

# NEW CONSTRUCTION

DECIDING ON NEW CONSTRUCTION • PICKING A BUILDER • LOAN PROCESS • BUILDING STEPS

[WWW.BETHANYMITCHELLHOMES.COM](http://WWW.BETHANYMITCHELLHOMES.COM)



# YOUR REALTOR



Bethany

I AM A FULL-SERVICE, FULLY LICENSED, NC AND SC REALTOR FOCUSED ON MY CLIENTS AND MY CUSTOMER SERVICE. WORKING WITH SELLERS AND BUYERS ON EXISTING HOMES, I AM ALSO AN EXPERT WITHIN THE GREATER CHARLOTTE NC AREA FOR HELPING YOU THROUGH THE NEW CONSTRUCTION PROCESS.

THIS GUIDE WILL FOCUS ON BUYING NEW CONSTRUCTION HOMES FROM A BUILDER IN A PLANNED DEVELOPMENT. REACH OUT TO BETHANY IF YOU'RE INTERESTED IN A CUSTOM BUILT HOME ON YOUR OWN PIECE OF LAND.

A COMPLETE LIST OF MY BUYER AND SELLER SERVICES CAN BE FOUND ON MY WEBSITE.

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# SECTION 01

IS NEW CONSTRUCTION RIGHT FOR YOU





# WHAT'S THE DIFFERENCE?

	NEW CONSTRUCTION	RESALE PROPERTY
WANT PEACE OF MIND KNOWING THAT EVERYTHING IS NEW	✓	
LOVE THE IDEA OF FIXING UP A HOME		✓
WANT LESS MAINTENANCE WITH FEW UNEXPECTED REPAIRS	✓	
DON'T MIND THE UNCERTAINTY OF UNEXPECTED REPAIRS		✓
WANT INCREASED ENERGY EFFICIENCY AND SAVINGS	✓	
WANT THE LATEST SMART HOME TECHNOLOGY	✓	
PREFER HOMES WITH OLD WORLD CHARACTER		✓
WANT IMPROVED INDOOR AIR QUALITY	✓	
EXCITED ABOUT THE ABILITY TO CUSTOMIZE THE HOME	✓	
PREFER AN ESTABLISHED NEIGHBORHOOD WITH MATURE LANDSCAPING		✓
WOULD RATHER PURCHASE NOW BUT MOVE LATER	✓	



## WHAT'S YOUR SCHEDULE FOR STARTING?

- As soon as possible
- 1 to 3 months
- 3 to 6 months
- 6 months or longer

## WHAT IS YOUR BUDGET?

- \$400,000 to \$500,000
- \$500,000 to \$600,000
- \$600,000 to \$700,000
- \$700,000 to \$800,000
- \$800,000 +

## WHAT MAKES YOU EXCITED ABOUT BUILDING?

Customization. Building a house from the ground up, to personalize the details to suit my lifestyle and tastes—from the layout, cabinets and flooring to the sinks, lighting, paint colors and doorknobs!

Lower maintenance. Since new homes are built to meet current building codes and have up-to-date technology, no worries about big repairs or heavy maintenance issues for the first few years—meaning no leaky roofs or failing HVAC systems! Plus, many homebuilders offer a limited warranty if something should break.

Lower energy costs. New homes feature the latest energy-efficient systems and materials, which usually leads to lower energy bills—woo-hoo!

Newness. Start fresh as the first owner of my home and enjoy brand-spanking-new systems, finishes and fixtures.

Location. Choosing the lot or land and the location



# C O S T   C O M P A R I S O N S

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ACCORDING TO HOME  
ADVISOR\*, BELOW ARE THE  
AVERAGE COSTS IN THE NC  
AREA TO:

REMODEL A BATHROOM \$11,000
REMODEL A KITCHEN \$25,000
BUILD AN ADDITION \$80,000

\*SOURCE:

[HTTPS://WWW.HOMEADVISOR.COM/COST](https://www.homeadvisor.com/cost)

When comparison shopping, one may find that a new construction home costs more than a similar-sized older home. However, it is important to take into consideration that with a new construction home, there will likely be far fewer repairs and renovations needed throughout the time you are living in the home. Not only is EVERYTHING new, but you have already customized the home so you won't need to update it to suit your personal style.

