

**NEW HOME
BUYING GUIDE**

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The information contained herein may change at any time. Jeffrey & Nicole Musgrave are not attorneys or mortgage lenders and the information in this booklet is not to be construed as legal or financial advice.



Why Buy a Brand New Home?

Home Warranty

Most builders offer a 1-2-10 warranty or the Florida minimum required 2-10 warranty. This covers 1 year materials and labor; 2 years on plumbing, electrical, heating, and air; and 10 years to cover structural defects including foundations and load-bearing walls.

Instant Equity

Purchasing new construction early can create instant equity in your home. As the community progresses, prices will begin to increase either monthly or quarterly. Buying new construction early can be a great strategy for building wealth.

Incentives

New construction closing costs typically have additional fees beyond the “normal” estimated closing costs associated with an existing home (~5% vs ~3%). Most builders offer incentives to pay these closing costs if a buyer finances through the builder’s preferred lender.

Customization

One of the benefits of buying a new home is the ability to customize it. Some builders offer coordinated packages put together by interior designers while others have you visit a design center to view and complete your selections.

SMART Features

Many builders are beginning to build smart home features into their new homes as standard options. Others are offering these features as upgrades. Regardless, features like voice control, digital locks, and smart thermostats save owners time and money.

Energy Efficiency

A new home means the latest in updated building codes. This means better construction practices that create better energy efficiency than code in previous years. Some of the things that contribute to the energy efficiency of a home are Energy Star-Rated Appliances, higher R-valued insulation, better air sealing, multi-pane windows, and radiant barriers in the attics.

Choosing the Right Builder



Once you know what type of builder you need, research the top 10 in your desired area(s). For production/infill builders focus on production numbers & delivery timelines. For smaller custom builders, a portfolio of completed projects or past client reviews is a great place to start.

Production

A production home builder builds houses, townhouses and condos on land that is owned by the building firm. Using stock plans, or plans developed by the real estate or building company, the production home builder will construct a large number of homes each year. This type of builder may also be referred to as a “spec” or “inventory” builder.

Full Custom

A custom home is a one-of-a-kind house that is designed specifically for you. A custom home builder may use plans created by an architect or a standard floorplan to start with. While these types of homes can be easily customized, picking out every single item can be intimidating or overwhelming for some and has a much greater time commitment

Semi-Custom

A semi-custom builder blends between a pre-built house and a custom one. For a semi-custom home you choose between several floor plans and then you choose any options or add-ons you would like (ex: extended lanai). Most semi-custom builders have pre-packaged options that significantly change the base floorplan such as adding bedrooms, bathrooms or garage space. These are known as structural options.

Urban Infill

Urban infill is new development that is sited on vacant or undeveloped land within an existing community, and that is enclosed by other types of development. The term “urban infill” itself implies that surrounding existing land is mostly built-out and what is being built is in effect “filling in” the gaps. These types of builders may also build on your lot if it meets the specifications for one of their floorplans.

The Four Pillars of New Construction



Location

Available builders, construction materials, pricing, and build times can widely vary between geographical locations. The Greater Tampa Bay Area sees the most amount of construction delays in late spring due to a 3-6 week period of rainy days.



Community

Researching communities is the next step in the new home process. Ask for a list of community features, HOA costs, CDD fees and lot premiums. Depending on the size of the community this information can be obtained from a general welcome center or any builder in the community.



Floorplan

While some shoppers prefer to pick a specific builder they like, we recommend to visit all builders in your selected communities. The New Home Consultants should be able to identify 1 or more floorplans that meet what you are looking for. This will help you narrow down your options the fastest.



Homesite

Sometimes lower prices can mean steep homesite premiums. Make sure to ask the builder if they offer any \$0 lot premiums. This will help you make a cost based decision. Keep in mind, if you are looking for a water view, conservation view, corner or oversized lot, these homesites will always cost a premium.

How to get the Best Deal on your New Home.



