new Home | dispatch

THE INDEPENDENT GUIDE TO NEW CONSTRUCTION · AUSTIN, TX

# The Central Texas New Home Playbook

The complete buyer guide to new construction — all 16 chapters.

**Q3 2026 EDITION · 16 CHAPTERS · 3 LEVELS**

FREE · EDITORIAL COVERAGE IS NOT FOR SALE · NEWHOMEDISPATCH.COM

# What's Inside



How to use this: the site at newhomedispatch.com is re-verified on an ongoing basis, with a date shown on every page. This download is the collected edition, refreshed quarterly. If the two ever disagree, the site is the more current source.

LEVEL 1 · BEFORE YOU VISIT A BUILDER · CHAPTER 01 OF 16

# 01. Is New Construction Right for You?

*You're not really comparing two houses. You're comparing two different kinds of seller — and knowing the difference changes how you should shop.*

## You're comparing two sellers, not two houses

A builder and a homeowner are not the same kind of seller, and treating them like they are is where most “new vs. resale” advice goes wrong. A builder sells inventory — dozens of homes, on a production schedule, with carrying costs that add up every day a house sits empty. A homeowner sells one house, usually with some emotional attachment to it, and rarely has the room to discount below what they still owe on it. A builder can subsidize your financing because the math still works at the company level. A homeowner generally can't.

That difference is the actual thing to understand before you compare a single floor plan to a single listing. It's why builders negotiate differently, why their incentives exist at all, and why the old assumptions about which one is “faster” or “cheaper” don't hold as reliably as they used to.

| | A Builder | A Homeowner |
|---|---|---|
| What they're selling | One of many — inventory on a production line | The one home they live in |
| Cost of an empty house | Real, ongoing, every day it sits unsold | None — they're still living in it |
| Can subsidize your rate? | Often, yes — the math works company-wide | Rarely — they'd be losing their own money |
| How the price gets set | Standardized, community-wide, adjusts with incentives | Negotiated one house at a time |

## The rule that stopped being reliable

For years, the shorthand was simple: resale for a quick move, new construction if you can wait. That's no longer a safe assumption. New home sales have held up more than existing home sales through the recent slowdown — built from U.S. Census Bureau and National Association of Realtors data, new construction currently runs at roughly 12% of all home sales, and it's held that share specifically because builders can discount and finance their way to a sale in a way an individual owner usually can't.

In practice, that means a builder's already-built or nearly-finished inventory home can often close on a timeline that competes directly with resale — sometimes with a rate buydown or closing-cost credit a resale seller has no way to match. The homes that genuinely take months are the ones built from a bare lot: semi-custom and custom. Lumping all of “new construction” into that slower category is the exact assumption worth dropping.

**THE RULES THE REST OF THIS PLAYBOOK RUNS ON**

- Compare total cost of ownership, not the sticker price — taxes, HOA, incentives, and financing move the real number more than the list price does.
- Compare the entire transaction, not just the house — who's selling it changes what's negotiable.
- Don't assume resale is cheaper. Builder incentives can change the effective cost more than the advertised price suggests.
- Don't assume new construction takes longer. That depends entirely on which of the five build types you're looking at — see Chapter 16.
- Don't assume an incentive is automatically a good deal. Chapter 3 shows you how to check.

## What new construction actually gets you

A new build gets you a home nobody has lived in, a builder warranty, current building codes, modern energy efficiency, and the ability to choose finishes before drywall goes up. In master-planned communities it also gets you new amenities, new schools nearby, and neighbors who all arrived at roughly the same time — which makes new communities unusually social in their first years.

It also gets you things builders mention less: construction noise and traffic for as long as the community is still building out, landscaping and window coverings that usually aren't included, a yard that starts as bare sod, and property taxes that can jump significantly in year two once the county assesses the completed house instead of the empty lot.

## What resale gets you instead

A resale home gets you mature trees, established landscaping, a known neighborhood, negotiating leverage with an individual seller who may need to move, and full transparency: the house has already settled, the tax bill is known, and the neighbors already exist. What it costs you is older systems, dated finishes, no warranty beyond what you negotiate, and repairs that start on day one.

## Not all “new construction” is the same purchase

Standing inventory, a quick move-in home, a to-be-built home, semi-custom, and fully custom are five different buying experiences wearing the same label. They differ in price, timeline, negotiating leverage, and how much say you get over the finished product — and conflating them is exactly what makes “new vs. resale” feel like a single decision when it's really two: new or resale, and then which kind of new. Chapter 16 breaks down the differences in full; the short version is that inventory and quick move-in homes are the ones that compete with resale on speed, and custom is the one that doesn't.

## Who should lean toward new

Buyers who plan to stay five or more years, want predictable maintenance in the early years, value energy efficiency, and want to pick finishes rather than renovate. Buyers relocating from out of the area also often prefer new construction because the process is more standardized — a builder's contract and timeline work roughly the same whether you're moving from Dallas or Denver.