There is a lot to consider when deciding what type of home will be right for you – what features you want in the home, what type of neighborhood you want to live in, how much maintenance you are willing to do, and more. Talking to experienced professionals such as Realtors and home builders, as well as doing your own research, can help you make the best decision for you in your new home search.





# SECTION 02

PICKING YOUR BUILDER

# DECIDE ON YOUR BUILDER

Unfortunately, some builders fail to deliver on their promises, cutting corners on materials, or even failing to finish certain details. Research different builders before you make your selection.

It's also important that they are organized and communicate well. Hiring a buyer's agent in your building process means you will have someone that is communicating with you through every step of the build so you know when your choices must be made and when each phase will be completed.

I can't stress researching the builders enough. Find out if there are any complaints registered against them and ask for references from other homeowners and your Realtor.





# QUESTIONS TO ASK YOUR BUILDER

## 01. DO YOU HAVE TO USE THEIR PREFERRED LENDER?

Many builders work with a preferred lender that offers attractive discounts on closing costs when you finance through them. It's important to know if the lender is working as a referral or if the mortgage company is owned by the same company that is building your home. If your lender and builder both work for the same company, it's a good idea to have an attorney review your contracts as an independent set of eyes. If you are not required to use their lender, talk to other lenders to see who can give you the best financing.

## 02. CAN YOU SEE A COPY OF THE BUILDER'S SALES CONTRACT?

Builders use their own contracts that are similar to a regular sales contract but include additional terms specific to the building process, such as at what points during building the contractor gets paid, and what options you have to choose from. Your agent can help you interpret the terms of the builder's contract before you sign.

## 03. WHAT IS THE TIMELINE FOR COMPLETION?

This will depend on whether the build is a production home, meaning the builder is building select models throughout the development, or if you have hired the builder to build a custom home. Production homes can be completed in three to four months, whereas custom homes usually take a minimum of six months. Regardless, the builder should be able to give you a timeline outlining each phase of construction. Factors affecting the timeline include weather, delays receiving building supplies, or the number of changes you make along the way. As your Realtor, I'll also point out any fine print in the contract about delays. For example, I often see builder contracts include verbiage that gives them two years to complete the house.

## 04. CAN YOU CHOOSE FEATURES, FIXTURES, OR APPLIANCES THAT ARE NOT IN THEIR SELECTED PACKAGES?

You may wish to upgrade certain items, such as cabinetry, plumbing, or lighting fixtures, or you may want to save money by buying your fixtures or appliances on sale. Make sure your builder is open to you making choices outside of their selections. Usually, they will work with you as long as your selections are available and can be installed without major changes to the structure.

# QUESTIONS TO ASK YOUR BUILDER

05..

WHAT IS IN THE LANDSCAPING PACKAGE INCLUDED IN THE PRICE?

Many people assume their finished home will look like the model or the graphics in the brochure, only to find out that the builder's landscaping package is the bare minimum, or even non-existent. You may choose to upgrade it or plan to add your own landscaping.

06.

CAN THE BUILDER CHARGE EXTRA FOR UNEXPECTED COST INCREASES?

Look over the builder's contract carefully, or have an attorney do so, and note if there is an escalation clause that would allow the builder to pass cost increases onto you in the event that materials or labor costs increase during construction.

07.

WHAT WARRANTIES ARE PROVIDED?

Normally a builder offers a warranty lasting from six months to two years, possibly longer for some items. You should know what is covered under the builder's warranty and for how long. All the major structural items and mechanical systems are usually covered. Appliances are not, but they should come with a manufacturer's warranty. Damage from weather, shrinkage or expansion of the home or foundation, and anything resulting from the homeowner's failure to provide maintenance or from work done on the home after construction is not covered.

