

BUYER GUIDE | BILLINGS, MONTANA

Buying a New Build in Billings

Spec, semi-custom or custom: who represents you, what to get in writing, and how to protect yourself from the first model home to the 11-month warranty walk.



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START HERE

The short answer

A new home gives you current systems, a warranty and choices a resale cannot. It also comes with a contract written by the builder, a schedule you do not control, and costs that sit outside the base price. The buyers who do well settle three things before they fall for a floor plan: who represents them, what the full cost is, and what the contract says happens when something goes wrong.

Three ways to buy new in Billings

01	Spec home	Built before a buyer is under contract. Often finished or close to it, so the timeline is weeks instead of months. Choices are limited to what is left when you buy. This is often the simplest fit if you are relocating on a fixed start date.
02	Semi-custom	The builder's floor plans on lots in a subdivision, with selections from a set menu of finishes and options. You buy before completion and wait through the build.
03	Custom build	You own or buy the lot, hire a builder and decide the plan. The most control, the longest timeline, and the most decisions that carry cost risk. See my article on building from scratch in Billings for the cost and permit side.

Build or buy resale?

Billings homes sold for a median $389,900 from January 1 through October 21, 2026, and single-family homes for a median $400,000. The 176 Billings homes built in 2025 or later that sold in that window had a median price of $459,900 (Billings MLS). Compare a builder's full price, including lot, site work and upgrades, against finished homes in the same part of town before you decide the premium is worth it.

STEP 01

Decide who represents you before the first visit

The salesperson in the model home works for the builder. That is their job, and many are excellent at it. It also means nobody in that office is responsible for your side of the contract.

Ask the builder's registration policy first

Many builders only work with a buyer's agent who is registered or present at your first visit. Ask before you walk in or fill out a sign-in sheet, so you do not lose the option to be represented.

Expect a written agreement

Since August 17, 2024, agents who are MLS participants must have a written agreement with a buyer before touring homes together. It states how the agent is paid and caps it at that amount.

Compensation is negotiable

Commissions are not set by law. Some builders offer to pay part or all of a buyer agent's fee and some do not. Find out the builder's offer and put the arrangement in writing before you sign anything.

"The builder always pays your agent" is outdated

Older guides promise the builder always pays your agent. That is no longer a safe assumption. Know the number up front so it does not surprise you at the contract.

What your agent should handle

- ☐ Comparing builders, plans and lots against resale homes in the same price range
- ☐ Reviewing the builder's purchase agreement and flagging deposit, delay, escalation and warranty terms
- ☐ Tracking selection and change-order deadlines so choices are not made by default
- ☐ Coordinating independent inspections, the final walkthrough and the punch list
- ☐ Keeping the lender, title company and builder on the same closing timeline

For contract terms that carry legal risk, a Montana real estate attorney is the right reviewer. Your agent flags the issues; an attorney advises on them.

STEP 02

The process, start to keys

01	Agent and lender first	Sign your buyer agreement and get pre-approved for the loan type you will actually use (see Step 05). Builders take pre-approved buyers more seriously.
02	Builders and lots	Tour finished homes, not only models. Ask which finishes in the model are standard and which are upgrades.
03	Contract and deposit	Read the deposit, delay and cancellation terms before you sign. Builder contracts are written to protect the builder.
04	Selections	Prioritize structural choices that are hard to change later (layout, windows, electrical, insulation) over finishes you can change any time.
05	Construction	Inside city limits, the City of Billings issues the building permits and performs code inspections. Add your own inspector at pre-drywall and before closing.
06	Walkthrough and closing	Walk the home with a written punch list. Confirm the certificate of occupancy and the warranty documents before you sign closing papers.
07	After you move in	Test for radon in the first year, log warranty items as you find them, and schedule a walk with the builder before the first-year warranty ends.

Winter and the schedule

Billings winters affect foundation and exterior work, so the month you break ground shapes the whole schedule. Ask each builder for a written schedule that shows how they handle winter, and what the contract says if completion slips.



STEP 03

Vet the builder, not the model home

The floor plan is the easy part. The builder's registration, track record and warranty process decide how the next several years go.