## Who should lean toward resale

Buyers stretching their budget who can't absorb move-in costs like blinds, fencing, and landscaping on top of the purchase, and buyers who prize mature neighborhoods over new amenities. If you might sell within two or three years, be careful with new construction: you'd be reselling against the builder's brand-new inventory down the street, usually at a disadvantage. What resale is no longer a safe default for is speed alone — check what's sitting finished in a tracked community's inventory before assuming it's the faster path.

> Reporting note: A builder's model home is a marketing tool, not a specification sheet. Model homes are typically loaded with tens of thousands of dollars in upgrades. Always ask what the base home at the advertised price actually includes — Chapter 7 covers this in detail.

> TIP — Once you've decided new construction fits, two more decisions come before you tour: what you're actually signing (Chapter 15, The New Construction Reality Gap) and which delivery method fits your timeline — inventory, semi-custom, or fully custom (Chapter 16, Selecting the Build Type).

LEVEL 1 · BEFORE YOU VISIT A BUILDER · CHAPTER 02 OF 16

# 02. Financing Explained

*Builder lenders, outside lenders, rate locks, and why a builder's 'preferred lender incentive' deserves math, not gratitude.*

---

## The loan types, briefly

Conventional loans are the standard for most buyers with solid credit and at least 3–5% down. FHA loans allow lower credit scores and 3.5% down but carry mortgage insurance for most of the loan's life. VA loans, for eligible veterans and service members, allow zero down with no monthly mortgage insurance — usually the strongest product available to those who qualify. Some lenders also offer zero-down or down-payment-assistance programs with income or location requirements. The right answer depends on your credit, savings, and eligibility — not on which product the sales office mentions first.

## Builder lenders: what they are and why they exist

Most large builders own or partner with a mortgage company. Builders offer incentives — closing cost credits, rate buydowns — for using it. This isn't charity: the builder captures the loan's profit, keeps the transaction under one roof, and gains visibility into your finances and timeline during construction.

None of that makes builder lenders bad. Their incentives are often genuinely valuable, and their familiarity with the builder's timeline can smooth a to-be-built purchase. The mistake is treating the incentive as automatically the best deal without comparing.

## The comparison that actually matters

Get a full Loan Estimate from the builder's lender and at least one outside lender within the same few days (rates move daily, so same-week quotes are the only fair comparison). Compare the total cost: rate, points, lender fees, and the incentive. A $15,000 incentive tied to a rate a half-percent above market can cost you more than $15,000 within just a few years of payments. Sometimes the builder lender genuinely wins. Sometimes the incentive is a rebate on an overpriced loan. Only the side-by-side tells you which.

## Rate locks on a to-be-built home

A standard rate lock lasts 30–60 days — useless for a home that won't finish for eight months. For to-be-built purchases, ask about extended locks (often with a fee, sometimes with a float-down option if rates fall) and understand exactly what happens if construction runs past the lock. Get the lock terms in writing, including extension costs.

## Pre-approval vs. a builder's 'commitment'

A real pre-approval means a lender has reviewed your credit, income documents, and assets. Some builders' in-house 'pre-qualification' or 'commitment' letters are lighter reviews designed to get you writing a contract. Before you sign anything, know your true approved number from a full-document review — not a conversation.

> Reporting note: You can usually still claim a builder's lender incentive after shopping. Comparing costs you nothing but a week. Skipping the comparison can cost you the difference every month for thirty years.

LEVEL 1 · BEFORE YOU VISIT A BUILDER · CHAPTER 03 OF 16

# 03. Understanding Builder Incentives

*Rate buydowns, closing cost credits, flex cash, and 'free' upgrades — what each one is actually worth, and when builders are most motivated to deal.*

## The four incentive types

Interest rate buydowns: the builder pays points to lower your mortgage rate, either permanently or for the first years (a '2-1 buydown' lowers the rate 2% in year one, 1% in year two). Often the most valuable incentive in dollar terms — and almost always tied to using the builder's lender.

Closing cost credits: a flat contribution toward your title, lender, and escrow costs. Simple, transparent, and easy to compare across builders.

Free or discounted upgrades: design center credit or included features. Valuable, but remember upgrades are priced at retail with healthy margins — a '$20,000 upgrade credit' costs the builder considerably less than $20,000.

Flex cash: a lump sum you direct toward price, closing costs, or the rate. The most flexible form and increasingly common in Central Texas master plans.

## Why incentives exist at all

Builders protect base prices because every visible price cut re-prices their unsold inventory and unsettles buyers who already paid more. Incentives deliver the discount invisibly — the recorded sale price stays high, the neighborhood comps stay intact, and you still get the value. Understanding this explains the golden rule: builders will almost always give more in incentives than they'll cut in price.

## When builders are most motivated

Incentives track the builder's calendar, not yours. Month-end matters; quarter-end matters more; fiscal year-end matters most. A completed 'spec' or inventory home that has sat unsold for months carries real carrying costs — those homes attract the deepest incentives. A to-be-built home on a lot the builder will happily sell to the next visitor attracts the least.