08.

CAN YOU DO A FINAL WALKTHROUGH BEFORE CLOSING?

Usually, there will be a "punch list" of items the builder needs to finish up at the end of construction. This may include a thorough cleaning, touch-up painting, repairing drywall nicks or scratches, last-minute trim work, caulking around cabinetry, changing out or re-keying door locks, and replacing landscaping that didn't survive planting. It's important that you go through the home before closing to make certain that every detail is taken care of before you sign the closing documents. If you and the builder agree that they will come back after closing to finish some details, make sure both of you have signed off on the list of what is still to be finished.



# SECTION 03

NEW CONSTRUCTION HOME LOANS

OBTAIN PRE - APPROVAL  
OR PROOF OF FUNDS

Builders or developments often work with particular mortgage companies and will offer discounts on closing costs for using their “preferred” lender. Whether you use the builder’s lender or someone else, you will need to get pre-approved for financing. If you are not financing, obtain proof of funds from your financial institution.

Builders use their own contracts that are similar to a regular sales contract, but include additional terms specific to the building process, such as at what points during building the contractor gets paid, and what options you have to choose from. I will help you interpret the terms of the builder’s contract before you sign.

QUESTIONS FOR YOUR LENDER

What interest rate can you offer?  
\_\_\_\_\_

Does the rate come with points?  
\_\_\_\_\_

Is it fixed or adjustable?  
\_\_\_\_\_

When can you lock my rate?  
\_\_\_\_\_

What fees can I expect from you?  
\_\_\_\_\_

What type of loan is right for me?  
\_\_\_\_\_

Do I qualify for any down payment assistance programs?  
\_\_\_\_\_





# SECTION 04

NEW CONSTRUCTION TIMELINE

# THE NEW CONSTRUCTION PROCESS

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Buying or building a new home is a huge undertaking, with many questions to consider. I have put together this guide to give you a look at the issues you will want to consider as you decide whether to purchase a newly built home or to undertake building with a contractor or within a new development.

## 01

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### TALK TO YOUR REALTOR

QUESTIONS TO CONSIDER  
WEIGH THE PROS AND CONS  
OBTAIN PREAPPROVAL

## 03

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### FINALIZE & CONTRACT

ENTER CONTRACT WITH A  
BUILDER SELECT YOUR OPTIONS

## 05

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ENJOY FOREVER  
HOLD ON TO BUILDER  
WARRANTIES  
USE YOUR REALTOR AFTER  
CLOSING TO HELP FOLLOW UP ON  
ANY POST-CLOSING REPAIRS OR  
TOUCH UPS

## 02

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### LOOK AT NEW CONSTRUCTION NEIGHBORHOODS

CHOOSE A LOCATION  
CHOOSE A BUILDER  
QUESTIONS TO ASK BUILDERS

## 04

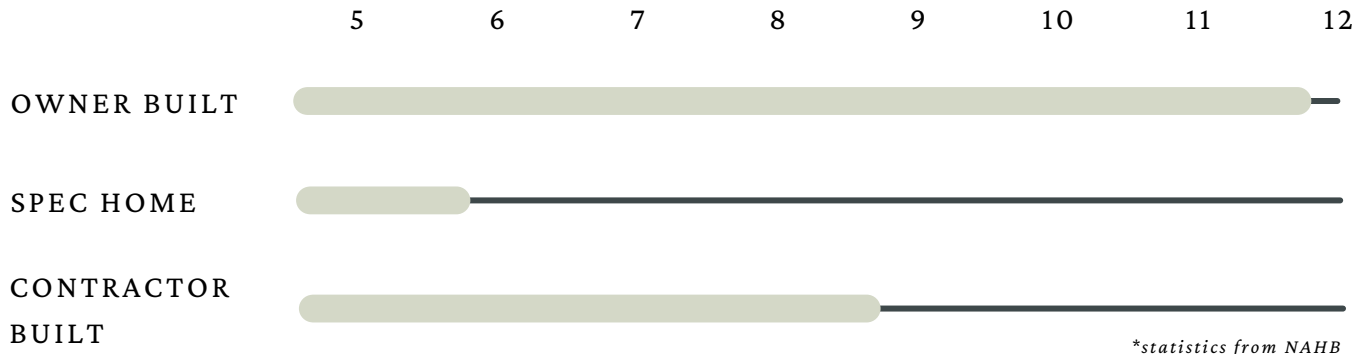
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### BUILD & INSPECT