Inventory Homes

Once a home is complete, the builder is now paying for repetitive tasks like lawn service, utilities, cleaning, taxes and more. Their margin drops every minute they have a home “on the books.” These home will typically be discounted to sell fast, the longer it sits the more willing the builder is to strike a deal.

End of Quarter/Year

Bigger builders are publicly traded companies. This means that the share holders and board of directors want numbers. This is why builders are eager to close on homes when nearing the end of quarter or end of fiscal year. Not all builders use the same fiscal year but a seasoned NHC should be able to share that with you.

Hiring a Broker

Some broker’s offer incentives to use their services in the new home process. Sometimes they will advertise to pay your moving costs, buy you out of your lease or provide a cash rebate at closing.

Tip: You might think that all NHC’s are created equal but this isn’t always the case. Choosing an experienced and producing sales rep could give you the upper hand in the long run, but doesn’t guarantee that you aren’t leaving money on the table.

Pre-Sales

Pre-sales are the trickiest way to save money on a new home for 3 reasons:

1. Delays are common in the home building industry so you must have the flexibility to “pull the trigger” as soon as the home is available for purchase.
2. Builders only build certain homes for the models so you may have to drive a good distance to see a finished model. You may have to purchase the home without even getting to see a finished example of your selected floorplan.
3. Demand is much higher for pre-sale homes as everybody loves to be first. You will find that buying one of the first homes in a community is a lot tougher than just signing your name up on a list.

Some builders don’t allow for pre-sales. In these communities, typically sales begin at a large grand opening event.

Purchasing a pre-sale home will maximize instant equity but can also be risky. Builders often make changes to the construction process after the first set of homes are complete.

Common Mistakes

Financing

The #1 difference in financing new construction is the length of time it takes to close. Build times average 6-8 months so it is important to understand that you must be able to qualify for your loan all the way up to closing day. This means implementing wise credit management practices. Check with your lender before making large purchases or opening a new line of credit. Also, keep in mind you will not be able to lock in your rate until your home is nearing completion. If you are tight on numbers a small increase in rate could put your debt to income ratios to high causing you to get denied for your loan.

Taxes

Seller's typically pays the pro-rated portion of the taxes for the year you purchase the home. When you buy new construction, the estimate of taxes at closing are minimal as they are just based off of the previous year's land value. Once your new home is re-assessed, expect the taxes to increase to roughly 1%-2% of the purchase price. This can cause your monthly payment to significantly increase so it is imperative to file for any homestead exemptions and portability you are entitled to asap.



Jeff and Nikki Musgrave represented me as my realtors and I can't say enough great things about how well both of them treated my fiance and I throughout the entire process. 5 Star!



Stages of the New Home

1

Purchase Agreement

Once you have come to terms on floorplan, lot and price you will need to sign a Purchase Agreement to reserve your home.

Most builders require escrow deposit at this time. New Construction Escrow requirements can range from \$500 all the way up to 10% of the purchase price of your home. It is important to have your Real Estate Professional review your paperwork before signing so you understand your rights & obligations.

2

Options & Upgrades

Structural Options are typically selected at the time of contract, however design selections are usually made at a later date.

Some builders have online catalogs to browse from home while others have full blown design centers with professionals ready to assist you with coordinating colors and picking out finishes. Large production builders might only offer a few different design packages to choose from. This greatly simplifies the selections process, but can also limit you on your options.

3

Building your Home

You should be notified when your home has broken ground and throughout different stages of the building process. Feel free to drive by your home to view the progress, however it is important not to walk the site without a builder representative present. Your Realtor can also assist by sending you progress photos, documents to e-sign, and more. It is a good idea to schedule a visit to view the interior of the home after drywall has been completed. This is a great time to get any measurements needed for furniture.