## How to evaluate any incentive

Convert everything to dollars. A rate buydown's value is the monthly payment difference times the months you'll realistically hold the loan. An upgrade credit's value is what you'd have actually paid for those upgrades — not the sticker. Then ask the only question that matters: what is the total cost of this house, with this loan, after this incentive — compared with the same math at the builder across the street? Chapter 4's workbook exists for exactly this.

> Reporting note: Incentives in the Austin market change weekly, and published numbers go stale fast. That's why the Explorer's incentive tracker reports on a verification cycle rather than repeating whatever a flyer said last month. Always confirm the current offer in writing before you write a contract.

LEVEL 1 · BEFORE YOU VISIT A BUILDER · CHAPTER 04 OF 16

# 04. 50 Questions Every Buyer Should Ask

*The questions that surface what tours don't — organized by who to ask: builder, lender, sales counselor, and HOA.*

## Ask the builder (the company, not just the salesperson)

1. How long have you been building in this specific community? 2. How many homes do you have under construction here right now? 3. Who is my point of contact during construction, and how often will I get updates? 4. What is your average time from contract to closing here — actual, recent, this community? 5. Can I see your standard purchase contract before I write an offer? 6. What happens to my earnest money if I can't close because of a financing failure? 7. Can I visit the site during construction, and at what stages? 8. Do you allow third-party inspections at pre-drywall and before closing? 9. What warranty do you provide — who administers it, and what are the coverage periods? 10. Can you give me addresses of homes you closed here in the last year? (Then go look at them.)

## Ask the lender (builder's and outside — same questions to both)

11. What is the full Loan Estimate for this exact price and product? 12. What rate lock length do I need for this build timeline, and what does it cost? 13. What happens if construction delays push past my lock? 14. Is there a float-down option if rates fall? 15. What are your total lender fees, itemized? 16. What credit score and reserves does my approval assume? 17. Is the incentive contingent on this specific loan product? 18. What would my payment be with taxes and insurance at this community's actual tax rate? 19. When is my rate actually locked — at contract or later? 20. What documentation will you need from me, and when?

## Ask the sales counselor

21. What incentives are active right now, in writing? 22. Are incentives different on inventory homes versus to-be-built? 23. What does the base price actually include — and what in this model is an upgrade? 24. What lot premiums apply to the lots I'm considering? 25. What are the structural options I must decide before construction, and what can wait? 26. How many homes remain unsold in this phase? 27. When does the next phase release, and at what expected prices? 28. What is being built on every piece of land adjacent to this community? 29. Which lots back to future roads, retail, or apartments? 30. If I buy to-be-built, what happens if prices drop before I close? 31. What's your policy on price protection or re-negotiation? 32. Are there any special taxing districts here — MUD, PID, ESD? 33. What was the actual tax rate for this section last year? 34. What are the HOA dues, and what do they cover? 35. Is there a foundation or community enhancement fee at closing?

## Ask the HOA (or read its documents)

36. What are the current dues, and how much have they risen in five years? 37. What is the reserve fund balance? 38. Are any special assessments planned or under discussion? 39. What are the rental

restrictions? 40. What are the architectural rules for fences, patios, solar, and landscaping? 41. Who manages the HOA — the developer or the residents? 42. When does control transfer to residents? 43. Are there transfer or resale certificate fees when I eventually sell? 44. What does the HOA maintain versus what I maintain? 45. Are amenities finished, or promised?

## Ask yourself, before writing a contract

46. Have I compared at least three communities and two builders on paper — not by memory? 47. Have I gotten a same-week loan comparison from at least two lenders? 48. Do I know the full monthly payment with this community's real tax rate and HOA — not the teaser estimate? 49. Do I know my move-in costs — blinds, fence, landscaping, appliances, deposits? 50. If I had to resell in three years, what would I be competing against?

> Reporting note: No salesperson will be offended by these questions. The professionals answer them easily; hesitation on the money and land-use questions (26–33) is itself information.

LEVEL 1 · BEFORE YOU VISIT A BUILDER · CHAPTER 05 OF 16

# 05. Community Scorecard

*Score every community the same way — schools, taxes, commute, builders, and resale factors — so charm doesn't beat math.*

## Why a scorecard

Model homes are designed to make you feel something. A scorecard makes every community answer the same questions in the same order, so the comparison happens on paper instead of in the parking lot. Score each category 1–5, weight what matters to your household, and keep the sheet — it becomes your negotiating memory.

## The nine categories

School district: rating, the specific zoned campuses (not just the district), distance, and whether rezoning is possible as the community grows. New communities frequently rezone as schools open.

True tax rate: the combined rate for the exact section — including MUD, PID, or ESD layers. Two communities with identical prices can differ by hundreds of dollars a month here. Verify with the county appraisal district, not the flyer.