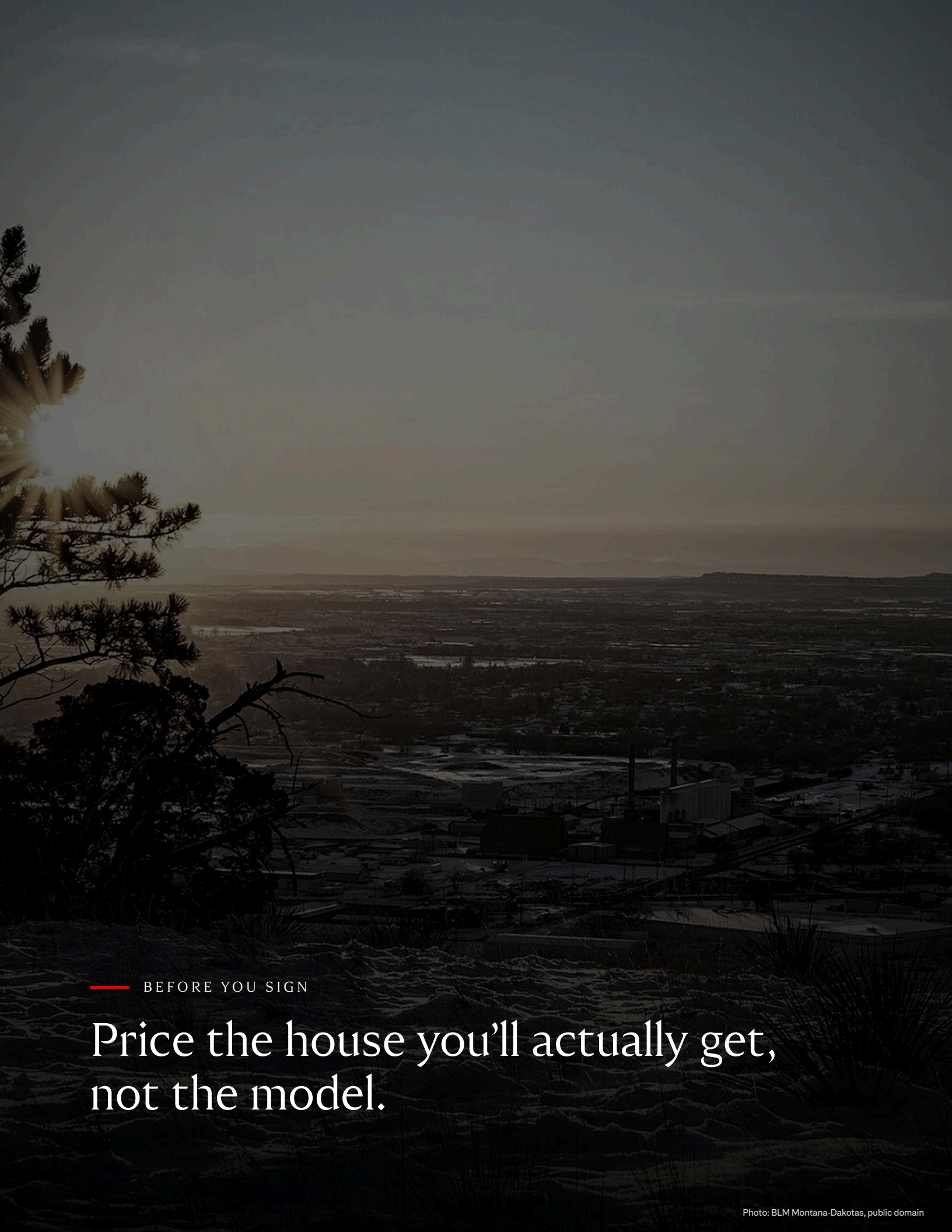
- ☐ **Check the state registration.** Montana requires construction contractors with employees to register with the Department of Labor and Industry. Ask for proof and confirm it is in good standing at 406-444-7734 or the department's online search.
- ☐ **Talk to recent buyers.** Ask for references from homes finished in the last two years, and ask those owners how warranty requests were handled.
- ☐ **Get an itemized bid or price sheet.** Know exactly what the base price includes and how allowances and upgrades are priced.
- ☐ **Ask how change orders are priced** and whether they carry an administrative fee.
- ☐ **Get the warranty in writing** before you sign: what is covered, for how long, who services it, and how you submit a claim.
- ☐ **Ask for the soils or geotechnical information** the builder used for the lot and foundation design.

