



## NEW CONSTRUCTION CLIENT CHECKLIST

*Ask these 15 questions to stay in the loop and on budget with your new construction project.*

The new construction process looks quite different from a pre-built purchase. Among the advantages, buyers can customize finishes, enjoy newer, cost-efficient materials and avoid the hassle of tight inventory and bidding wars.

However, it's easy for hidden costs to creep up on buyers and catch them offguard. An unsuspecting buyer may tour a model home with a mix of standard and custom or premium finishes, not realizing that the kitchen backsplash or tall windows come with a hefty price tag.

The key is to be prepared. By asking a few key questions and clarifying what's included and what's not upfront will help clarify the scope of the project and keep you on budget.

- 1.** Who is the point of contact that you can communicate with regarding financials? Is there a field manager you can talk to regarding all phases of the buildout?
- 2.** Do you see the property as a short-term resale or a long-term home? If short-term, make sure you're spending money on those areas that will result in the highest resale value given current or near-future market conditions. For instance, 9-foot ceilings are preferable to 8-foot ceilings.
- 3.** What is the estimated timeline for the completion of the project? Are permits included in that timeline? Who pays for delays? It can be hard to pin builders to an exact completion date, but having a general idea will help you plan lending options and the sale of any existing real estate.
- 4.** Do you have the option to lock in an interest rate? As interest rates rise, this conversation should occur early in discussions.
- 5.** What finishes and appliances are included and not included in the base price? Hidden costs can sometimes catch new construction buyers by surprise. Everything from light bulbs and water softeners to storage, refrigerators, blinds and fences may pose optional, additional expenses.
- 6.** How much time will each buildout option require? Will changes unnecessarily prolong the completion date?
- 7.** Does the builder offer environmentally friendly or high-efficiency options, such as solar panels, smart thermostats, LED bulbs, etc.?



- 8.** Are warranties provided on any aspect of the construction and for how long?
- 9.** Are there homeowners' rules or regulations imposed by the builder, aside from any homeowners' association (HOA) rules?
- 10.** Is landscaping included? Does it include sod or grass seed and straw? What about lighting along the front of the house?
- 11.** Is there a cost-escalation clause in the contract? In other words, builders who include this language in their contracts can charge for unanticipated costs, such as the rising cost of lumber.
- 12.** Are there any promotions or incentives by the builder on upgrades?
- 13.** Will you have to rent while the new house is being built? What about a storage unit and moving expenses? These are additional costs that can add up quickly.
- 14.** During the building process, at which milestones will there be fees required and how many are there? Most of the time, buyers will have to part with large sums of cash throughout multiple phases. Make sure you know what those milestones are and the estimated value. Some of the most common instances will be:
  - When locking in the lot
  - After the selection meeting for the main finishes
  - When locking in the interest rate
  - At closing
- 15.** Is there a set of blueprints available for your reference? This will come in handy when purchasing appliances, installing fences and more.