HOA cost and scope: dues, what they cover, special assessments history, and rules that affect you (rentals, fences, solar).

Commute, tested: drive your actual route at your actual time — once in the morning, once in the evening. Map estimates at noon are fiction.

Builder lineup: how many builders, their reputations, and whether the one you like is in the price band you can afford there.

Amenities — built vs. promised: pools and trails that exist score higher than renderings. Ask for completion dates in writing for anything promised.

Surrounding land use: what's planned on every adjacent parcel. A quiet field today can be apartments, retail, or a widened arterial in three years. Check the city's planning department, not the sales office.

Phase position: early phases get lower prices and years of construction; late phases pay more for a finished community. Neither is wrong — know which trade you're making.

Resale factors: lot quality, floor plan appeal, and what you'd compete against if you sold in year three (usually: the builder's newer homes).

> Reporting note: The Explorer on newhomedispatch.com pre-fills several of these fields — verified tax rates, HOA ranges, school districts, and builder rosters — for every tracked community, updated on a weekly reporting cycle.

LEVEL 2 · UNDER CONTRACT · CHAPTER 06 OF 16

# 06. Construction Timeline

*From dirt to keys: what happens at each stage, how long it really takes, and where the process most often slips.*

---

## The honest timeline

Builders quote optimistic schedules. A production home typically takes six to nine months from permit to closing; weather, inspections, labor, and materials can stretch any stage. Plan your lease, sale, and move around a range, not a date — and never schedule movers off a verbal estimate.

## Stage by stage

Pre-construction (2–8 weeks): permits, final selections, and the pre-construction meeting where you confirm every structural choice. Errors are free to fix now and expensive later — bring your paperwork and check it line by line.

Foundation (2–4 weeks): forms, plumbing rough-in beneath the slab, and the pour. In Central Texas clay soils, ask what soil testing and foundation engineering was done for your specific lot.

Framing (3–6 weeks): the skeleton goes up fast and progress feels dramatic. Walk it if allowed — this is when you verify room dimensions and window placements match the plan.

Mechanicals and pre-drywall (3–5 weeks): plumbing, electrical, and HVAC are installed. The pre-drywall walkthrough is the single most important visit of the build: it's your only chance to see inside the walls. This is also the moment for a third-party pre-drywall inspection (Chapter 9).

Drywall through finishes (6–10 weeks): insulation, drywall, texture, paint, cabinets, counters, flooring, fixtures. Selections errors surface here — check installed items against your signed selection sheets while correction is still simple.

Final stretch (2–4 weeks): appliances, final grade and sod, punch-out work, the builder's quality inspection, your orientation walkthrough, and the blue-tape list. Then closing.

## Where it slips

The most common delays: permit backlogs before ground ever breaks, weather during foundation and framing, and labor scheduling in the finish trades. A good builder communicates slips early. Radio silence followed by a suddenly moved closing date is a warning sign worth escalating politely and in writing.

> Reporting note: Keep every selection sheet, change order, and email in one folder from day one. Nearly every construction dispute comes down to whose paperwork is better — make sure it's yours.

LEVEL 2 · UNDER CONTRACT · CHAPTER 07 OF 16

# 07. The Design Center Guide

*The design center is where budgets die. Which upgrades to buy from the builder, which to do later, and which to skip.*

---

## How the design center works

After contract, you'll select finishes in a showroom where everything is beautiful and nothing has a visible price until asked. Design center revenue is high-margin for builders, and appointments are often time-boxed in a way that discourages comparison shopping. Go in with a written budget and a list — decided before you walk in, with a hard ceiling.

## Buy from the builder: things in the walls and slab

Anything structural or buried is worth builder pricing even at a premium, because retrofitting later costs multiples: extra windows, doors, and structural options; rough-in plumbing for a future bath or outdoor kitchen; extra electrical circuits, recessed can locations, and media conduit; higher ceilings; covered patio extensions; insulation upgrades. If it requires opening walls or pouring concrete later, buy it now.

## Usually cheaper later

Ceiling fans and most light fixtures, window coverings, closet systems, backsplashes, interior paint colors, garage storage and epoxy floors, water softeners, and most landscaping. These are commodity items with competitive local markets; the builder's markup buys convenience, not value.

## The judgment calls

Flooring: builder upgrades are marked up, but replacing floors later means living through demolition — many buyers pay for the main-level flooring they want and defer bedrooms. Countertops and cabinets: expensive either way; changing them later is disruptive enough that upgrading the kitchen now often makes sense. Appliances: builder packages are usually convenience-priced; compare against retail before assuming.

## Resale discipline

Neutral, mid-tier upgrades in kitchens, primary baths, and flooring hold value. Highly personal choices — bold tile, niche layouts, single-purpose rooms — rarely return their cost. The resale question for every line item: would the next buyer pay more for this, or just tolerate it?

> Reporting note: Ask for the design center price list before your appointment. Some builders resist; persistence is worthwhile. Pricing surprises are the design center's most reliable product.