Montana's notice-and-repair law

Before a homeowner can sue a builder over a residential construction defect, Montana law requires written notice of the claim. The builder then has 21 days to respond with an offer to inspect, repair or pay, or to dispute the claim. After an inspection, the builder has 14 days to make an offer. The process can only be enforced if the homeowner was given written notice of these requirements, so expect to see it in your paperwork and keep a copy.

Radon in new homes

Montana DEQ recommends testing every new home for radon within the first year, even with radon-resistant features. Montana DEQ puts radon resistance at $300 to $500 when it is built into a new home, against $1,250 to $2,500 to mitigate an existing home. Ask whether your builder includes them.



BEFORE YOU SIGN

Price the house you'll actually get, not the model.

Photo: BLM Montana-Dakotas, public domain

STEP 04

Know the full price and the fine print

Often outside the base price

- Lot premium
- Upgrades and allowance overages
- Window coverings
- Landscaping, fencing and irrigation
- Some appliances
- HOA dues and setup fees
- Special assessments on the lot (ask your title company)
- Rate lock or extension fees on a long build

$162 / sq ft

National average construction cost of a typical new single-family home, before land, in NAHB's Cost of Constructing a Home 2024 survey (published January 2025). A national reference only, not a Billings quote.

Contract terms to find before you sign

TERM	WHAT TO LOOK FOR
Deposit	Amount, when it becomes non-refundable, and what happens to it if your financing or a home sale falls through
Price changes	Any escalation clause that lets the builder raise the price for material or labor costs
Completion date	Whether there is a firm date, what counts as an excused delay, and any remedy if it slips
Selections and change orders	Deadlines, pricing and whether late changes are allowed
Inspections	Your right to independent inspections during construction and before closing
Lender incentives	Whether incentives require the builder's preferred lender, and what they are worth in dollars
Covenants and HOA	Recorded covenants, design rules, fees and any restrictions on fences, sheds or parking
Warranty	Coverage by component, length, and the claim process

STEP 05

Financing and inspections

01	Spec or finished home	Usually a standard purchase mortgage, closed once the home is complete.
02	Builder-financed build	The builder carries construction costs and you close with a purchase mortgage at completion. Watch the rate lock period against the build schedule.
03	Construction-to-permanent	Common for custom builds on your own lot. One loan covers the build and converts to a mortgage. Ask how draws, inspections and interest during construction work.

Compare the incentive to the rate

Builder incentives for using a preferred lender can be worth taking. Ask both lenders for a written Loan Estimate on the same day and compare total cost, not the size of the credit. I work closely with Brian Hafner at Universal Lending in Billings, and I encourage clients to compare any lender's terms side by side.

I have a marketing services agreement with Universal Lending Home Loans. You are free to choose any lender.

Questions for any lender

- ☐ How long can you lock my rate, and what does an extension cost if the build runs late?
- ☐ Is there a float-down option if rates drop before closing?
- ☐ If I am selling a home elsewhere, can I buy first, and what does that require?
- ☐ What could change between pre-approval and closing on a long build?

Inspect a new home anyway

City inspections confirm code compliance. They are not a quality inspection on your behalf. I recommend two independent inspections: pre-drywall, while framing, wiring and plumbing are visible, and before the final walkthrough. Ben Hepner of Hollowtop Inspections is the inspector I use most often. Schedule a third look before the first-year warranty ends.

WORKSHEET

Questions to ask every builder

Ask the same questions of each builder and write the answers down. The differences show up fast.

Track record

- ☐ How long have you built in Billings?
- ☐ Proof of Montana contractor registration and insurance
- ☐ Three references from homes finished in the last two years
- ☐ Who is my day-to-day contact during the build?

Price

- ☐ What exactly does the base price include?
- ☐ What are the allowances, and how are overages priced?
- ☐ Can the price change after I sign?
- ☐ How are change orders priced?

Schedule

- ☐ What is the written completion timeline?
- ☐ How do you handle winter?
- ☐ What happens if completion is late?
- ☐ How and how often will you update me?

Contract

- ☐ When does my deposit become non-refundable?
- ☐ Can I bring my own inspector at pre-drywall and final?
- ☐ Am I required to use your lender to get incentives?
- ☐ Do you pay a buyer agent fee, and how much?

Lot and community

- ☐ Lot premium, and why
- ☐ Recorded covenants, HOA fees and design rules
- ☐ Any special assessments on the lot
- ☐ What is planned on nearby vacant land?

