

Course Learning Goal

The goal of this course is to help real estate professionals gain the product and transaction knowledge needed in order to guide buyer-clients through the steps and processes for purchase, construction, and customization of a new home. Students will learn how to interact with new home builders and sales representatives to protect clients' interests while developing productive business relationships.

Learning Objectives

- Develop productive, mutually beneficial relationships with builders
- Gain an appreciation for the business of new homes from the perspective of the builder and sales representative
- Explain characteristics of new homes—from custom to spec construction
- Help clients evaluate pros and cons of purchasing new homes versus existing homes
- Guide buyers through the purchase transaction for a new home
- Help buyers understand new-home construction sales contracts
- Guide a client through the process and stages of building from contract to release
- Explain to a buyer the steps and considerations involved in building on an already owned lot and custom building

Course Outline

Introduction

- A. Welcome**
- B. Learning Goal**
- C. Learning Objectives**
- D. Course Structure**
 - 1. ABR® Elective Credit
 - 2. Test Your New-Home Sales IQ

I. The Opportunity for Real Estate Professionals

- A. New Home sales make a comeback**
 - 1. New home sales market trends
 - 2. Comparison to local market
- B. Advantages of new homes**
 - 1. For the buyer
 - 2. For the real estate agent
- C. New home sales confidential**
 - 1. Self-assessment attitude quiz
 - 2. Why do real estate agents avoid new home sales?
 - 3. The builder's point of view
 - 4. Day in the life of a builder's sales representative
 - 5. The builder's sales representative
- D. Role of the real estate agent**
- E. The learning curve for real estate agents**
 - 1. Learn the people
 - 2. Learn the product
 - 3. Learn the process

- F. How are real estate agents paid?**
 - 1. Registration is the key to compensation

- G. Practitioner Perspective: working with the sales representative**

II. New Homes From the Ground Up

- A. Before groundbreaking**

- 1. Impact fees

- B. From developer to builder**

- C. Researching builders**

- D. The new-home spectrum**

- E. New homes: spec to custom**

- 1. Floor plan—custom, some custom, spec?
- 2. The specs

- F. Options, upgrades, and change orders**

- 1. Keep an eye on upgrade costs
- 2. Change orders

- G. Home trends**

- 1. Discussion question: what features do home buyers in our market want in a new home?

- H. Energy efficiency in new homes**

- 1. Energy Star
- 2. LEED for Homes

- I. Permitting**

- J. Subcontractors**

- 1. Competition for subcontractors

- K. Build times**

- L. Pop quiz: construction phases**

M. Building phases

1. Lot preparation
2. Slab, crawlspace, or basement
3. Framing
4. Insulation
5. Exterior
6. Drywall
7. Plumbing, mechanicals, trim
8. Finish out
9. Landscaping
10. Final inspection and certificate of occupancy

N. Monitoring construction progress

O. Walkthroughs

P. Inspections

Q. Ready for closing?

R. Builder's warranty

S. Custom building

1. Choosing a custom builder
2. From the drawing board
3. Finding a site

T. Practitioner perspective: custom homes

U. Build on own lot

V. Prefab modular construction

W. Staying involved

X. Subdivision complete?

III. The New Homes Sales Transaction

- A. New homes transactions: 8 key processes**
- B. ❶ Your value proposition for new-home buyers**
 - 1. Who Knows About Your New-Home Expertise?
- C. New-home inventory on Realtor.com**
 - 1. Internet field trip: new construction on Realtor.com
- D. ❷ New-home buyer consultation**
 - 1. Goals of a buyer consultation session
 - 2. New-home buyer consultation—a guided conversation
 - 3. New-home worksheet
- E. Value proposition checklist: why new-home buyers need representation**
- F. ❸ Matching buyer, builder, development**
 - 1. Subdivision research
 - 2. Subdivision profiles
 - 3. Buyer’s time frame
- G. Value proposition checklist: how I can help you buy a new home**
- H. ❹ Showing and evaluating new homes**
 - 1. Pricing—first in to last in
 - 2. Visiting model homes
 - 3. Model home do’s and don’ts
 - 4. Life cycle of a model home
- I. Exercise: What will you say?**
- J. Value proposition checklist: why hire me**
- K. ❺ Making an offer**
 - 1. Interpersonal dimension is still important

