UNDERSTANDING HOW
NEW CONSTRUCTION WORKS

Bluffton | Hilton Head Area | Hardeeville & Surrounding Communities

Welcome!

Thank you for downloading The Lowcountry New Construction Buyer Guide. I hope you enjoyed my video and found it helpful as you explore new construction here in the Lowcountry.

My goal with this guide is simple: to help you understand what to expect, what to ask, and what to consider before you walk into a builder's sales center.

YOUR REPRESENTATION MATTERS

The builder's sales consultant is an excellent resource for information about their homes, homesites, options, construction process and incentives. Their role is to represent the builder.

Your real estate agent has a different role, working alongside you as an independent advocate and looking at the purchase from your perspective.

I help my buyers compare new construction with resale opportunities, evaluate builders, communities, homesites and options, understand total costs and incentives, and know what questions to ask along the way. I help them understand the process, what different terms mean, what to consider before making decisions, and who to turn to when questions arise.

I also coordinate independent inspections, track important dates and next steps, provide detailed property updates and video walkthroughs during construction when needed, and help buyers consider how today's choices may affect future resale.

BEFORE YOUR FIRST VISIT

If you'd like your own real estate representation, it's important to establish that relationship before visiting or registering with a builder.

Builder policies regarding agent registration vary, and you shouldn't assume an agent can be added later. Having that conversation before your first visit helps ensure you understand the builder's registration requirements from the beginning.

WHAT DOES BUYER REPRESENTATION COST?

In many Lowcountry new-construction communities, the builder typically pays the buyer agent's commission when the builder's registration requirements are met and compensation has been agreed upon.

This means you may be able to have your own representation without an additional commission expense to you. It's also important to understand that choosing not to have an agent does not typically mean that commission is credited back to you or deducted from the price of the home. Builders generally account for real estate agent compensation as part of their sales and marketing costs.

Compensation and registration policies vary by builder and community, so it's important to understand those arrangements upfront.

DIFFERENT ROLES. ONE GOAL.

The builder's team and your agent each have an important role, but they aren't the same role. Having someone alongside you who understands your priorities can add another layer of guidance throughout the experience.

Donna Iannacchino, REALTOR® | Brokered by: Real Broker, LLC | 845-489-1613

UNDERSTANDING YOUR OPTIONS

FROM HOMESITE TO FINAL PRICE

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Most Lowcountry new-construction communities use a production-building model, offering established floor plans with available homesites, structural options and design selections. Buyers can personalize their home, but within the choices and combinations offered by the builder.

Custom building generally offers much greater flexibility in architecture, layout, materials and finishes—and typically comes at a significantly higher cost.

Keep in mind: Even with a production builder, the final price can rise considerably above the advertised base price once the homesite, structural options and design selections are added.

TO-BE-BUILT VS. QUICK MOVE-IN

TO-BE-BUILT

You select from the builder's available homesite and floor-plan combinations—not every plan is available on every homesite. You'll typically make eligible structural choices followed by available design and finish selections, providing more personalization than a Quick Move-In while still working within the builder's offerings.

QUICK MOVE-IN (QMI) / INVENTORY / SPEC HOME

The builder has already started—or sometimes completed—the home, so the homesite, floor plan and some or all selections have been determined. Depending on the construction stage, limited choices may remain. The advertised price of a QMI typically provides a clearer picture of the home's overall price because the homesite and many or all selections are already factored in. Incentives, buyer selections, fees or other adjustments may still affect the final price.

DON'T STOP AT THE BASE PRICE

For a to-be-built home, the advertised base price is only the starting point:

BASE PRICE + HOMESITE PREMIUM + STRUCTURAL OPTIONS + DESIGN & FINISH SELECTIONS = PURCHASE PRICE

Keep in mind: Your total cost may also include closing costs, financing costs and other transaction-related expenses, less any applicable builder or lender incentives or credits.

Donna's Tip: I use simple formulas based on current builder pricing to help my buyers develop a high-level estimate of where a home may ultimately land before they get too far into the process.

THE MODEL HOME IS FOR INSPIRATION

Model homes showcase possibilities, but what you see is not necessarily what you get. They may include upgrades, decorator items, discontinued selections or features not available with your home.

See something you love? Ask: Is it included, an available upgrade, or not offered?

Your contract, specifications and selections determine what is included. Builder contracts may also allow certain substitutions or changes during construction, so understand what may be subject to change.

CHOOSING YOUR HOMESITE

Consider orientation, drainage, buffers, road noise, nearby amenities, views and future development. Homesite premiums can vary considerably, with more desirable locations often commanding higher premiums.

Donna's Tip: Ask about the full range of available homesites and premiums—not just what you see online. Availability and pricing can change.

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BEFORE YOU SIGN

WHAT TO UNDERSTAND BEFORE YOU COMMIT

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UNDERSTANDING INCENTIVES

Builder incentives may include closing-cost assistance, design credits, interest-rate promotions or discounts on certain homes. Offers vary and may be tied to a specific home, contract or closing date, or use of the builder's preferred or affiliated lender.

Donna's Tip: Look beyond the headline incentive. Compare the home price, interest rate, lender fees, closing costs and estimated monthly payment to understand the overall financial picture.

DEPOSITS & DESIGN SELECTIONS

Deposit requirements vary by builder and home, with additional funds sometimes due after structural or design selections. Understand the deposit schedule, when funds become nonrefundable, what's standard versus an upgrade, when pricing becomes final and whether later changes are permitted.

