



THE COLUMBIA NEW HOME BUYER TEAM
BUYER REPRESENTATION AT NO COST TO YOU

DON'T BUY **a NEW HOME** Without Knowing These 7 Things First



by Adrian La Fosse

Team Leader of the Columbia New Home Buyer Team



The experts at the Columbia New Home Buyer Team are determined to help you realize your dream of buying a new home. Team Leader Adrian La Fosse founded the Columbia New Home Buyer Team over 13 years ago, aimed at providing much needed representation for buyers of new homes. The team does not represent builders, but buyers of new homes. This ensures buyers get the best deal and equally outstanding service.

Our goal with these tips is to help make you a more informed and empowered buyer. We took our years of experience in assisting buyers of new homes and came up with the answers to the most common questions that buyers of new homes have or SHOULD have. Enjoy!



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#1

BUILDER UPGRADES TO BUY AND WHICH NOT TO BUY

When it comes to upgrading or adding on to the builder's standard options, there are many from which to choose. There are so many upgrades in fact that you may not know what you should and should not obtain from the builder during the building stages of your new home.

First, is the additional feature one you absolutely need and is it cost-effective for you to purchase from the builder? Items you should consider upgrading or buying from a builder include:

- Flooring additions and/or upgrades
- Cabinet upgrades

- High quality blinds
- Wiring options for fans, outlets, speakers, cable, CAT 5, and more
- Lighting fixture upgrades
- Plumbing upgrades

Another thing to consider would be if you choose to decline the upgrade or add-on from the builder. Will you have the budget after closing to pay for it and how easy would it be to add the item later on? For example, wiring of any kind can be a tedious task and expensive to implement. Sometimes, it makes sense to have that expense upfront, versus worrying about it later down the road.

There are some items you may want to consider purchasing yourself after closing in order to save money. On average, these items tend to be a bit over priced from the builder, compared to purchasing on your own:

- Appliances (that are not standard)
- Garage door openers
- Additional lights and fans
- Fences (but not always)

If it is a must have item you don't have the cash to buy after closing, just be aware that some of these items may cost you a premium, but it may be worth it if only for the convenience.

“If it is a must have item you don't have the cash to buy after closing, just be aware that some of these items may cost you a premium.”

#2 THE BEST TIME TO BUY A NEW HOME



When looking at the calendar, the last two months of the year are typically the best times to consider buying a new home, as builders are trying to pump up their sales volume before the year ends. Just this past year, a mere 12 building permits separated the top 3 builders in the Columbia area. November and December are when you'll find attractive buyer incentives designed to motivate buyers to purchase a new home.

Another time to consider buying a new home would be when you notice a neighborhood entering into development or finishing up construction. A well-

kept secret most agents won't tell you is that it is typically the first 5-10 homes and the last 5-10 homes often have the best incentives.

There are also times when a home has been sitting for a number of months, so the builder gives a big discount to rid of the excess inventory. Be on the lookout for "standing inventory" homes that have been on the market for a long time. How do you tell how long a home has been on the market? Not always so easy. It is mostly a guarded secret of sorts from the local Multiple Listing Service (database of homes for sale) and

it is something that builder reps may be reluctant to share. This is information that a good buyer's agent can locate for you in a moment's notice.

There are often great deals year round. The experts at The Columbia New Home Buyer Team have a secret weapon in finding the best incentives for your new home purchase. New home builders often offer limited time or even ongoing buyer incentives. We've created an exclusive page on our site for the readers of this report. It is frequently updated with the latest deals offered by builders.

<http://columbianewhomebuyer.com/buyer-incentives-by-builder-in-columbia-sc>

“A well-kept secret most agents won't tell you is that it is typically the first 5-10 homes and the last 5-10 homes often have the best incentives.”





#3 USING A BUILDER'S LENDER VS. USING YOUR OWN

Once you start visiting new home models and speaking with site agents, they'll start telling you about their builder's preferred lenders. So the question becomes, do you HAVE to use the builder's lender? In most cases, no, but you may find those lenders are offering incentives that could be of value to you. Most commonly, they are offering to cover your closing costs and pay for deed stamps (one-time transfer tax) if you choose to use the builder's lender. On occasion, the closing cost assistance comes from the builder directly.

Many new home buyers don't realize this, but you still have the choice and freedom

to use your own lender or one referred to you by your agent. If you already have an outside lender, or want to shop around, you'll just have to inform the lender what the builder's preferred lender would offer and verify if you, the buyer, would become responsible for the deed stamps (a one time tax). Often, outside lenders will match closing costs and terms, perhaps even better than the preferred lender offer, and still cover the deed stamps for the buyer. That's a lot to take in, but rest assured that the experts at The Columbia New Home Buyer Team have you covered.

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#4

WHAT DOES “COVER MY CLOSING COSTS” MEAN?

“The portion of costs most often left out of their offer are called prepaids.”

When a lender offers to cover your closing costs, this doesn't necessarily mean you won't have any out of pocket expenses at closing outside of your down payment (if one is required). The portion of costs most often left out of their offer are called prepaids. For example, prepaids include Homeowner's Association fees, the first year of homeowner's insurance and interim interest from the closing date to the end of the month. This amount can vary quite a bit until you know which house, location and what time of the month the closing will be. A rough estimate on a \$200,000 house could be around \$2,000.

Essentially, that is what you are responsible for paying after the closing cost credits from the lender or the builder.

