



A BUYER'S GUIDE

Negotiating a New Construction Home

A buyer's guide to price, incentives, upgrades, lots, and the fine print, guided by Jenny Jun.

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Buying a brand-new home is exciting, and it works a little differently than buying a resale. With a resale, you're negotiating with a homeowner. With new construction, you're negotiating with a company that sells homes every week and has its own sales team, its own contract, and often its own lender and title company. That isn't a bad thing. It just helps to know where builders tend to have flexibility and where they usually don't.

I put this together so you have the big picture before you start walking new-construction model homes in North Texas. It isn't a script, and every builder, phase, and month is a little different. Think of it as the conversation I'd have with you over coffee, so that when we sit down with a builder you already know which questions matter and what's worth asking for.

Jenny

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HOW TO READ THIS GUIDE

Most of what follows is general advice I give new-construction buyers across North Texas. Where you see the tag **GENERAL NORTH TEXAS GUIDANCE**, it means that point is common in our area but varies by builder and lot. We'll confirm those items in writing for your specific builder and lot before you commit to anything.



BEFORE YOUR FIRST MODEL-HOME VISIT

Many builders ask that your agent come with you, or be registered, on your very first visit.

GENERAL NORTH TEXAS GUIDANCE If you stop into a model on your own, give the sales office my name and send me a quick text. We'll go over how my compensation works in our buyer representation agreement, and I'll confirm what the builder offers before you sign anything.



Negotiating with a Builder



1. Price and incentives

LOOK AT THE MONTHLY PAYMENT, NOT JUST THE STICKER PRICE

Builders often protect their base prices, because a visible price cut can affect appraisals and every other home they are selling in the neighborhood. So their flexibility tends to show up as incentives instead: help with closing costs, a lower interest rate through their preferred lender, design-center credits, or features included at no charge.

GENERAL NORTH TEXAS GUIDANCE

An incentive can be worth more to you than the same dollars off the price. Money used to buy down your interest rate can lower your payment every single month, while the same amount off the price changes the payment only a little. On the other hand, a price reduction permanently lowers your loan balance, and some rate buydowns are temporary and step back up after a year or two. Neither is automatically better. The only fair way to compare is side by side, in writing.

- Ask the lender for a written Loan Estimate for each option so we can compare the real monthly cost: principal and interest, taxes, insurance, HOA dues, any special assessments, and mortgage insurance.
- Preferred-lender incentives usually require using the builder's lender. That can be a fine choice, but get a competing quote from a lender you pick so you can see what the incentive is really worth.
- Finished or nearly finished homes (often called inventory or spec homes) can carry more flexibility than a home that hasn't been started, because the builder carries the cost every month it sits. **GENERAL NORTH TEXAS GUIDANCE**
- Read the fine print on every incentive. Many are tied to a closing deadline, a specific lender or title company, or a specific home.

Side-by-side worksheet: we'll fill this in together with real Loan Estimates.

	Option A	Option B	Option C
Price			
Incentive (type and conditions)			
Interest rate and term			
Monthly principal and interest			
Taxes, insurance, HOA, assessments			
Cash needed at closing			
Total monthly cost			

Upgrades and the Lot



2. Upgrades

PAY THE BUILDER FOR WHAT IS HARD TO ADD LATER

The design center is fun, and it adds up fast. My rule of thumb: pay the builder for things that live inside the walls, the slab, or the structure, and save the easy cosmetic changes for after you move in, when you can shop around and take your time.

USUALLY WORTH DOING WITH THE BUILDER

- Structural and layout options (extra bedroom or study, extended patio, larger garage)
- Extra outlets, ceiling-fan pre-wires, and lighting circuits
- A dedicated garage circuit for a future EV charger
- Plumbing: refrigerator water line, gas line to the patio, laundry sink
- Insulation, windows, and energy-efficiency options
- Cabinet layout and height, shower layout, and tile that would require demolition to change

- Get the final upgrade list, with prices, in writing before you sign off on selections.
- Upgrade deposits are often non-refundable once items are ordered. **GENERAL NORTH TEXAS GUIDANCE**
- Upgrades do not always appraise dollar for dollar, so focus on what you will actually use and enjoy.
- Ask whether an incentive can be applied to upgrades or to closing costs, and choose whichever helps you more.

