

Using a Realtor to Purchase a New Home

Why should I use an Agent to purchase a new home?

The advantages of having an Agent like Eileen Craig to help you purchase a new home are the same as those for purchasing a resale home...knowledge of the market, help in finding the perfect home quickly, expertise in contract writing/negotiation, and closing assistance. The builder has a professional representative watching out for his needs, and you need the same expert representation.

Buying a new home is a little more difficult and time-consuming than buying a resale. Eileen can professionally guide you through this process. Eileen has experience working with builders, has access to a database of information about subdivisions, floor plans, etc. I am also familiar with new home warranties and builders purchase contracts.

It is very important that your interests be professionally represented when you are entering into a contract for a semi-custom or build-to-suit home. These transactions are complex and the contract details must be exact in order to protect you and to ensure you get exactly the home you want!

Is there any advantage to not using an Agent to purchase a new home?

No. There is no financial advantage for you to buy directly from the builder. Builders have a “single-price” policy, meaning you will be charged the same price whether your interests are represented by an Agent or not. Just as in any resale, the Seller pays your Agent’s fee.

REMEMBER – the Builder requires that your Agent accompany you on your first visit to the Builder’s sales office, or they will NOT PAY your representative’s fee!

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“Should You Use a Realtor When Buying a New Home? YES!”

Think of planning a trip to Europe without the help of a travel agent...or how about buying insurance without an insurance agent? Then imagine being involved in a major league business dispute, and you’re representing yourself in front of the judge and jury. If you depend on people in the service industry for travel needs, filing a claim for hail damage to your roof, or handling legal matters, then why would you want to represent yourself in the most expensive and probably most important purchase of your lifetime...your new home?

It is a common conception that buying a new home directly from the builder, without the assistance of a Realtor, will save you money. Not so! The price of a new home is the same whether you have a Realtor or not. Since this is the case, common sense would tell you to utilize a professional to help you with contract negotiations, researching loans, or helping you to decide which lot is best suited for you!

Phyllis Sinclair, a broker associate, has been on both sides of the fence. For 10 years she represented builders as an on-site salesperson. During the past three years she has represented both buyers and sellers in resale and the purchase of new homes. Sinclair sums up new homes sales as, “A one price policy...buyers receive all of the services and don’t pay them any extra, but they also don’t receive any discounts. I always felt concern for buyers who weren’t associated with a Realtor, as they didn’t have the support system they deserve in such a major lifetime transaction.”

In our current, fast-paced real estate market, there are many new home communities to choose from. You need to ask yourself some pertinent questions when looking for a new home. Is this a good builder? Does he have a solid reputation, years in business, etc.? How does the quality of his product compare to that of other builders? What are the existing inventories of the various builders? How do builder models meet your needs (floor plans, square footage, and location)? If I sell in a few years, what upgrades should I include to be competitive?

When you find the answers to these questions, ask yourself if the time spent in researching these answers was time well spent – put a dollar value on your time. Real estate professionals can be a valuable asset in collecting information in areas which may affect your decision on the purchase of a new home.

If builders rely on real estate professionals to sell their homes, then why wouldn’t you, the buyer, take the same precautions in assuring yourself the best service and expertise in making this important decision?