ProTip: Record the Orientation on your smart phone. You'll be

Home Buying Process

4

New Home Orientation

Once construction is almost complete, a builder representative will reach out to you to schedule your New Home Orientation. This is where you learn how to use all the bells and whistles inside and outside your home as well as get valuable information for utility providers and registering warranties. This is also where you and the builder can make note of any construction defects that you would like corrected prior to closing. (ex: thin paint, chipped flooring, scuffed baseboards, cabinet adjustments, etc...). It doesn't hurt to bring your own roll of blue painter's tape.

5

Final Walk Through

Some builders combine the final walk through with your new home orientation while others still complete them at separate times. Make sure you ask the builder's representative if this is the case with your home. The final walk through is typically the time you verify that all the corrections you requested were completed. Once you sign off on the final walk you are accepting the home in its current condition unless any incomplete items you requested are listed on the document you sign. This is also when you want to schedule the utilities to be turned on in your name on closing day.

6

Closing Day

Closing day has finally arrived and everyone is excited to sign on the dotted line. A few days before closing you will receive the final dollar amount that must be wired to the title company before closing. Also, make sure you don't forget a photo I.D. and any original documents the title company has requested such as a Power of Attorney or marriage certificate. If your new home is in a gated community make sure the builder provides you with a temporary gate code until the HOA can process you in their system.

l be excited and might not be paying as close attention as you should.

Why it is important to use a Buyer Broker:

Won't I get a better deal without the builder having to pay a commission?

Some people think they get a better deal on their home by not using an agent. This is a huge misconception as builder's pay agent's out of their marketing budget so the price of the home is unaffected.

Connections.

Top notch, experienced New Home agents have an almost infinite network of communities, builders, incentives, top sales reps and MORE. They will also have relationships with upper management because of their past sales. This could help you squeeze that extra upgrade or few thousand dollars more out of the builder during negotiations.

Experience.

Due to the more simplistic nature on the backend of selling new homes, there are A LOT of part time realtors specializing in "New Home Sales". Be wary of people who tell you they are a New Home Expert. Ask them questions like: How many homes have you sold in the past year? How many of them were NEW? What builders have you sold for? What builders are you familiar with? What builders should we avoid & why?

Negotiations.

A true new home expert knows where the builder will bend during negotiations. If they have sold multiple homes in a community they may even know the builder's bottom line which will save you time, money and headache.

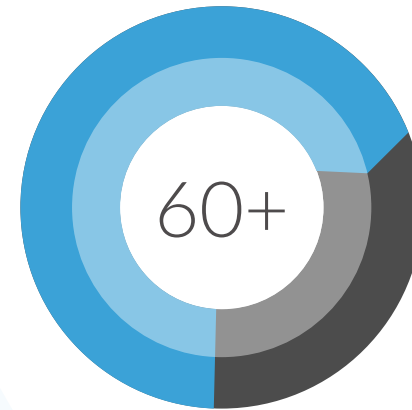
Liability.

A broker is required to buy insurance for every transaction they are involved with. This gives you an extra layer of protection in case something goes wrong during your purchase process.

In order for a Realtor to get paid on a sale, they must be designated by the buyer on the original Purchase Agreement. They are not able to be added or removed after signing paperwork. If they are designated as your agent on the Purchase Agreement, you should be covered by their errors and omissions insurance.

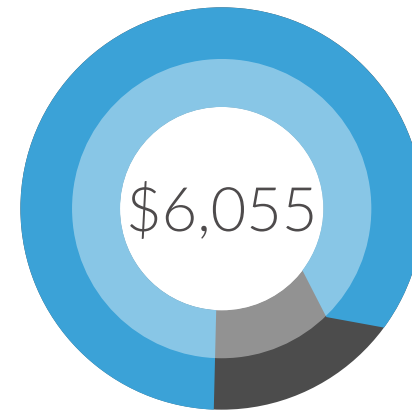


Total 5 Star Reviews from Past Clients:



We take our reputation very seriously and our clients reward us for this. With more than 50 Five Star Reviews on Google, Zillow & Facebook, The Musgrave Group continues to deliver exceptional customer service for our clients time and time again.

