

*Traci* CRAWFORD  
REAL ESTATE ADVISOR

# ULTIMATE NEW CONSTRUCTION GUIDE

HOW TO BUY A NEW CONSTRUCTION HOME

---



ENGEL & VÖLKERS®

# WHAT IS A NEW CONSTRUCTION HOME?

A new construction home is a newly built "spec" home.

Typically, the home is built according to a floorplan owned by a builder. Everything in the home is brand new.



# WHAT IS THE DIFFERENCE BETWEEN A NEW BUILD, A CUSTOM HOME AND A "FLIP"?

A new build is done by a production builder who simultaneously builds a community of homes based on a library of floor plans, each with a limited array of personalization options.

A custom home builder typically creates a one-of-a-kind home that offers an even greater range of design choices that's often built on a single lot.

A flip home is renovation of an existing home. While many features of the home may be new, many of the building materials, electrical, and plumbing are not necessarily replaced or new.

*Traci*

CRAWFORD

REAL ESTATE ADVISOR





## HOW DO I FINANCE A NEW BUILD?

Financing on a new build works very similar to purchasing an existing home. You can purchase it with a VA loan, FHA loan, Conventional loan or cash.

On spec built, new construction homes, the builder owns the land outright and sells both the home and land to you together in one loan with one closing and one mortgage.

## WHEN DO I START PAYING FOR MY NEW BUILD?

You do not begin mortgage payments on a new build home until you have closed on the home. Closing occurs once the home is complete, inspections are complete, appraisal has happened, and there is a certificate of occupancy on the home. At this time, you sign closing documents to purchase the home, your lender funds the loan, you record and are the deed owner of the home. Your mortgage then begins.

*Traci*

CRAWFORD  
REAL ESTATE ADVISOR

# IS A NEW BUILD RIGHT FOR ME?



Determining if a new build is right for you can be tricky. Here are some benefits of a new build home:

- Everything is brand new and not in need of repairs
- You pay sticker price, not usually over asking
- Builder Warranty covers most things for 1 year
- Floorplans are modern and functional
- Easy to heat/cool
- Homeowner insurance benefits
- Minimal risk of allergens and mold upon move in
- Blank Slate you can customize



Here are some drawbacks of a new build home:

- Minimal "character"
- No "deals", builder price to maximize profit
- Construction Site Until End of Build Phases
- Ammenities not always complete
- Delays
- Price increases during build process as material cost rises
- Can't see finished product until complete

*Traci* CRAWFORD  
REAL ESTATE ADVISOR



## READY TO BUY NEW CONSTRUCTION?

### STEP 1

- Get Pre Approved
- Get Set up on a search according to your timeline and budget
- Pick your top homes
- Get a land/construction tour

### STEP 2

- Offer/Acceptance
- Pay Builder Deposit
- Sign Addendums and Purchase Agreement

### STEP 3

- Build Home
- Choose any selections allowed
- Inspection
- Appraisal
- Blue Tape Walkthrough
- Final Walkthrough
- Close

*Traci*

CRAWFORD

REAL ESTATE ADVISOR





## **MOST COMMON ROAD BLOCKS:**

- Delays
- Price Increases
- Build Changes

## **SOLUTIONS**

### **DELAYS**

1. Choose a build ready 60 days before you report (still meet 60day VA occupancy rule if you close early)
2. Find temporary housing and storage just in case
3. Expect delays

### **PRICE INCREASES**

1. Do not buy at the top of your budget
2. Increases range from \$10,000-40,000
3. Be prepared with a "walk-away" number

### **BUILD CHANGES**

1. Understand the builder CAN make floorplan changes if needed
2. Be willing to be flexible
3. Most changes are due to elevation and material availability

*Traci*

**CRAWFORD**  
REAL ESTATE ADVISOR



# **MOST COMMON BUILDERS IN JACKSONVILLE**

David Weekly Homes

ICI Homes

Pulte Homes

Dream Finders

Mattamy Homes

Seda Construction

KB Homes

Toll Brothers

Richmond American

Glenn Layton Homes

Ashley Homes

Maronda Homes

Ryan Homes

DR Horton

Lennar Homes

## **WHAT IS THE TIMELINE ON A NEW BUILD?**

A pre-sale home is usually 9-12 months out. We are seeing less and less pre sale options as builders are struggling to price homes according to the market and building material costs.

Currently, we have homes in the MLS available from now until the middle of 2023 for new builds.



## **SHOULD I HAVE A NEW BUILD INSPECTED?**

Highly recommended.

## **IS AN APPRAISAL REQUIRED ON A NEW BUILD?**

Yes, the lender will require it if you are getting a mortgage

## **WILL THE BUILDER COMPENSATE ME IF THEY DELAY?**

No. Not even for a light fixture upgrade

*Traci*

CRAWFORD  
REAL ESTATE ADVISOR





## READY TO GET STARTED?

Message me today!

Happy to get you started with everything from the pre-approval to deciding on a timeline, and setting up a search for builds that fit your needs!

*Traci*

CRAWFORD  
REAL ESTATE ADVISOR  
Cell 904.572.8063



**ENGEL & VÖLKERS**<sup>®</sup>