

Buyer's Guide
TO BUYING A **NEW CONSTRUCTION HOME**

A STEP-BY -STEP GUIDE TO BUYING A NEW BUILD



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About



SHANNON COMSTOCK

As a Northern Nevada resident who grew up in Tahoe, I understand what makes this region special and can help you find the perfect home to match your lifestyle. My extensive background includes direct mentorship from a seasoned broker and valuable experience at a national title company, giving me deep knowledge of every aspect of your home purchase transaction. I hold specialized certifications as a Certified Digital Marketing Specialist and Certified Listing Specialist, along with RE/MAX's Executive Club and 100% Club awards, demonstrating my commitment to excellence in serving my clients. Whether you're relocating from out of state or moving within the area, I'll guide you through each step of the buying process with patience, expertise, and genuine care for your needs. My goal is to make your home buying journey as smooth and successful as possible, ensuring you find not just a house, but the right home for your family's future.

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Is New Construction For You?



HOW SOON DO YOU NEED TO MOVE?

If you need to move into something quickly but still want a brand new home, you may want to consider buying a spec home. With spec homes the builder chooses all of the finishes of the home, atypically will list the home for sale within 1-2 months of the home being completed. We will dive into that a little deeper later on in this guide!

DO YOU WANT A HOME COMPLETELY TURN KEY?

If your answer is yes, new construction would be a perfect fit for you! Not everyone is cut out for that perfect Pinterest and DIY life. With everything brand new in the home, and an included builder warranty, you personally won't need to fix anything in the home in the near future.

ARE YOU LOOKING FOR A SPECIFIC LAYOUT AND FINISHES?

If you have always dreamed of hand picking every finish selection, layout, and detail of your home, then building custom might be the perfect route for you. If you want less options because custom seems too overwhelming - there could potentially be tract home new developments that would be perfect for you.

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The Pros & Cons





Building a new construction home can have several benefits, including:

1. Customization: Building a new home allows you to customize the layout, finishes, and features to your specific needs and preferences.

2. Energy Efficient : New homes are typically built to current building codes and energy efficiency standards, which can result in lower energy costs and a more comfortable living environment.

3. Modern Amenities : New construction homes often come with modern amenities such as smart home technology and open floor plans.

4. Low Maintenance : A newly built home often requires less maintenance than an older home, as everything is new and in good working condition.

5. Warranty : Many new construction homes come with a warranty from the builder, which can provide peace of mind and protection against potential issues.

6. Location : Many new construction homes are built in desirable areas with modern infrastructure and new developments around it.

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The Pros & Cons





Building a new construction home can also have some downsides, including:

1. Cost : Building a new home can be more expensive than buying an existing home, especially if you choose to include high-end finishes and customizations.

2. Timeframe : Building a new home can take longer than buying an existing home, as it typically involves obtaining permits, ordering materials, and coordinating the construction process.

3. Hidden Costss: There can be additional, unforeseen costs associated with building a new home, such as utility hook-up fees, landscaping, and other site preparation expenses

4. Limited Choices : Building a new home may mean limited choices in terms of location and lot size, as the available options will be determined by the developer or builder

5. Possible Delays : construction projects can be delayed by weather, permits, and other unforeseen circumstances, which can result in delays and additional expenses.

6. No Mature Landscaping: New construction lots typically lack mature landscaping and drool worthy backyards with lack of privacy.

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SPEC HOMES

A spec home is a newly constructed home that is built by a developer or builder without a specific buyer in mind. The developer or builder assumes the risk of the project, and builds the home with the hope of selling it to a buyer when it is completed.

Spec homes are typically built in a development or on a lot that the builder owns or has purchased. They may be built in accordance with a pre-designed floor plan or a standard design, and may include a variety of features and finishes, such as appliances and landscaping.

Advantages of buying a spec home include:

- The ability to move in soon after closing, as the home is already pre- built and finish selections chosen.
- The ability to see the finished product and get a sense of the layout, finishes and other details of the home before buying.
- The opportunity to negotiate on price, as the developer may be motivated to sell the home quickly.

Disadvantages of buying a spec home include:

- Limited ability to customize the home, as it is already built.
- The possibility that the developer may have chosen lower-quality materials or cut corners to save costs.
- In some cases, the home may not be located in the most desirable area of the neighborhood or may not have the best views.