L. Value proposition checklist: why custom-home buyers need buyer representation

M. ⑥ The contract

1. Earnest money
2. Contract issues
3. Contract clauses and questions

N. ⑦ New-home financing

1. Builder's Package
2. Two-close financing
3. One-close financing
4. Builder financing
5. FHA financing for new-home construction
6. VA financing
7. Financing—spec to custom

O. ⑧ Closing and move-In

1. Punch list items
2. Last minute details
3. New home orientation
4. Will the dust settle?
5. The paper trail
6. Keeping in touch

P. Practitioner Perspective: starting off on the right foot

IV. Exam (if required)

30 multiple choice questions, 80% passing grade

**New-Home Construction and Buyer Representation—Professionals, Product, Process
Timed Outline**

Suggested Timing	
Introduction	30 min
1: The Opportunity for Real Estate Professionals	90 min
2: New Homes From the Ground Up	150 min
3. The New Home Sales Transaction	120 min
Exam (if required)	60 min

Suggested Schedule	
Introduction	8:00 am–8:30 am
1. The Opportunity for Real Estate Professionals	8:30 am–10:00 am
Break	10:00 am–10:15 am
2. New Homes From the Ground Up	10:15 am–12:00 pm
Lunch Break	12:00 pm–1:00 pm
2. New Homes From the Ground Up, cont'd	1:00 pm–1:45 pm
3. The New Home Sales Transaction	1:45 pm–2:30 pm
Break	2:30 pm–2:45 pm
3. The New Home Sales Transaction, cont'd	2:45 pm–4:00 pm
Exam (if required)	4:00 pm–5:00 pm

**New-Home Construction and Buyer Representation—Professionals, Product, Process
Timed Outline**

Introduction	
Class Introductions	10 min
Course Goal	
Learning Objectives	5 min
Course Structure	
Test Your New Home Sales IQ	15 min
	Total 30 min

1. The Opportunity for Real Estate Professionals	
New-Home Sales Make a Comeback	10 min
Discussion Question	10 min
Advantages of New Homes	5 min
New Homes Confidential	10 min
Why Do Real Estate Agents Avoid New Homes?	5 min
Day in the Life of a Builder's Sales Representative	10 min
Role of the Real Estate Agent	10 min
The Learning Curve for Real Estate Agents	10 min
How Are Real Estate Agents Paid?	5 min
Registration is the Key to Compensation	5 min
Practitioner Perspective	10 min
	Total 90 min

**New-Home Construction and Buyer Representation—Professionals, Product, Process
Timed Outline**

2. New Homes From the Ground Up	
Before Groundbreaking	5 min
From Developer to Builder	5 min
Researching Builders	5 min
New Homes: Spec to Custom	5 min
Options, Upgrades, and Change Orders	5 min
Home Trends	5 min
Discussion Question	10 min
Energy Efficiency in New Homes	5 min
Permitting	5 min
Subcontractors	5 min
Build Times	5 min
Building Phases	30 min
Monitoring Construction Progress	5 min
Walkthroughs	5 min
Inspections	5 min
Ready for Closing?	5 min
Builder's Warranty	5 min
Custom Building	5 min
Practitioner Perspective: Custom Homes	10 min
Build on Own Lot	5 min
Prefab Modular Construction	5 min
Staying Involved, Subdivision Complete?	10 min
Total	150 min

**New-Home Construction and Buyer Representation—Professionals, Product, Process
Timed Outline**

3. The New Home Sales Transaction	
New-Homes Transactions: 8 Key Processes	3 min
1. Your Value Proposition for New-Home Buyers	5 min
2. New-Home Buyer Consultation	10 min
Value Proposition Checklist: How I Can Help You Buy a New Home	5 min
3. Matching Buyer, Builders, Development, and Home	10 min
4. Showing and Evaluating New Homes	10 min
Exercise: What Will You Say	15 min
Value Proposition Checklist: Why Hire Me?	5 min
5. Making an Offer	10 min
6. The Contract	15 min
Value Proposition Checklist: Why Custom-Home Buyers Need Buyer Representation?	5 min
7. New-Home Financing	15 min
8 Closing and Move-In	5 min
Practitioner Perspective	7 min
	Total 120 min
Completion Exam (if required)	60 min