WALK THROUGHS  
OPTIONAL INSPECTION  
PUNCH LIST  
CLOSING DAY

# AVERAGE TIME TO BUILD

## AVERAGE MONTHS TO COMPLETION



*\*statistics from NAHB*



Building a house can take anywhere from six months to two years, based on a number of variables. Location, style, and size of the floorplan, weather, and even the region you live in will affect the amount of time it takes to complete the build.

While the thought of owning a brand new home built to your exact specifications no doubt sounds tantalizing in this hot seller's market, it is important to know what you are potentially getting into and how long you could be waiting to move into your new house.

Knowing all the factors and the basic timeline at the outset will allow you to make an informed decision on whether a new home build is a right choice for you.

# SECTION 05

START THE BUILD







## SELECTING OPTIONS FOR THE HOME

One of the advantages of purchasing a new construction home is that you get to choose all the features and finishes to customize the home for your lifestyle and personal preferences. This could include everything from the number of bedrooms and baths to choosing whether to add optional features such as an outdoor wet bar or built-in grill on the terrace.

While this can be very exciting for some, it can also be stressful for others as there are many decisions to be made. To help make this process less overwhelming, familiarize yourself with key terms and the selections process and allow plenty of time to make the decisions that will bring you happiness for years to come.

# UNDERSTANDING KEY TERMS

## **STANDARD VS UPGRADE STANDARD FEATURES**

Builders typically offer standard items that are included in the negotiated sales price of the home. This may include items such as standard flooring, cabinets, faucets, appliances, and more. Be sure you are clear about what items are included in the sales price of the home before you sign the contract.

## **UPGRADE FEATURES**

Available upgrades can vary greatly by builder. They may include structural options such as rear decks and finish options such as faucets, fireplaces, and lighting.

## **STRUCTURAL VS FINISH OPTIONS STRUCTURAL OPTIONS**

Structural options include items that impact how the home is built. Examples include whether you would like to turn a study into an extra bedroom, add a rear deck, or other changes to the home's layout. If you are purchasing a custom-built home, you will likely have more options to choose from than if you are purchasing a production home. These decisions need to be made early in the construction process.

## **FINISH OPTIONS**

Finishes refer to items that are the finishing touches of the home – cabinets, countertops, faucets, lighting, and more. Decisions on finish options can be made later in the construction process. Mix and Match vs Packages Mix and Match: Custom home builders may offer purchasers the option to select each individual option in the home or at least a wide variety of them. This is typically called mix and match as you can mix appliances, cabinetry or whatever you desire.

## **PACKAGES**

Builders may offer various packages, such as a standard kitchen package vs an upgrade kitchen package. You would not get to choose the individual items in the package (refrigerator, dishwasher, oven, etc) but would select all the appliances as a group. This type of options process may be preferred by those who would like to make fewer decisions and is likely offered more often by production builders.

## **SPEC HOME**

Due to various factors, builders may begin the construction process on a home site before anyone has purchased it. For example, if a builder is building a row of townhomes and all of the homes in the row have sold except for one, that home still needs to be built along with the others. If that home gets built to completion without anyone purchasing it, it is often referred to as a "spec home." Spec homes are finished (or almost finished) homes that have a quick move-in timeframe.

# DESIGN SELECTIONS

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THE STUDIO IS WHERE INSPIRATION  
& COLLABORATION COME TO LIFE.