Overall, buying a spec home can be a good option for buyers who want a new home without the wait and uncertainty of a custom build, but it is important to research the builder and inspect the home and location of the neighborhood thoroughly before making a final decision.

Tract Homes

TRACT HOMES



A tract home, also known as a production home, is a type of newly constructed home that is built by a developer or builder in a large scale and in a specific development or neighborhood. These homes are typically built in a similar style and design, and may be built in accordance with a pre-designed floor plan or a standard design. Tract homes are usually built on lots that the builder owns or has purchased and constructed in a sequence.

Tract homes are built to appeal to a wide range of buyers, and are often priced competitively to attract buyers looking for a new home at an affordable price. They may include a variety of features and finishes, such as appliances and landscaping, but typically offer less customization options than a spec home.

Advantages of buying a tract home include:

- Affordable prices
- The ability to potentially pick some of the finish selections and floor plan of your home
- The ability to see the finished product and get a sense of the layout, finishes and other details of the home before buying.
- The opportunity to sometimes negotiate on price, or concessions.

Disadvantages of buying a tract home include:

- Limited ability to customize the home, as the builders have pre-set floor plans that don't offer a lot of customization, if any.
- The possibility that the developer may have chosen lower-quality materials or cut corners to save costs.
- Lack of individuality as the homes are built in a sequence and are usually similar in design.
- In some cases, the home may not be located in the most desirable area of the neighborhood or may not have the best views.

Overall, buying a tract home can be a good option for buyers who want a new home at an affordable price and don't mind less customization options, but it is important to research the builder and inspect the home and location of the neighborhood thoroughly before making a final decision.

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Custom Homes



CUSTOM HOMES

A custom home is a type of newly constructed home that is built to the specifications and design of the buyer, rather than being built to a pre-designed floor plan or standard design. The buyer works closely with an architect, designer, and/or builder to design and construct a home that meets their specific needs, preferences, and budget.

Custom homes are often built on land that the buyer has purchased, and the construction process typically takes longer than building a spec or tract home, as it involves more design and planning work. Sometimes the builder may have lots to choose from to build your custom home on, if you don't already have land you want to build on.

Advantages of building a custom home include:

- Complete customization: the buyer has complete control over the design and features of the home, and can include unique features and finishes to make it truly their own.
- Tailored to specific needs and preferences: the home is built to meet the specific needs and preferences of the buyer, such as accessibility or energy-efficient features.
- Higher quality materials: the buyer can choose higher quality materials and finishes, which can result in a higher-quality home.
- Potential for higher resale value: a custom home built with high-quality materials, unique features, and attention to detail may have a higher resale value.

Disadvantages of building a custom home include:

- Cost: building a custom home can be more expensive than buying a pre-built home, as it typically involves more design and planning work, and the cost of the land and building materials.
- Timeframe: building a custom home can take longer than buying an existing home or a production home, as it typically involves obtaining permits, ordering materials, and coordinating the construction process.
- Risk: building a custom home can be more risky than buying a pre-built home, as the buyer assumes the cost and responsibility for any design or construction errors.

Overall, building a custom home can be a great option for buyers who want complete control over the design and features of their home and are willing to invest the time and money to make it happen, but it requires more planning and resources than buying a pre-built home.

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Researching The Builder



Choosing a reputable builder is an important step in building a new home, as a poor-quality builder can lead to delays, cost overruns, and sub-par construction. Here are some steps you can take to choose a reputable builder:

1. Research builders in your area: Look for builders who specialize in the type of home you want to build, and ask friends, family, and real estate agents for recommendations.

2. Check for credentials: Look for builders who are licensed and insured, and who belong to professional organizations such as the National Association of Home Builders.

3. Review their portfolio: Look at the builder's portfolio of completed homes to get a sense of their level of craftsmanship and attention to detail.

4. Ask for references: Contact the builder's past clients to ask about their experience working with the builder, and if they would recommend them.

5. Look into the warranty: Find out what kind of warranty the builder offers on their work, and what it covers.

6. Evaluate the communication: evaluate how well the builder communicates with you during the selection process, as this will give you an idea of how they will communicate with you during the construction process.

7. Inspect previous projects: If possible, visit some of the builder's previously constructed homes to see the quality and workmanship of their work.