LEVEL 2 · UNDER CONTRACT · CHAPTER 08 OF 16

# 08. Hidden Costs Nobody Talks About

*The sticker price on a home works exactly like the sticker price on a car — what you actually pay to drive it off the lot is a different number.*

## The car-lot number isn't the out-the-door number

A car's sticker price doesn't include tax, title, or the accessories you'll actually want. A new home's advertised price works the same way — it's the price of the house with bare windows, no fence, sod and nothing else in the yard, and a tax bill that hasn't caught up yet. None of that is hidden on purpose. It's just not included, and builders aren't the ones who tell you what it adds up to.

| What's Not in the Price | Typical Cost | Why It's Not Included |
| --- | --- | --- |
| Window coverings | Several thousand for a whole house | Homes come with bare glass by default. |
| Fencing | Low four figures for a typical yard | Many builders fence none or only part of the lot. |
| Landscaping beyond sod | Varies — some HOAs set a deadline | Builders deliver sod and a minimal front bed only. |
| Refrigerator, washer/dryer | Varies by brand and size | Standard exclusion on most product lines. |
| Year-two tax jump | Ask the title company to model it | Year one is often assessed on the lot alone. |
| HOA start-up fee | Flat fee or a % of price, at closing | Capitalization or “community enhancement” fees, buried in the documents. |
| Utility deposits | Small each, adds up together | Electric, water, trash, internet setup. |

## The number to actually budget

Add it up and a low-five-figure move-in reserve is realistic for most new homes — more for a larger house. Buyers who spend every dollar getting to closing end up furnishing the new house with debt. Build the reserve into the budget before you shop, not after you're standing in an empty living room.

> Reporting note: The Dare to Compare Workbook includes a move-in cost line for exactly this reason — the cheapest house at contract is not always the cheapest house to actually occupy.

LEVEL 2 · UNDER CONTRACT · CHAPTER 09 OF 16

# 09. Inspection Guide

*Yes, you should inspect a brand-new house. What phase inspections cover, what blue tape means, and what municipal inspections don't do.*

## Why inspect a new home at all

Municipal inspections verify code minimums, in limited visits, by inspectors covering many sites a day. Code-minimum and defect-free are different standards. New homes routinely have real findings — HVAC ducts never connected, missing insulation, plumbing left untested, flashing errors — that are trivial to fix before drywall and miserable to fix after move-in. An independent inspector works for you, on your schedule, to your standard.

## The three-inspection framework

Pre-drywall inspection: after mechanicals, before insulation and drywall. The most valuable inspection you can buy — the only look you will ever get inside the walls. Verifies framing, plumbing, electrical, HVAC, and window flashing while everything is visible and fixable.

Final inspection: before your walkthrough, a full top-to-bottom of the completed home — roof, attic, appliances, systems, drainage, and finish quality. Bring its findings to the builder's walkthrough as your punch list, with documentation.

Eleven-month warranty inspection: one month before the builder's standard one-year workmanship warranty expires, a re-inspection catches everything that settled, cracked, or failed in the first year — while the builder is still obligated to fix it. Widely skipped, consistently worth it.

## The blue-tape walkthrough

Before closing, you'll walk the home marking cosmetic defects — chipped tile, paint flaws, scratched glass — with blue tape. Take your time; bring strong light; check every surface, door, drawer, and window. Photograph everything and get the completion commitment in writing. Cosmetic items are dramatically harder to get fixed after you close.

## Choosing an inspector

Use a licensed inspector with specific new-construction and phase-inspection experience — inspecting an unfinished house is a different skill than inspecting a resale. Confirm the builder's inspection-access policy before you write the contract (Chapter 4, question 8). A builder that refuses third-party inspections is telling you something.

> Reporting note: Phase inspections on a new build typically cost a few hundred dollars each — among the highest-leverage money in the entire purchase relative to what they can catch.

LEVEL 2 · UNDER CONTRACT · CHAPTER 10 OF 16

# 10. Understanding Warranties

*The 1-2-10 structure, what's actually covered, what voids coverage, and how to file claims that get results.*

---

## The standard structure

Most production builders offer a tiered warranty, commonly '1-2-10': one year on workmanship and materials (the broadest coverage — finishes, fit, function), two years on major systems (plumbing, electrical, HVAC distribution), and ten years on major structural elements (typically load-bearing failure, narrowly defined). Read your specific documents — coverage definitions, not marketing labels, control everything.

## What surprises people

Appliances aren't covered by the builder — they carry their own manufacturer warranties, which you must register separately. Cosmetic issues are generally only covered if documented at the blue-tape walkthrough. Concrete cracking within stated tolerances, normal settling, caulk shrinkage, and sod survival are usually excluded or time-limited. The ten-year 'structural' coverage is narrower than most buyers assume — it typically covers actual load-bearing failure, not every crack that appears.