OFTEN BETTER AFTER CLOSING

- Paint colors
- Light fixtures, faucets, and cabinet hardware
- Window coverings and closet systems
- Some backsplashes and appliances (compare prices first)
- Landscaping and fencing upgrades beyond the standard package (check HOA rules)
- Smart-home devices and garage storage



3. Choosing the lot

THE LOT IS THE ONE THING YOU CAN NEVER CHANGE

You can repaint a room or replace a countertop, but you can't move the house. I would rather you take a slightly smaller plan on a great lot than the reverse.

- **Lot premiums.** Corner lots, larger lots, cul-de-sacs, and lots facing open space or water often carry a premium. Ask exactly what the premium is for and whether there is any room on it. A premium does not always come back to you in full at resale.
- **What backs up to you.** Greenbelt, another home, a main road, a utility easement, or land that hasn't been developed yet. Ask to see the community plan and plat, and we'll check the city's planning information too, since plans for nearby land can change.
- **Drainage and grading.** North Texas clay soil swells when wet and shrinks when dry, which is why drainage and foundations matter so much here. **GENERAL NORTH TEXAS GUIDANCE** Look at how the lot slopes, where water will run, and whether you share a drainage swale with neighbors. It's fair to ask about the foundation design and any soils or engineering report for the lot.
- **Which way the house faces.** In Texas summers, a west-facing backyard gets the strong afternoon sun. Some people love that for a pool; others want a shaded patio. It's personal, but worth noticing.
- **HOA and assessments.** Many newer North Texas communities have HOA dues, and some also have a special district assessment (often called a PID or MUD) that appears on the property tax bill. **GENERAL NORTH TEXAS GUIDANCE** I'll confirm what applies to the specific community and lot from the HOA documents and tax records before you commit.
- **HOA rules.** Read the deed restrictions for fences, pools, sheds, parking, and leasing before you sign, not after.

Deposits and Closing Costs



4. Timeline and deposits

KNOW WHAT IS REFUNDABLE, AND WHEN

- **Earnest money.** Builders often ask for more earnest money than a resale seller would.
GENERAL NORTH TEXAS GUIDANCE Ask who holds it (a title company or the builder) and at what point it becomes non-refundable.
- **Design and upgrade deposits.** These are frequently separate from earnest money and frequently non-refundable.
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- **Option period.** Texas resale contracts usually include a short option period to back out for any reason. A builder's contract may handle this differently or not offer one at all. **GENERAL NORTH TEXAS GUIDANCE** We'll know before you sign.
- **Completion dates are estimates.** Weather, materials, and inspections move schedules. Ask what the contract says if the home runs late, and what your options are if it runs very late.
- **Rate lock.** If the home is months away, talk with your lender early about how long you can lock a rate and what an extension costs.
- **Appraisal and financing.** Ask what happens if the appraisal comes in below the contract price or your loan isn't approved.



5. Who pays for what at closing

EVERY BUILDER'S CONTRACT SPLITS COSTS A LITTLE DIFFERENTLY

The table below is a starting point based on what is typical in North Texas, not a promise about any builder.

GENERAL NORTH TEXAS GUIDANCE The contract is what controls, so this is one of the first things I look at.

Item	Typical in North Texas	What to ask
Owner's title policy	Seller often pays in resales; builders vary	Who pays, and which title company is used?
Title company	Builder often selects one	Can we use a different one, and does that affect incentives?
Survey	Usually needed on a new home	Is it included?
Lender fees	Buyer, unless an incentive covers them	Which fees does the incentive cover?
Prepays and escrow	Buyer (taxes, insurance, interest)	How was the tax estimate calculated?
HOA transfer or capital fee	Often the buyer	What is the exact amount?
Inspections	Buyer	Can my inspector access the home?

