

New Construction

Florida is a growing state and many visitors will have noted the upsurge of new construction sites throughout the entire state catering to this increase in population. Florida is now the fourth most populated state in the US. With over 1,200 miles of sandy beaches and year round temperatures ranging from low 60's to high 80's, you can see why around 1,000 people per day move to Florida to enjoy a relaxing lifestyle unique to this state.

New construction has long been a favorite with buyers looking for the perfect home in Florida and the benefits of having a home built just for you are many. However buyers do need to be aware that there are some potential pitfalls with new construction that need to be considered before taking the plunge.

There are 2 ways a buyer can purchase a home via new construction. One way is for the buyer to purchase a lot in a residential neighborhood within a district of their choice. Once the buyer has purchased the lot, they engage the services of a local builder to build a home either to the buyer's own personal requirements (known as a custom built home) or the builder may have a selection of models they can build on the buyer's lot (known as a spec built home). This way of buying a home via new construction is more common in Florida when the lot is in a particular location of desirability such as waterfront and the neighborhood is already built and established.

Probably the most common way for purchasing a home via new construction is through a developer who is planning to build a gated community. The builder purchases many acres of land that they then sub-divide into platted lots to form a community. These lots are then sold to buyers with the understanding that the builder will also build a home on this lot within a set period of time. The buyer simply selects the lot they would like to purchase and the particular builder's model they would like erected on the site.

This 'one stop shop' method of buying a new home appeals to buyers on many levels. The already built model homes showing the various types of floor plans available to the buyer are always beautifully presented and furnished, so to show the home off to its maximum potential. There will be a list of extra charges known as 'upgrades' that the buyer can choose from to add a little 'wow' factor to the home and personalize the residence to their taste. Lots usually vary in price depending on view and size so this is another way the buyer can modify the home to their requirements.

Numerous new homes have been sold to buyers over the years via these 2 methods. Many buyers have been extremely happy with their purchase and buying experience. However buyers considering this route should remember that as in every profession there are good and bad companies at work and the construction industry is no exception.

So how does a buyer find out who are the good guys and who are the bad guys? News of a bad reputation in new home construction will travel fast within the local real estate industry. This is where the services of a knowledgeable local buyer's agent are invaluable. A professional agent should be able to advise you who are the good guys and which company to avoid. Likewise, a good agent will be able to steer a buyer through the rather intricate maze governing home purchase via new construction as buying a home this way is different from the system when buying an already existing home. For instance, buyers should be aware that if a builder accrues un-payable debts whilst building their home,

ultimately the responsibility of settling those debts can fall to the buyer, even if they have already paid the builder to complete the job as per the agreed contract. Likewise, builders' and developers' contracts are usually different from the standard Florida for sale and purchase contract and can be full of clauses in favor of the builder and not the buyer. Buyers need to be aware of these sorts of details and take professional advice from a knowledgeable agent to ensure they have a happy new construction experience and not engage in a contract that turns into a money-draining nightmare.

In summary, new construction is a great idea if you wish to build your dream home to your exact standards and layout. However buyers need to understand that this part of the real estate industry is not quite as standardized as buying a pre-existing home. Each builder or developer can have their own contract for sale, tailored to their business needs, and liability if things go wrong such as the builder becomes financially unstable during the duration of the contract could end up back with the buyer. Therefore buyers need to ask their buyer's agent their advice and to do some thorough research on possible construction companies before embarking on such a purchase.