Average New Home Savings Per Client:



New Homes are our specialty. Through our vast network of Builder Reps and New Home Consultants, we work to get you the best deal on the new home of your dreams. If we can't beat any price the builder has quoted you, we will credit you \$1000 at closing.

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The Musgrave Method.



01. Consultation

Over the phone or in person, our initial consultation is the first step to ensuring a smooth process from purchase contract to closing table. We discuss important topics like pre-approval, timelines, and more.



02. Viewings

We send you homes that meet your wants and needs and research properties you show interest in. We then work within YOUR schedule to setup showings. This step is where we hit the pavement to find out which homes make the cut and which ones fall short.



03. Paperwork

Don't let your contract paperwork leave you vulnerable. As your personal paperwork ninja we help you structure your offer to reduce your risk and give you the best competitive edge, even in a multiple offer situation.



04. Closing

Once your offer is accepted, we will assist you with as much as you would like. From dropping escrow deposits and scheduling inspections to vendor recommendations and general education, we are by your side for every step to the closing table.



I made a habit of stopping by the model center at least once per week to grab a free coffee...I was able to get to know the reps and they made an extra effort to keep me updated on the progress of my new home.



About Us



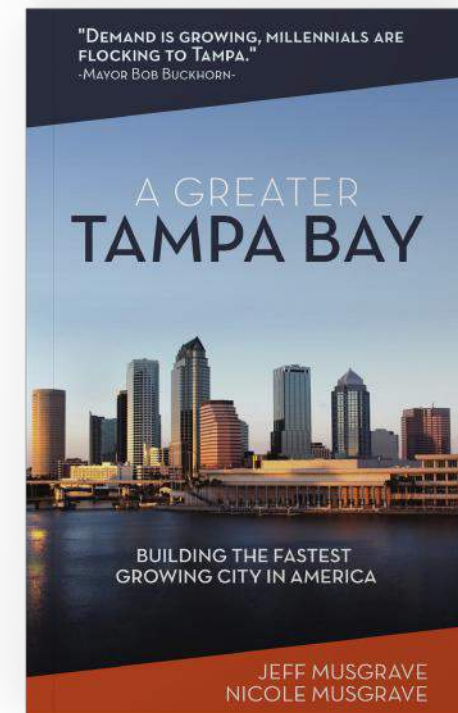
Jeff Musgrave
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Licensed in 2010, Jeff has an extensive knowledge of the Tampa Bay area and specializes in New Home Sales. After receiving his brokers license in 2016, he continues to train new agents on his proprietary system called "The Musgrave Method" while still helping his client list buy and sell real estate. Be sure to grab a copy of his book titled A Greater Tampa Bay, as he shares amazing insight into why Tampa is positioned to become the hottest economy in the United States within the next 24 months.



Nicole Musgrave
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Nicole is a 6th generation Floridian, born in Dunedin, FL. Nicole graduated from North Georgia College & State University with a B.S. in chemistry. After running a lab for Johnson & Johnson she quickly realized that this was not the job for her. After moving back to Florida, Nicole took a local car sales job and outsold the entire internet department in her first week. Nicole quickly realized she had a passion for sales. In 2015 she passed her real estate exam and sold 6 homes in her first 90 days. Wanting to continue her education she gained her Broker's license in 2017. That same year, she and her husband had a child and co-authored "A Greater Tampa Bay". Nicole specializes in new construction and residential investing.



available at
amazon

**“ We put our clients first
and that’s why our clients
become clients for life.”**





Stay in Touch

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Jeffrey & Nicole Musgrave are licensed real estate brokers in the State of Florida. The Musgrave Group office address is 3225 W Cypress Street Tampa, FL 33607. Jeffrey Musgrave is the Broker of Record for The Musgrave Group LLC. License #: CQ1060572

“In looking for people to hire, look for three qualities: integrity, intelligence, and energy. And if they don’t have the first, the other two will kill you.”

-Warren Buffett