over something you've built or warranted. The key here for anyone is, find a builder that meets your needs, works well with your desires, and hoping for a little luck that things turn out great. If they don't, hopefully you picked a builder with great follow up.

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- **Lots, Lots, Lots!** They say **location is everything**, if not the only thing, and this can truly boil down each of us at the point of lot selection. Busy roads, Cul-de-Sacs, trees too many or too few, backyards, corner lots, views, or views of the neighbors, all can play an important factor in how well you enjoy your new home, and how much you're willing to pay for it. It's one of the hardest things for regular people to do during the purchase process, that of looking at a patch of dirt and seeing not only their dream homes, but trying to justify or establish it's value. Some people have preferences, others have priorities. An important key to this part of the game is, you don't always want to make them publicly known to people who **DON'T** represent you. Having options allows you to have cards to play at the game of negotiation. If the builder rep knows you have to have a Cul-de-Sac lot, and there's only one left, well your choice got suddenly simple. Such desires often come with premiums though too. What regular customers walking in don't always realize is, not every singly home in the builder's plans can be built on every single lot. There are design restrictions in place from the neighborhood ordinances, aesthetics of the neighborhood not wanting all Oak Wood Plan Elevation B's on the same street, let alone next door to one another. Allow yourself as many options as possible, then you give yourself enough flexibility to negotiate what you want, against what you're allowed.

Remember this list is not comprehensive, and is only meant to aid you in your new home endeavors. If at any point you need advice on what's best for your situation, I recommend hiring a professional and knowledgeable REALTOR. We are there to look out for your interests, help guide you through this process, save you money and time, and most importantly, give you our advice and opinions of a professional negotiator. Last time I checked, builders weren't selling houses to people any cheaper if they walked in without representation. There are no "Without Realtor" discounts advertised in any builder adverts. Just remember to hire your Realtor before you start this whole process, otherwise it can be extremely difficult for them to aid you if you get in a jam.

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