Builders typically have a variety of resources to help you in the options selection process. While some builders may have a showroom, others may have model homes that feature various products. Visiting the showrooms and model homes is very useful for seeing color combinations and how the items will actually look in the home. Your Realtor is a great resource to help pick the design upgrades that will fit your lifestyle and maintain their resale value. If construction on your home has started prior to your entering into a contract, it may be too late to choose certain options. The options you will be able to select will vary depending on how far along your home is in the construction process. For example, it may be too late to select structural options but you may still have time to select finish options. Selecting options is time-sensitive as it could impact how quickly your home gets built. Be sure to stay in communication with your Realtor on the necessary timing for options meetings. Between the time you select the options and the time they are put in the home, occasionally models may be discontinued and options may need to change. Most builders will work to ensure a comparable product is selected and will notify you of any change.



# TOP TIPS FOR SELECTING NEW HOME OPTIONS

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## 01.

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### CHOOSE WHAT MAKES YOU HAPPY

This will be your home for years to come so select the features that suit your lifestyle and represent your personal preferences. Consider your present and future lifestyle: what are your activities, hobbies and entertaining style? Trends will come and go, so be sure to select items that appeal to you personally. And remember that neutrals never go out of style.

## 03.

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### MAKE SURE YOU DON'T EXCEED YOUR LOAN QUALIFICATION AMOUNT

While that extra bedroom or bath may sound great, be sure to check with your lender so you do not exceed your maximum loan qualification.

## 02.

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### CONSIDER WHAT FEATURES WILL IMPROVE THE HOME VALUE

It may be easier to justify spending money on upgraded options if you think they will help you sell the home in the future. Your Realtor is a great resource with this! Items such as upgraded kitchens, smart home technology and hardwood flooring are typically at the top of buyers' wish list for a new home.

# BUILD PROCESS

01.	SITE PREPARATION
02.	FOUNDATION
03.	FRAMING
04.	ROUGH IN MECHANICLES
05.	INSTALLATION & DRYWALL
06.	FINISH CARPENTRY & PAINTING
07.	FLOORING AND FINISHING TOUCHES
08.	HOMEOWNER WALKTHROUGH



# BENEFITS OF A REALTOR

## WHEN BUYING NEW CONSTRUCTION

01. **Experience and reviews of builders:** I have 10 years of experience as a Realtor and therefore I have personal reviews based on my past clients' satisfaction with their builders.

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02. **Reading the fine print:** Every builder contract is different and I point out any red flags or unusual verbiage I see. For example, I tend to find that builders include a 2 year grace period for themselves in most contracts. While that type of delay rarely happens, I inform my client of any important terms such as that.

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03. **Negotiating price and terms:** I have successfully negotiated up to \$22,000 in credits for my new construction buyers, due to knowing the market and how and when to ask for discounts.

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04. **Knowing what's normal in the market:** I know what's normal in the market, and can therefore point out if a builder is trying to make you pay for a closing cost that is typically the seller's responsibility, which has saved my new construction buyers thousands.

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05. **Lender recommendations:** A builder will often incentivise you to use their lender. I help you compare the differences between their incentives to what my typical resale lenders can offer you.

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06. **Help you make floorplan and lot selections:** I know what floorplans and lots will do best in resale and can guide you to get the best return on your investment.

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07. **Help you make design and upgrade selections:** I know what finishes will do best in resale, when to invest in exterior upgrades, and which rooms you should invest in flooring upgrades vs which areas you can skip.

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08. **Most importantly, I represent you and you alone:** The sales rep is there to negotiate for the builder. As kind as they are and as easy as they make the model home tour, you need someone looking out for your best interests alone.