KNOW WHAT YOU'RE SIGNING

Builder contracts differ from standard resale contracts and may include specific provisions regarding deposits, construction timelines, changes, delays, closing dates and buyer obligations.

Builders typically retain flexibility over construction and closing timelines, while buyers may have specific obligations once a closing date is established.

Donna's Tip: Stay flexible and have a backup plan. Your home may be ready earlier or later than anticipated, so consider your moving arrangements, financing and temporary housing.

The written contract controls the transaction. Be sure you understand your deadlines and obligations, and seek legal guidance if you have questions requiring legal interpretation.

FINANCING & CLOSING PROFESSIONALS

Builders may have affiliated or preferred lenders and closing firms familiar with their transactions and processes. This can make coordination more streamlined, and certain incentives may be tied to the builder's preferred lender.

Buyers generally have the ability to choose their own lender and closing attorney. Ask whether using another provider affects any incentives being offered.

INDEPENDENT INSPECTIONS

Even a new home can benefit from an independent inspection. Ask what inspections are permitted and when they can occur. Depending on the builder and construction stage, this may include pre-drywall and/or final inspections.

Donna's Tip: Discuss inspections early so they can be coordinated around important construction dates.

LOOK BEYOND THE HOME PRICE

Your overall housing costs may include HOA/POA assessments, landscape fees, club or social memberships, transfer or initiation fees, insurance, property taxes and other community-specific expenses.

Donna's Tip: Consider getting an insurance estimate and don't rely solely on the current tax bill. Property taxes can differ significantly between a primary residence and a second home or investment property, so estimate them based on your expected purchase price and intended use.

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Questions to Ask Before You Commit

MY BUILDER VISIT CHECKLIST

BEFORE YOUR FIRST VISIT

□ WHAT IS THE BUILDER'S POLICY FOR REGISTERING MY REAL ESTATE AGENT?

□ DOES MY AGENT NEED TO BE REGISTERED OR PRESENT ON MY FIRST VISIT?

□ HOW IS BUYER-AGENT COMPENSATION HANDLED?

PRICE, OPTIONS & INCENTIVES

□ WHAT IS INCLUDED IN THE BASE PRICE—AND WHAT IN THE MODEL IS UPGRADED OR NOT OFFERED?

□WHAT ADDITIONAL COSTS SHOULD I BUDGET FOR BEYOND THE BASE PRICE?

□ WHAT INCENTIVES ARE AVAILABLE, AND ARE ANY TIED TO A SPECIFIC HOME, CONTRACT/CLOSING DATE OR PREFERRED LENDER?

□ WHAT IS MY ESTIMATED ALL-IN PRICE BASED ON THE HOME AND OPTIONS I'M CONSIDERING?

BUILDING PROCESS & YOUR TEAM

□ WHAT ARE THE MAJOR MILESTONES FROM CONTRACT THROUGH CLOSING?

□ WHO WILL BE MY PRIMARY CONTACTS, AND WHAT DOES EACH PERSON HANDLE?

□ HOW AND HOW OFTEN WILL I RECEIVE CONSTRUCTION UPDATES?

□ HOW WILL MY ESTIMATED CLOSING TIMEFRAME BE COMMUNICATED AND UPDATED?

PLANNING YOUR LOWCOUNTRY HOME SEARCH?

Researching new construction, resale, or both?
I can help you compare communities and options to find the right fit for your needs, budget and goals.

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DEPOSITS, CONTRACT & TIMING

□ WHAT DEPOSITS ARE REQUIRED, WHEN ARE THEY DUE AND WHEN DO THEY BECOME NONREFUNDABLE?

□ WHEN ARE MY SELECTIONS FINAL, AND CAN CHANGES BE MADE AFTERWARD?

□ HOW SHOULD I PLAN IF THE HOME IS COMPLETED EARLIER OR LATER THAN EXPECTED?

HOMESITE & COMMUNITY

□ WHAT OTHER HOMESITES AND PREMIUMS ARE AVAILABLE BEYOND WHAT I SEE ONLINE?

□ WHAT IS PLANNED AROUND THE HOMESITE—FUTURE HOMES, ROADS, AMENITIES OR DEVELOPMENT?

□ ARE THERE ANY HOMESITE-SPECIFIC RESTRICTIONS I SHOULD KNOW ABOUT (EASEMENTS, SETBACKS, FENCING, ETC.)?

INSPECTIONS, WALKTHROUGHS & WARRANTY

□ WHAT INDEPENDENT INSPECTIONS ARE PERMITTED, AND WHEN?

□ WHAT WALKTHROUGHS OR ORIENTATIONS OCCUR BEFORE CLOSING?

□ HOW ARE OUTSTANDING ITEMS HANDLED BEFORE AND AFTER CLOSING?

□ WHAT WARRANTIES ARE INCLUDED, AND WHO HANDLES WARRANTY QUESTIONS?

COSTS TO CONFIRM

□ WHAT HOA/POA, LANDSCAPE, CLUB, TRANSFER, INITIATION OR OTHER FEES APPLY, WHICH ARE MANDATORY, AND WHAT DO THEY INCLUDE?

□ WHAT SHOULD I EXPECT FOR PROPERTY TAXES BASED ON HOW I'LL USE THE HOME?

□ HAVE I OBTAINED AN INSURANCE ESTIMATE?

□ ARE THERE ANY OTHER ONE-TIME OR RECURRING COSTS I SHOULD CONSIDER?