

I'm Buying New Construction, Should I Use a Realtor?

The short answer is a resounding **YES** and here are the main reasons why.

Representation – The real estate representative in the builder's sales office represents the builder's best interest not yours. An independent real estate agent represents your interests and advocates on your behalf. Additionally, a real estate agent will help you get the most value for the least amount of money and make the real estate transaction easy and frustration free.

What you See is Not What you Get – You tour the model and it looks great. The problem is the model isn't the base price of \$400,000 being advertised, it's \$500,000 because of all the upgrades. Top tier granite countertops, crown molding, upgraded appliances, built-in bookshelves and tray ceilings are usually upgrades and they add up. A realtor representing your interests will help make sure you're aware of what's included in the base price and what's extra.

Agent Fees – Buyers do not pay the real estate agent fees, the seller or builder does. Builders view commissions to real estate agents as part of their cost of doing business. In fact, they rely on outside agents to bring clients to them. Builders *will not credit buyers the commission they would otherwise pay to a Realtor*. If they were to do so, realtors would no longer bring clients through the builder's doors and ultimately it would impact their future sales. Therefore, there is no downside and no cost on your end to have an outside agent represent you.

Negotiations – You may be a great negotiator. Even good negotiators have told me that they are more effective when they negotiate for other people than they are when they negotiate for themselves because they don't have an emotional connection to what they're buying. An agent will look at the transaction from a dollar and sense perspective without being swayed by emotions. A good Realtor will also know what is and what is not negotiable and as you can imagine it varies by builder. For example, did you know many builders will cover some closing costs? Include a warranty? Include free upgrades? Builders are far more likely to negotiate on fees or upgrades than they are on price. An experienced agent will help guide you through negotiations and ensure you are getting the most for your money.

Get Everything in Writing – Any concessions or guarantees provided by the builder should be confirmed in writing. Do not sign any paperwork or contracts without ensuring everything you've agreed upon including upgrades, fees, timelines, etc. are incorporated into the contract. If you skip this step, the builder does not have to deliver what they agreed upon and you will have no recourse. An agent will ensure all the terms agreed upon are included in the contract.

Inspections – You may want to consider a home inspection when buying new construction. A builder doesn't necessarily want to inspect itself and if they did, would you trust they have your best interest in mind? Often times, homeowners think a new home warranty will cover any issues that arise. In certain instances, it does not. A good real estate agent will have relationships with

multiple independent inspectors who will look out for your best interest. An excellent realtor will even help the homeowners set the appointment with the inspector and review the inspector's report to identify potential areas of negotiation, corrections, repairs or replacements with the builder.

Financing – When you are buying new construction, the builder usually offers financing. But is it the best financing available? Even a small increase in the interest rate could have a significant impact on your monthly payment or the total amount you pay for the home. An experienced real estate agent will be able to connect you with reputable lenders so you can compare rates.

Contract – How familiar are you with a real estate contract? Do you know what to look for to make sure you are receiving all the benefits you're supposed to receive? Are you aware of any hidden fees or community fees? A real estate agent is an expert in the industry who is there to provide guidance throughout a real estate transaction. They review real estate contracts regularly and know what to look for to ensure everything is correct. Additionally, real estate contracts in Collier County are different than Lee County or wherever you are currently living. An independent agent knows the nuances of the different contracts locally and will help review and answer questions pertaining to the contract. I strongly recommend you do not sign any paperwork or contract without your agent being present to review and advise.

Quality of Construction – How familiar are you with the builder? What's their reputation? What is the quality of their construction? There are hundreds of builders in Collier and Lee County. An experienced agent will be familiar with all the major builders and their quality of work. They'll also be able to provide recommendations and references for custom home builders to ensure you are connecting with a reputable builder.

REGISTER – If you want to be sure you have someone looking out for your best interest, tell the builder on your very first visit that you are already working with an agent. If you do not communicate this information upfront when you are buying new construction, your agent won't be able to represent you and watch out for your best interest. If your agent is experienced with new construction there's a good chance they already have a working relationship with the builder and community for which you are interested.

Are you thinking of buying new construction? Don't go it alone, let me be your guide!