Warranty

- ☐ Coverage and length for each component
- ☐ How do I submit a claim, and how fast do you respond?
- ☐ Do you schedule an 11-month walkthrough?
- ☐ Do you include radon-resistant features?



IF YOU ARE MOVING TO BILLINGS

Buying new from out of state

A new build can make a long-distance move easier, because there is less unknown history to investigate. It also adds a schedule you cannot fully control from another state.

- ☐ **Match the home type to your start date.** A finished spec home fits a fixed move date. A semi-custom build needs a plan for where you live until it is done.
- ☐ **Plan the sale of your current home** with your lender before you sign a build contract with a deposit at risk.
- ☐ **Use live video for selections and inspections** you cannot attend, and get every decision confirmed in writing.
- ☐ **Compare against resale** in the same price range so you know what the new-build premium buys you.

Six mistakes I help buyers avoid

01	Walking in alone	A first visit without your agent can cost you representation under some builders' policies.
02	Pricing the model	Models show upgrades. Price the home you will actually get.
03	Skipping inspections	New does not mean defect-free. Inspect at pre-drywall and final.
04	Upgrading the wrong things	Spend on structure and systems first. Finishes can change later.
05	Assuming the agent fee	Confirm what the builder pays before you sign the contract.
06	Losing warranty rights	Report items in writing and walk the home before year one ends.

NEXT STEP

How I help new construction buyers

My job is to put a builder's offer next to everything else your money could buy in Billings, then protect you through the contract, the build and the walkthrough.

01	New vs resale, side by side	Full builder price against comparable resale homes, so the premium is a number you choose.
02	Contract review	I flag deposit, delay, escalation and warranty terms before you sign.
03	Deadlines and inspections	Selections, change orders, pre-drywall and final inspections stay on schedule.
04	Remote buyers	I coordinate the build, the lender and the move timing for clients relocating to Billings.

Looking at a new build in Billings?

Book a call before your first builder visit. We will talk through home type, timeline and budget, and how representation works with the builders you are considering.

BOOK A NEW CONSTRUCTION CALL

Moving from out of state? Start with my Billings relocation resources.



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SOURCES

Where the facts come from

Sources were rechecked on October 27, 2026 unless noted. Confirm current rules with the source before you act.

Billings median sale prices. Billings MLS export, residential sales with a Billings address closed January 1 through October 21, 2026: median $389,900 all residential (1,661 sales); $400,000 single-family (1,338 sales); $459,900 for homes built in 2025 or later (176 sales). Medians mix new and older homes; no individual sale is reported.

Written buyer agreements before touring; compensation negotiable and capped. National Association of REALTORS®, "Written Buyer Agreements 101," effective August 17, 2024. nar.realtor/the-facts

Construction contractor registration. Montana Department of Labor and Industry, Construction Contractor Registration, 406-444-7734. erd.dli.mt.gov

Notice-and-repair process for construction defects. Montana Code Annotated 70-19-427 (with 70-19-426 and 70-19-428). mca.legmt.gov

Radon testing in new homes and radon-resistant construction costs. Montana Department of Environmental Quality, Radon Program, and DEQ Energy Code newsletter, Fall 2022 Best Practices (radon resistance in new construction $300 to $500; mitigating an existing home $1,250 to $2,500). deq.mt.gov

National construction cost. National Association of Home Builders, Cost of Constructing a Home 2024, published January 20, 2025: average construction cost $428,215, about $162 per square foot for 2,647 finished square feet; national survey of 41 builders.

Building permits and inspections inside city limits. City of Billings Building Division and Web Portal, cityview.billingsmt.gov. Outside city limits, contact Yellowstone County or the town where the lot sits.

Vendors named. Brian Hafner (Universal Lending) and Ben Hepner (Hollowtop Inspections) are professionals Gene works with. I have a marketing services agreement with Universal Lending Home Loans. You are free to choose any lender or inspector.

This guide is general educational information, not legal, tax, lending or construction advice. Have contracts reviewed by a Montana real estate attorney. Gene Hauck is a Real Estate Broker, REALTOR®, with The Morales Group at Engel & Völkers Billings, 1921 1st Ave N, Billings, MT 59101, Montana license RRE-BRO-LIC-135399. Equal Housing Opportunity.