## What can void or limit coverage

Unpermitted modifications, improper drainage changes (regrading, new beds against the slab), owner-caused damage, and missed maintenance obligations. Warranty documents include a homeowner maintenance list — gutters, caulking, irrigation practices near foundations. In Central Texas clay soils, foundation-watering guidance appears in many warranties, and ignoring it can jeopardize the structural coverage that matters most.

## Filing claims that work

Submit in writing, through the official portal or process — phone conversations with a superintendent are not claims. Document with photos and dates. Batch non-urgent items sensibly, but never sit on anything approaching the one-year workmanship deadline: file before the anniversary, because the postmark date matters, not the repair date. Chapter 9's eleven-month inspection exists precisely to feed this deadline.

> Reporting note: Ask whether the warranty is administered by the builder directly or by a third-party warranty company — the claim experience differs meaningfully, and the answer belongs in your builder comparison before you buy, not after.

LEVEL 3 · CLOSING & OWNERSHIP · CHAPTER 11 OF 16

# 11. The Closing Process

*Final approval, the walkthrough, wire fraud, and closing day — the last hundred yards, done carefully.*

## The final month

Roughly 30 days out, your lender re-verifies everything: employment, credit, assets. The cardinal rule: change nothing. No new cars, no new credit cards, no job changes, no large unexplained deposits, no co-signing for anyone. Buyers lose approvals in the final weeks by financing furniture for a house they don't yet own.

## Documents and numbers

You'll receive a Closing Disclosure at least three business days before closing. Compare it line-by-line against your Loan Estimate and your contract: sales price, credits and incentives, rate, lender fees, prorated taxes, HOA fees and any community enhancement fee. Errors are common and correctable — before closing. Ask the title company to model your year-two tax escrow so the post-assessment jump (Chapter 8) is already in your plan.

## Wire fraud: the paragraph that can save you six figures

Wire fraud targeting homebuyers is a real and active threat. Criminals compromise email chains and send convincing, correctly-formatted wiring instructions from addresses that look like your title company. The defense is simple and absolute: verify wiring instructions by phone, calling a number you looked up independently — never one from the email — before sending anything. Treat any last-minute 'updated instructions' email as fraud until proven otherwise. No legitimate title company will rush you past a verification call.

## The final walkthrough and closing day

Within days of closing, walk the home again: confirm blue-tape items are complete, systems run, appliances work, and nothing was damaged in the final push. Unfinished items should be documented in a written completion agreement before you sign — leverage drops sharply after funding. Closing itself is about an hour of signatures; bring identification and your cashier's check or confirmed wire. Then: keys, garage remotes, mailbox keys, warranty portal login, and utility account confirmations before you leave the table.

> Reporting note: Schedule closing earlier in the day and earlier in the week when possible — funding delays discovered at 4 p.m. on a Friday become weekend problems.

LEVEL 3 · CLOSING & OWNERSHIP · CHAPTER 12 OF 16

# 12. Your First Year of Homeownership

*Homestead exemption, the tax jump, warranty deadlines, and the maintenance calendar nobody hands you at closing.*

---

## The paperwork that saves real money

File your homestead exemption with the county appraisal district as soon as you qualify — in Texas it reduces your school-tax burden and, critically, caps annual assessed-value increases on your primary residence at 10%. It's free to file directly with the county; ignore mailers offering to file it for a fee. While you're there, verify the district has your correct closing date and purchase details.

## Expect the escrow adjustment

If your first year's taxes were assessed on the lot value, year two brings the full-house assessment and an escrow shortage notice: your payment rises to cover both the higher ongoing amount and the prior shortfall. This is the single most common new-homeowner financial surprise (Chapter 8). If you modeled it before closing, it's a line item; if not, it's a crisis. Recheck the math when the assessment notice arrives — and protest the appraisal if the value is wrong. Protests are routine in Texas and frequently succeed.

## The warranty clock

Your one-year workmanship warranty is expiring while you're busy unpacking. Keep a running list of everything that settles, sticks, cracks, or fails. Book the eleven-month inspection (Chapter 9) around month ten, and file the consolidated claim before the anniversary. Register every appliance with its manufacturer in month one — it takes an evening and preserves years of separate coverage.

## Seasonal maintenance, Central Texas edition

Quarterly: HVAC filters, and test smoke/CO detectors. Spring: irrigation audit, gutter check after oak pollen, caulk inspection. Summer: consistent, moderate foundation watering during drought — clay soil movement is the region's signature structural risk, and many warranties reference it. Fall: HVAC service, weatherstripping, irrigation freeze plan. The occasional hard freeze: insulate exposed pipes and know your water shutoff location before you need it at 2 a.m.

> Reporting note: Photograph your walls, floors, and ceilings in month one, dated. If a warranty dispute ever turns on 'was that crack always there?' — you'll have the answer.