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## HIRING THE RIGHT REALTOR

# A LIST OF MY BUYER SERVICES

### **Home Search:**

- Initial buyer consultation to discuss your goals
- Explain timeline for house hunting, mortgage approval and closing
- Personalized guidance tailored to your requirements and budget
- Estimate of typical costs associated with purchasing a home
- Extensive knowledge about neighborhoods and market trends
- Assistance in finding suitable properties that match your criteria
- Advice on strategies for competing in a competitive market
- Networking with Realtors to find your home and using my 10 years as a Realtor in Charlotte to do so
- Scheduling and attending showings while providing my honest feedback and insights at each property
- Recommendations of trusted professionals including lenders, home inspectors, contractors, and attorneys
- Appraisal estimation (appraiser trainee here!)
- Full preparation of your Offer to Purchase including all necessary disclosures
- Negotiate on your behalf to arrive at the best price and terms

### **Offer accepted and Under Contract:**

- Contract completion and compliance with state required forms
- Scheduling home inspections, walk throughs, and closing day
- Constant communication
- Negotiation with listing agent regarding inspection and repair requests
- Negotiation with listing agent during appraisal process if necessary
- Inspection and repair advice during your Inspection Period
- Coordination with lenders and attorneys to keep closing day on schedule
- Attend final walk through and confirm all items on the contract have been fulfilled by the seller
- Confirm repairs have been done appropriately
- Review closing statements and explain each line item
- Supply utility information and moving recommendations
- Closing day attendance



# TESTIMONIES

After purchasing our first home with Bethany went so smoothly three years back we reached out to her about “casually” looking for a home, fast forward a couple of weeks later we found our forever home and we were able to negotiate in a multiple offer situation and with Bethany’s guidance we got the home! Listing our home shortly after was so emotional for me- she was informative and supportive to both me and my husband. I am probably the worst kind of client because I love real estate and watching prices in my neighborhood- even with all of my questions she was professional and incredibly calm. In all of our correspondence through the weeks during our sale/purchase I felt like her only client, knowing she was still helping to serve other clients. She was not able to come to our closing but her colleagues she sent in her place were also very nice and professional which was a great added resource. After we closed she brought the most thoughtful closing gift that we hang proudly in our new home that we could not have without her. Jokingly after the stress of moving I asked her, “who is ready for investment properties next?”, and partly I’m not kidding. I wouldn’t buy/sell with anyone else!

**- LAUREN**



Moving across the country can be scary but Bethany helped me find my new home in Charlotte! Bethany helped me determine which neighborhood I wanted to be in and showed me a variety of properties in my price range. I was there for a weekend and saw 13 properties. Being a sellers market things didn’t go as planned. After dealing with a questionable realtor from a seller one offer was a bust. Then a second condo offer was topped by an all cash offer. But finally on the third condo and some back and forth Bethany helped me close on the perfect condo the week before I was supposed to start my new job! Bethany absolutely made this process worth the stress of moving across the country. I truly can not say enough great things about her! She was wonderful and helpful when I had questions!

**-MEGAN**







# TESTIMONIES

We just closed on our house this morning, and Bethany was our realtor. This was our first home purchase, and it could not have gone better! Bethany was seriously amazing, and she brought so much ease to what could have been a very stressful and scary process. She is extremely responsive - when we found a house we wanted to go look at, she either got us in that day or the very next. She texted/emailed back almost immediately every time we reached out, answered any and all questions we had with confidence, dealt with our house pickiness with patience, and was very professional the whole way through. Once we put down an offer and it was accepted, she was very prompt with all the logistical next steps. It definitely made the process seamless on our end. She went above and beyond every step of the way; the sellers didn't want to fix a broken kitchen countertop, and she set up a contractor and was planning on paying to have it fixed herself. She bought us a first-home-photoshoot as a closing gift. I could go on and on. Honestly, it was a perfect experience from start to finish, and I HIGHLY recommend her!

**- ANNIE**



In a sellers market, being a first time home buyer can be a stressful venture. Bethany made the process, quick, easy, and most of all she used her knowledge and expertise to guide me in purchasing my first home. Bethany was accessible at all times and very timely with her responses which helped to reduce the stress that can come when buying a home. I would recommend Bethany to anyone looking to purchase in the greater Charlotte area.

**-MATT**



I LOOK FORWARD TO HELPING  
YOU IN YOUR NEW  
CONSTRUCTION HOME SEARCH!



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