8. Visit the building sites: During the construction process, visit the building sites to see how the construction is progressing and how the builder and his team are working.

By following these steps, you can have a good understanding of a builder's reputation, experience, and quality of work, which will help you make an informed decision when choosing a builder or new build community for your new home.

Questions To Ask The Builder

CAN YOU PICK ANY LOT TO BUILD ON?

Tract home builders usually release certain lots at a time. If there is a specific lot you want, you could end up waiting for it to be released. As you wait, more often than not, builders increase the base price of the home with each lot release. So while waiting for your perfect lot could be ideal, it could also cost you in the long run and price you out of the neighborhood altogether.

ARE YOU REQUIRED TO USE THEIR PREFERRED LENDER IN ORDER TO GET ANY BUILDER INCENTIVES?

Many builders work with a preferred lender that offers attractive discounts on closing costs. It's important to know if the lender is working as a referral or if the mortgage company is owned by the builder. If that's the case, 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, shop around to see who can give you the best financing. You'll need to choose your lender before you go into escrow.

CAN YOU UPGRADE ANY FEATURES OR FINISHES?

Interested in upgrading features such as cabinetry, plumbing, or lighting fixtures? You could save money by purchasing your own fixtures or appliances. Make sure your builder is open to you making choices outside of their selections. Usually, they are flexible as long as your selections are available and can be installed without major changes or updates to the schedule.

WHAT ARE THE DEED RESTRICTIONS, HOA AND AMENITIES AS WELL AS MONTHLY COSTS ASSOCIATED WITH THEM?

Developers usually file a subdivision's restrictive covenants when applying for approval to build the development. Any persons buying a property in the development are bound to abide by these restrictions. Is there an HOA? What are the fees and what amenities do they cover?

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Questions To Ask The Builder

CAN YOU REVIEW A COPY OF THE BUILDER'S SALES CONTRACT PRIOR TO SIGNING?

Builders use contracts that are similar to regular sales contracts but include additional terms specific to the building process, such as the timing of contractor payment, and the finish options you have to choose from. Your agent can help you interpret the terms of the builder's contract before you sign.

IS A HOME WARRANTY INCLUDED?

Understand what is covered under the builder's warranty and for how long (usually between 6 months and 2 years). All the major structural items and mechanical systems are usually covered, Appliances, damage from weather, shrinkage or expansion of the home or foundation, and issues resulting from the homeowner's failure to provide maintenance are not covered.

CAN THE BUILDER CHARGE FOR UNEXPECTED COST INCREASES?

Have an attorney review the builder's contract carefully 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.

WHAT IS INCLUDED IN THE LANDSCAPING PACKAGE?

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.

WHAT IS THE TIMELINE FOR COMPLETION?

This will differ based on the type of home (Production, Spec, Tract or Custom). 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.

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Pre-Approval Process



SECURE FINANCING

Builders usually work with particular mortgage companies and will offer incentives, upgrades or closing cost credit when you choose their "preferred" lender. While it's not mandatory to use their lender, it is worth looking into in order to reap the benefits of these extra incentives.

Whether you use the builder's lender or someone else, you will need to get pre-approved for financing. If you are not financing, you will need to provide a letter from your bank or a bank statement showing proof of funds.

QUESTIONS TO ASK THE LENDER

- ☑ What type of loan do you recommend for me and why?
- ☑ Will my down payment vary based on the loan I choose?
- ☑ Do I qualify for any down payment assistance programs?
- ☑ What fees can I expect from you?
- ☑ What interest rate can you offer?
- ☑ Is it fixed or adjustable?
- ☑ When can you lock my rate?
- ☑ What will my closing costs be?

RECOMMENDED LENDERS

YOU CAN USE ANY LENDER YOU CHOOSE. THESE ARE A FEW OF THE LENDERS I KNOW AND TRUST AND HAVE WORKED WITH



GREEN FRONT MORTGAGE
JOSH MORROW
916.233.7303
JOSH@GREENFRONTMORTGAGE



MOVEMENT MORTGAGE
KELLY FRAZEE
209.380.1709
KELLY.FRAZEE@MOVEMENT.COM



ELEMENT MORTGAGE
KYLE NICHOLAS MCCRAY
916.880.8059
TEAMMCCRAY@ELEMENTMORGAGE.COM

The Design Process

In a new build community, you usually have the ability to choose the lot, the floor plan, and then attend a design appointment after you sign contract.