A word on property taxes. On a brand-new home, the first tax bill can be based mostly on the value of the land, then jump the next year once the finished house is appraised by the county. **GENERAL NORTH TEXAS GUIDANCE** We'll budget your payment on the full completed value so there are no surprises.

Inspection, Warranty, Contract



6. Get your own inspection

YES, EVEN ON A BRAND-NEW HOME

City inspections check that the home meets minimum code at certain stages, and the builder's superintendent may be overseeing many homes at once. Neither one works for you. An independent inspector does, and the cost is small compared to what you are buying.

- **Pre-drywall:** the most valuable visit. The inspector sees framing, plumbing, electrical, and HVAC before the walls close.
- **Foundation (pre-pour):** helpful if the timing works and the builder allows it.
- **Final:** before your walkthrough, so items can be added to the punch list.
- **11-month:** just before a one-year workmanship warranty would end, so issues get reported in time.
- Confirm in the contract that your inspector may access the home, and what scheduling or insurance rules apply.



7. Warranty and the final walkthrough

WRITE EVERYTHING DOWN

- Many builders offer layered coverage: a shorter period for workmanship, a longer one for major systems, and the longest for structure. You'll often hear this called "1-2-10." **GENERAL NORTH TEXAS GUIDANCE** Read the builder's actual warranty document, especially the exclusions, and note who handles claims and how to submit one.
- At the walkthrough, test everything: doors, windows, faucets, appliances, outlets, and the HVAC. Bring painter's tape, take photos, and get the punch list in writing with expected completion dates.
- Anything that won't be finished before closing should be put in writing, with a date.
- Keep a running list after you move in so nothing is forgotten before the warranty deadlines.



8. The contract

THE BUILDER'S CONTRACT IS WRITTEN FOR THE BUILDER

Builders usually use their own contract rather than the standard forms we use for resale homes in Texas. It is written by the builder's attorneys to protect the builder. That is normal, and it is exactly why you should never sign one on the spot. Take a copy home, and let me go through it with you first.

- I review deposits, completion and delay terms, financing and appraisal terms, closing-cost splits, incentive conditions and deadlines, inspection access, the warranty, the builder's right to substitute materials, and how disputes are handled (many builder contracts require arbitration).
- If a sales consultant promises something, it needs to be in the contract or a signed addendum. Verbal promises don't carry over.
- I'm your agent, not an attorney. If anything raises a legal question, I'll recommend you have a real estate attorney take a look.

Questions and Next Steps



Questions to bring to the sales office

- ☐ What incentives are available on this home right now, and what are the conditions?
- ☐ Is the incentive tied to your lender or title company?
- ☐ What is standard in this plan, and what in the model is an upgrade?
- ☐ What is the lot premium on this homesite, and what is it based on?
- ☐ What is planned behind and around this lot?
- ☐ What are the HOA dues, and is there a PID or MUD assessment?
- ☐ How much earnest money, who holds it, and when is it non-refundable?
- ☐ What is the estimated completion date, and how are delays handled?
- ☐ Can my inspector visit at pre-drywall and before the final walkthrough?
- ☐ May I take a copy of the contract and warranty home to review?



Next steps

1. Text me before your first model visit so I can register you.
2. Get pre-approved with a lender you choose, so we have a baseline to compare builder offers against.
3. We tour builders and homesites together.
4. Before you sign anything, I review the contract, incentives, and HOA documents with you.



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This guide is general information for North Texas home buyers and is not legal, tax, or lending advice. Builder policies, incentives, HOA terms, and assessments vary by community, builder, and lot, and change over time. Anything specific to a community, builder, or lot should be confirmed in writing with the builder, the HOA documents, and your lender. Jun Residential Group is affiliated with eXp Realty. Texas Real Estate Commission Information About Brokerage Services and Consumer Protection Notice available on request.