LEVEL 3 · CLOSING & OWNERSHIP · CHAPTER 13 OF 16

# 13. Buying With Resale in Mind

*You're not just buying a home — you're pre-selecting your future listing. The choices that hold value and the ones that don't.*

## The lot outranks the upgrades

Finishes can be changed; the lot cannot. Lots that hold value: greenbelt or open-space backing, cul-de-sacs, no rear neighbors, reasonable drives to the amenity center without being next to its parking. Lots that fight you at resale: backing to arterial roads or future retail, under power lines, at drainage low points, or facing the community's service infrastructure. Lot premiums on genuinely better lots are usually money well spent; premiums on marginally better lots are the design center in disguise.

## Floor plans the market rewards

Broad-market plans resell best: three-plus bedrooms, a dedicated study since remote work became permanent, a usable secondary living space, and a primary suite that isn't compromised. Highly personal layouts — bedrooms converted away, single-purpose specialty rooms, awkward fifth-bedroom conversions — narrow your future buyer pool. When two plans tempt you equally, pick the one more people could live in.

## The competition question

If you sell within the community's build-out window, your competition is the builder's newer inventory — with a warranty, current incentives, and a sales office with unlimited patience. That's a hard matchup. Selling after build-out means competing only with other resales, in a finished community. This is why phase position (Chapter 5) and hold horizon belong in the purchase decision: early-phase pricing is the compensation for years of construction and resale disadvantage; late-phase buyers pay more for a cleaner exit.

## School districts as an asset class

Highly rated districts function as resale insurance — demand from relocating families is steady and relatively price-insensitive. A district's trajectory matters as much as its current rating in fast-growing areas: new campuses, rezoning plans, and bond programs all move the picture. Verify the zoned campuses for your specific lot, not the district average.

> Reporting note: The test for any structural choice is brutal but useful — imagine the listing photos and the listing description. If a choice wouldn't help either one, it's for you, not the house. That can still be worth it; just know which purchase you're making.

## THE 10 NEW HOME COMMANDMENTS

*The rules worth remembering before you visit, sign, inspect, or close.*

**01** **Bring your own representation before your first builder visit.**
The sales counselor represents the builder. Register your agent from the start — at many builders, registration policy determines whether you can bring one in later at all.

**02** **Never shop by monthly payment alone.**
Compare the full picture: price, rate, taxes, insurance, HOA or district fees, utilities, maintenance, and the cash you need at closing.

**03** **Know the year-two payment before you sign.**
New-home escrow estimates are often built on a land-only tax value. Model the payment against the completed-home assessment, not just the builder's opening number.

**04** **Compare communities, not just houses.**
The same floor plan in two communities can carry a different tax rate, commute, school assignment, HOA, and resale outlook.

**05** **Make lenders and incentives compete on paper.**
Get loan estimates from the same week. Convert every incentive into actual dollars — rate, fees, cash to close — before deciding which offer is better.

**06** **If it isn't in writing, don't count on it.**
Incentives, included features, repairs, and sales promises belong in the contract or a signed addendum — not a conversation.

**07** **Buy the lot, floor plan, and structure before the finishes.**
Location, lot conditions, layout, ceilings, windows, and structural options are expensive to change later. Most finishes aren't.

**08** **Hire independent inspectors, at every stage you can.**
Pre-drywall when possible, before closing, and again ahead of your warranty deadlines. New construction is not automatically defect-free.

**09** **Document everything before closing.**
Photos, inspection reports, walkthrough notes, and written repair commitments — kept together, and confirmed against what's actually finished before you sign.

**10** **Protect the money, then calendar the first year.**
Verify wiring instructions by phone before sending funds. After closing, check your homestead-exemption eligibility, log warranty deadlines, and schedule your inspections in advance.

**SCREENSHOT THIS PAGE. BRING IT TO EVERY BUILDER VISIT.**

LEVEL 1 · BEFORE YOU VISIT A BUILDER · CHAPTER 15 OF 16

# 15. The New Construction Reality Gap

*The distance between the marketing vision in a model home and the legal obligations in the contract — closing it is the only way to protect your equity and your sanity.*

## Why it matters

Buying a new home doesn't begin when you sign a contract. It begins the moment you walk into a model home. Most buyers see a retail product; they're actually entering a construction contract. The gap between the marketing vision you see in a model home and the legal obligations defined in the contract is what this chapter is about — closing it protects your equity and your sanity.

When you buy an existing home, you see the finished product. When you buy new construction, you're buying a set of promises. If those promises aren't backed by technical and contractual understanding, you risk unexpected costs, indefinite delays, and a home that may not match your expectations.