There are many different options to choose from, and while it might seem overwhelming, there is always an interior designer that works at the design center with you. I will also attend the design appointment with you to help you understand what might be worthwhile to spend extra on, and what could be done for less money after you close on the home.

Keep in mind you don't want to over invest in options and then end up with a final sales price that will cause appraisal issues down the road! We will also need to discuss with the builder how the different options might require more builder deposits after the design appointment.

Here are some upgrade options that are usually available to choose from, however we will get an entire list from the builder as well as at the design appointment:

UPGRADE OPTIONS IN A TRACT HOME

- Exterior color scheme
- Interior paint
- Cabinets
- Countertops
- Flooring
- Appliance Packages
- Light Fixtures
- Plumbing Fixtures
- Stair Rails
- Door Hardware Finishes



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Building & Closing Process



SITE VISITS

I will come alongside you to be a part of the build process. It is important to be a part of the building process, because even the best builders might have things that pop up that need fixed. That is why it is so important to have a Realtor by your side, and your own representation to ensure somebody is representing your best interest throughout the entire build process. Plan on visiting the home once per week once the framing is up.

*Check with your builder to find out more on their protocols



RECOMMENDED INSPECTIONS

Although your home is brand-new, I have seen minor things pop up that were only found during the inspection process that need remedied. I highly recommend having an inspection done prior to drywall going up, and before closing on the home after it is completed. When we get to that point, I have several inspectors that I can recommend for you to consider. Most of them will also give you a discount if you use them for both inspections.



CLOSING ON YOUR NEW HOME

A week prior to closing we will have our "blue tape" final walk through. That is when we create a "punch list" of items that need remedied prior to closing. Our list, coupled wiht the home inspectors list of their findings, will create one list of items that the builder will take care of prior to closing. On closing day, we have our final walk through to ensure all of those items on our punch list were in fact taken care of. Congrats! You can now close on your new home!

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Reviews



"We worked with Shannon with selling my mother's home. She always kept us up to date during the whole process. I asked her for names of landscapers, junk removal, cleaners and even moving companies. Her response was quick and spot on. I loved how she sent us short little videos about the next steps. Thanks so much to you, Shannon. If you need a great agent, look up Shannon!" - Nani Hogan

"Shannon Comstock was very helpful, patient, knowledgeable and became a delightful friend. She helped us navigate the real estate market in the Reno/Sparks area in Northern Nevada. She made buying the perfect forever home very easy with recommendations for the right mortgage agent and lending company. Shannon was the eyes, ears, and nose for us as we were living in San Diego at the time we were buying our home in Nevada. She viewed several homes for us to choose from and created YOUTUBE videos so we could go through the homes as many times as we wanted to select the perfect home for us. She pointed out defects, smells, and sounds as she was showing us the various properties, until we found the perfect forever home. Shannon Comstock's professionalism and attention to detail stands above and apart from her contemporaries. She handled the purchase of our new home with class and aplomb." -Ken Wylie

"Shannon is one of the most dedicated, knowledgeable, and effective Realtors I have ever worked with. I've executed several successful transactions with her at my side, and could not possibly be happier!" - Corey Smith

"Shannon was so helpful with our house buying process, without her help we wouldn't have been able to get our now home. She was incredibly attentive as well as positive even when we started to become deterred in the current market. She was always available to answer any questions we had about the process, this being our first home there was a lot of them! She treated us like family and we are so fortunate to have met her!" - Kylee Webster

"Shannon is an outstanding realtor. When helping us look for the perfect home, she took into consider all of our needs such as family size, location, daily work commute and found us a home that met all of our requirements. During the buying process, she gave us a thorough run down of what to expect and checked in with us daily. She answered all questions and was very professional the entire time. She is an awesome realtor that we highly recommend!" - Valerie Salazar

I would be honored to help you through the new build process. It is extremely important you hire your own representation, and to not work directly with the builder's sales associate. The sales associate works for the builder, and you will need somebody to ensure everything goes smoothly, and your voice is being heard throughout the entire building process.

If you are ready to embark on the new build process, our next step is to set up an appointment to discuss what your needs and wants are, and allow me to compile a list of builders that fit your needs.

Don't hesitate to reach out to me with questions at any time.



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