

Why use a Realtor for a New Home Build when buying from a Developer?

As the real estate market continues it's strength, perhaps not as strong as last year but still with good momentum, developers and builders will continue to build. There is still not enough inventory to fulfill demand at this point. One question that I hear often is: If I am looking at new homes, do I really need a realtor, because there are smiling sales agents at the model home that represent the builder. The answer is a resounding yes, you do still need a realtor, because of exactly that reason and more!

Who is representing your interests?

That smiling sales agent on site at a model home represents the builder and the builder only. They are not there to "help" you, the consumer. They are there to get the builder the most money for their home. No matter how comfortable you are with your negotiating skills, I strongly recommend having a real estate professional represent you so they can help you through all phases of the process (i.e. contract, construction, upgrades, timing walk-through, and closing). The Contracts on new builds are usually provided by the Builder and are written in the interests of the Builder/Developer not you the Buyer. A realtor will be able to assist in explaining these to you and pointing out potential risks to you.

Falling in love with the show home

Most people fall in love with the show home, but it is important to realize that a lot of what you see in that model home is an upgrade. The biggest disappointments for consumers are when they move in and do not find the same products they saw in the showroom. Upgrades are a major portion of a builder's 10% to 20% profit margin. An experienced realtor will be able to point out and ask the right questions to discover what is included and what is not.

With new builds there is virtually no room for negotiation on the base sale price, but there is room to negotiate the price of your upgrades. A good realtor can also advise on the value of the upgrades for resale.

Builder reputation

A good Realtor knows the builders in his or her market. She will be able to educate you on builder reputations and reviews and help you ask the right questions to ensure you are selecting a quality builder in your market. This is very important for considering resale down the road.

Leverage

Your realtor will fight for you and has far more pull with a builder than you might. Issues OFTEN arise in construction of a new home and you may not get the answer you want if you are asking a builder to fix a concern. However, builders need to maintain their reputations with realtors because we sell their homes... over and over again... and can quickly affect their sales numbers if our clients are not satisfied. We know building standards and how to represent you. Would you go into a court room without a lawyer to working for you? Why go into the largest purchase of your life without someone working for you there too?

Warranties

Warranties are a big part of new home construction and ensuring that you have all of the information that you need to make decisions on home inspections, follow ups and timing and understanding your responsibilities to ensure insurance is kept valid will be information provided by a thorough realtor.

Realtors commisions

Many buyers think they can pay less for a home if a realtor commission is not involved. That is just not true and statistics prove the opposite to be true! Remember, the builder needs the price of their home to be consistent (with a realtor involved or not) because these homes must appraise at full value in order for buyers to get mortgages. That commission is built into the price of the home whether a realtor is involved or not. A realtor will, in fact, save you money by helping to eliminate the hidden costs and highlighting potential risks with purchasing this home.

These are just a few of the benefits, and there are many others, of bringing your realtor along with you on the purchase of new homes. Please just give me a call if you are looking at buying new to either live in or for investment.

