New Construction Training

What Every Agent Needs to Know

New construction transactions carry more exposure than resale. Builder contracts run dozens to over a hundred pages, and “if it's not in the contract, it didn't happen.” This guide distills the fundamentals every agent needs to know before writing a new-construction offer.

1. Why New Construction Is Different

You are a lot more exposed than in a resale transaction. On a resale, the seller discloses a known, existing house. On a new build, you are advising on a contract for a house that does not exist yet — so every detail that isn't written down is a detail that can go wrong.

- **Register your buyers with you** before they go visit a model home or community — walk in and let the builder's rep know “this is my client.”
- Every builder uses a different contract. Some are short; Lennar's runs about 100 pages. **You must read the whole thing.**
- You are the buyer's advisor on the contract — how to interpret it, where the risk sits for your client, and what to negotiate before signing.
- Ask yourself for every clause: *How can this buyer lose time? How can this buyer lose money?*

“New Construction BS… Be Specific.”

“If it's not in the contract, it didn't happen.”

2. Your Role as the Buyer's Advisor

- Look for the specified things, and think through the implied things — what's assumed but never actually written down.
- Get ahead of the contract: put in writing anything you want to ask for or need clarified before your buyer signs.
- Think through contracts the way a judge would — if it came down to it, would this language hold up?
- Break everything down to the lowest level. Be slow and methodical, thinking through everything in and out of the house.
- You cannot be detailed enough on new builds. Take advantage of the builder's design center to learn exactly what is and isn't included.
- Be at every meeting and in every conversation with the builder.
- **Put everything in writing.**

3. The “Gotchas” — Confirm These in Writing

For example: a lot once came with 3 acres (~$45,000) of sod but no irrigation system included — a $7,000 surprise cost the buyer had to absorb because it was never specified. Confirm the following on every new-build contract before your buyer signs:

Item	What to Confirm
Driveway	Is it specifically stated to be concrete? It may be implied but not guaranteed in writing.
Ceiling Fans	How many are actually installed (vs. simply pre-wired for a fan)?
Irrigation System	Is an irrigation system included, or only the sod/landscaping?
Radon System	Is it an active or passive radon mitigation system?
Yard / Sod	Confirm the sod vs. seed-and-straw ratio for the lot.
Garage Door Openers	Confirmed included, with quantity specified.
Fencing	If the client wants a fence: specify measurements, provide a rendering, note the fence type (privacy, wood, white PVC, etc.), height, and color. Clarify whether it starts at the corner of the house or is set back — without specifics, the builder can place it anywhere on the lot line.
Appliances	Confirm the same make/model/color shown in the model or showing. Take a photo of the appliance sticker for the file.
Blinds	Confirmed included and specified in the contract.
Gutters	Confirmed included and specified in the contract.

4. Contract Fundamentals

Every new-build contract should address these core terms. Know what each one means for your buyer and confirm how it is written into the builder's specific contract — every builder's document is different.

- **Soil Treatment Letter** — builders are required to provide one.
- **Financing Contingency** — what happens if the buyer's loan falls through?
- **Appraisal Contingency** — what happens if the home doesn't appraise?
- **Home Sale Contingency** — is the timeline specific and negotiable? Does the buyer lose earnest money if their current home doesn't sell in time?
- **CL-100** — the wood infestation report, confirm who orders it and when.
- **Due Diligence** — confirm the length of the period and what it covers on a new build.
- **Termination Fee** — know the amount and what it buys the buyer.
- **Earnest Money** — know the amount and the conditions under which it is at risk.

5. Key Risk Clauses to Flag for Buyers

Clause	What It Means
Material Substitutions	The builder can change materials to something of equal or greater value (for example, a different countertop finish) without renegotiating the contract.
Unilateral Escalations	If material costs rise, the builder may be able to unilaterally increase the purchase price. Confirm whether this clause exists and what limits, if any, apply.

6. Agent Standards on Every New Build

- Always read the entire builder contract yourself — never rely on a summary.
- Register your buyer with the community/builder before any independent visit.
- Send written confirmation questions before contract — modeled on: driveway material, ceiling fans, irrigation, radon system, sod/seed ratio, garage openers, fencing specs, appliances, blinds, and gutters.
- Attend the design center walkthrough with your buyer to see exactly what's included at each price point.
- Document everything: emails, confirmations, photos of stickers/specs, and any builder representations that aren't already in the contract.
- Treat the due diligence and contingency timelines as firm — track them like you would on a resale, adjusted for the builder's specific document.

Presented by Adam Taylor & Team as a resource for real estate professionals. Questions on a specific builder contract? Loop in your broker or transaction coordinator before your buyer signs.