> The person greeting you in the model home is a professional representative of the builder. Their primary obligation is to the builder's production schedule and profit margins. In Texas, they do not have a fiduciary duty to you. Recognizing this distinction is what allows you to stay objective through the purchase — see Chapter 1 for more on why bringing your own representation costs nothing extra.

| Common Assumption | Reality |
|---|---|
| The model home shows what's included. | Models show what's possible. Included features vary by community and floor plan. |
| The completion date is a firm guarantee. | Most contracts use “estimated” dates. Binding delivery obligations are rare. |
| The builder's lender is the only option. | Incentives are powerful, but always compare Loan Estimates to find the true cost of credit. |
| Skipping a Realtor saves me money. | Pricing is set at a community level. Declining representation rarely results in a lower price. |

## Texas contract intelligence

Texas law allows builders to use proprietary contracts rather than standard state forms. That changes three things worth understanding before you sign. Your remedies: if the builder defaults, your remedy is often limited to a refund of your earnest money. Dispute resolution: most contracts mandate binding arbitration, waiving your right to a jury trial. Cost adjustments: some agreements allow builders to pass through material price spikes — lumber, concrete — even after you've signed.

> TIP — Before signing, verify that your contract explicitly allows third-party inspectors access at three stages: pre-pour (foundation), pre-drywall (mechanicals), and final. If a builder tries to limit this to a "visual consultation" without a written report, treat it as a significant red flag.

1. May I have the Standard Features Sheet specifically for this floor plan and this community?
2. What was the typical contract-to-closing duration here over the last six months?
3. Does this contract contain an escalation clause for material surcharges?
4. What happens to my earnest money if the home appraises for less than the contract price?
5. What is the total tax rate, including all MUD, PID, or other special taxing districts?
6. Can I have a copy of the contract and all addenda for a 48-hour review period before signing?

## CHAPTER SUMMARY

- A new home is a construction project, not a retail purchase.
- Marketing vision and contractual reality are not the same thing.
- Builder contracts generally provide fewer protections than standard resale forms.
- Independent inspections are your primary quality control tool.
- Trust, but verify the Standard Features Sheet in writing.

LEVEL 1 · BEFORE YOU VISIT A BUILDER · CHAPTER 16 OF 16

# 16. Selecting the Build Type

*Inventory, semi-custom, or fully custom — the build type you choose determines your control, your timeline, and your financial risk more than any floor plan decision will.*

## Why it matters

Not all “new” homes are built the same way. In Texas, “new construction” covers three distinct delivery methods, and choosing the wrong one for your lifestyle is one of the most common causes of mid-project buyer remorse. Before you look at floor plans, decide which construction model actually fits how you want to buy.

Each build type carries a different complexity load. Want a move-in-ready experience but choose a semi-custom build? The decision fatigue of the design center will wear you down. Want a specific architectural style but choose a spec home? You'll be frustrated by the lack of flexibility. Matching your expectations to the right build type upfront avoids both.

> Most builders in major Texas metros — Dallas-Fort Worth, Houston, Austin, San Antonio — are volume production builders specializing in efficiency and repeatability. Even within that group, builders are tiered: some focus on entry-level affordability, others on higher-end standard specs. Knowing where a builder sits on that spectrum helps calibrate what you should expect before you tour.

| Build Type | Customization | Typical Timeline | Best For |
|---|---|---|---|
| Inventory / Spec | None (pre-selected) | 30–60 days | Buyers on a tight timeline who want to see the finished product before buying. |
| Semi-Custom | Design and structural | 6–10 months | Buyers who want to pick their lot and finishes within a builder's framework. |
| Fully Custom | Extensive | 12–24 months | Buyers who own their land and want control over architectural details. |

## The specs worth checking, regardless of build type

In Texas, the climate and soil — especially expansive clay — demand specific engineering standards, and they matter more than interior trim. On foundations: most production builders use post-tension slabs; custom builders may use pier and beam. Ask for the slab thickness and the PSI rating of the concrete. On framing: look for advanced framing techniques that allow more insulation, and ask whether engineered wood products

(EWP) are used for joists — they're less prone to warping than traditional lumber. On the building envelope: ask about the attic insulation R-value and the windows' Low-E coating and SHGC (solar heat gain coefficient) rating — in Texas heat, the envelope does more work than any other single spec.

> TIP — Spec homes — built without a specific buyer — are often the best opportunity for negotiation. Builders lose money every day a finished home sits empty. If a home is at the finished or near-finished stage, you typically have more leverage on price and closing costs than you do starting a build from dirt.

1. Is this a “dirt start” where I choose everything, or has the design already been finalized by your team?

2. What is the specific SEER2 rating of the HVAC system being installed?

3. What roof decking material is used, and does it include a radiant barrier?

4. Can I make structural changes, like adding a bedroom, or only cosmetic changes?

5. If I choose a custom build, is the price fixed-cost or cost-plus?

6. Who is the specific project manager or superintendent assigned to this build, and how many other homes are they currently managing?

## CHAPTER SUMMARY

• Inventory homes offer speed and price certainty but zero customization.

• Semi-custom builds balance personalization with professional project management.

• Custom builds offer the most freedom but carry the highest risk for budget and timeline overruns.

• In Texas, energy efficiency and foundation engineering matter more than interior trim.

• Your timeline should be the primary driver of your build type selection.