There may also be a way to have the prepaid costs covered as well, so you don't need any out-of-pocket cash to cover transaction costs. You can ask for assistance from the builder, though you might be giving up other items that could have been negotiated for. You can also ask the lender to cover the prepaid costs, but be aware that doing so may affect your interest rate. It is good to know your options and your agent will help you with any questions along the way.

#5

NEGOTIATING WITH A BUILDER



A good rule of thumb to consider when negotiating with a builder is that they are more likely to negotiate upgrades rather than price. For example, \$10,000 worth of upgrades may cost them much less than the actual value, but to you, it may be worth the full \$10,000. Of course, it may be possible to get a price reduction AND free upgrades or some combination of the

two. That's where a good buyer's agent comes in; to give you solid advice on negotiating.

There also becomes a question of what is most important to you, either the final sales price or extras. Of course, we all want the maximum of both, but sometimes, you may have to decide between the two. If you had to choose, then consider your upfront cost

vs. your monthly cost over time (mortgage payment).

Are there times when builders won't negotiate much? You bet. Some builders believe they build great quality and value in their homes and that their homes are already well priced. That may be true, but we find even those builders may still negotiate case by case. However, at times, paying the builder's exact price can still be a great deal.

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#6

ARE HOME INSPECTIONS RECOMMENDED ON NEW HOMES?

During the construction of your new home, the county will inspect the structure multiple times in search of code violations. They are not necessarily assessing the workmanship or all functional issues and these inspections are not comparable to a professional inspection. Moreover, don't mistake what an appraiser does as a true inspection.

Typically, a week or two before closing on a new house, the builder's neighborhood building superintendent will meet with the future homeowner to give a new home orientation and allow them to point out any concerns or issues about the home. This includes cosmetic issues as well. Any items of concern that arise from this meeting are taken care of before closing. After closing, the new home warranty kicks in. Some people are happy at this point and don't feel the need to seek a professional

inspection.

Most inspections on new houses find relatively minor items, but the short answer as to why you want an inspection done on a new home is peace of mind. Can you sleep at night not knowing that you thoroughly checked out what may be the biggest investment of your entire life?

The cost of a professional home inspection can range from about \$250 to \$450, depending on the size of the house and a few other factors. The inspector goes through the property, as the future homeowner's advocate, checking and validating the builder's work. Some major items that inspectors have come across on a newly constructed home include:

- Missing insulation
- Dryer return vent not properly connected
- Scratched appliances and tubs

“Don't mistake what an appraiser does as a true inspection.”

- Damaged or missing flooring
- Roof framing damage
- Plumbing leaks

All these issues are not usually found in just one home. Would you want to know now or wait to see if an issue comes up and then file a warranty claim? If you want to learn even more about inspections on new homes,

[CLICK HERE to read our article about new home inspections](#)

#7

HOW DOES A BUYER'S AGENT HELP IN A NEW HOME PURCHASE?



“An experienced buyer’s agent who specializes in representing buyers of new homes will save you not only headaches, but potentially thousands of dollars.”

The vast majority of real estate transactions occur with two real estate agents involved. A seller’s agent represents the seller, or builder in this case, and the buyer’s agent represents the buyer. A buyer’s agent is there to take the pressure off, to make sure nothing is left on the table that could benefit you, and to do most of the legwork for you. A seasoned and knowledgeable agent can guide you through the entire process.

If you have an agent from the very beginning of the process, they are able to help seek out properties, negotiate deals and manage the transaction all the way through to closing. Your agent’s job is to keep

you equipped with valuable knowledge, so you can make the best informed decisions.

A question that frequently gets asked is “Wouldn’t I get a better deal from the builder if I don’t have an agent and the builder only has to pay their agent?”. Never say never, but we haven’t heard of that. The builder would just pocket the difference or compensate their site agent more. More often than not, an experienced buyer’s agent who specializes in representing buyers of new homes will save you not only headaches, but potentially thousands of dollars.

So the question really is, WHY wouldn’t you have your own buyer’s agent?

Contact the Columbia New Home Buyer Team for Help in the Purchase of Your New Home

Buying a new home doesn't have to be overwhelming. The Columbia New Home Buyer Team is here to keep you fully informed and to answer any questions you may have along the way. Don't go it alone. Our team has over 13 years' experience in representing buyers of new homes. We ensure you get the best deal AND superior service. The team's service does not increase the price of the buyer's new home. In fact, our goal is to save our buyers all the headaches as well as potentially thousands of dollars. We can help you find a home, assist with negotiating an offer price and manage the transaction, so nothing is missed. We will be helping you make informed decisions every step of the way and be by your side until you have the keys of your new home in hand.

Visit <http://columbianewhomebuyer.com/about-us/> for more information on how the Columbia New Home Buyer Team can help you buy a new home. You can also contact Team Leader Adrian La Fosse directly at (803) 622-9731. **Email** is always welcome too at sales@greatercolumbiahomes.com.

What people are saying about us



"We met Adrian and the Columbia New Home Buyer Team while stationed in Hawaii. His team did a lot of things we couldn't do being out of town."
- **The Barton Family**



"The team helped us through the process from finding a neighborhood to finding a builder. We couldn't be more pleased!" - **The Jones Family**



"Thank you Adrian for being there from the beginning to the end. You are definitely awesome and we couldn't have done it without you!" - **Tevishiah and Jimmy**

What more people are saying <http://columbianewhomebuyer.com/testimonials>