

GUIDE  
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# HOME BUYER GUIDE

MARK MCDONOUGH



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## REALTOR®

My purpose is to simplify the process of buying, or selling properties. Using up-to-date and innovative networks, our experts work wonders and find the most rapid denouements, saving your time, money, and energy.

Ultimately, we aim to make your dreams come true and help you initiate a brand-new chapter in life. The real estate journey is usually a once-or-twice-a-life activity for many, so it's easy to feel overwhelmed when entering this unknown ground.

Some parts of the process have recently become more accessible through technology, but when every buyer has access to the same resources, it's tough to stand out in a crowd so the decision is still difficult.

That's why working with a trustworthy real estate professional is key to your success and we'd love to help you navigate through this complex process.



# GUIDE TO BUYING A NEW CONSTRUCTION HOME IN THE GREATER SACRAMENTO AREA

## STEP-BY-STEP

Buying a new construction home is an exciting journey that comes with its own set of challenges and opportunities. Partnering with a knowledgeable Realtor can make the process smoother and more rewarding. This guide outlines the steps to take when buying a new construction home with the help of a Realtor in the Greater Sacramento Area.

### 1

#### **Select Your Realtor.**

Look for someone who is experienced in new construction transactions in the Greater Sacramento Area. A Realtor can provide invaluable assistance in navigating the local market and helping you make well-informed decisions.

### 2

#### **Connect with a Mortgage Lender.**

Getting pre-approved for a mortgage will ensure you understand both your budget and financing options. We can recommend reputable mortgage professionals who are experienced in new construction transactions. Some builders will offer incentives if you use their lender - our team will help you discern if this is the right option for you.



# 3

## **What's Important To You?**

Start to think about location, budget, size, style, and amenities so our team can tailor the home search just for you.

# 4

## **Explore New Home Communities**

Let us know when you're ready to tour! We will set up a custom tour of model homes in the communities you're interested in. This will help you narrow down where you want to be and familiarize you with our local builders.

# 5

## **Negotiate with the Builder & Review Contract**

Our team will negotiate with builders on your behalf to secure the best possible deal. We can advocate for upgrades, closing cost assistance, and other incentives that may be available. After negotiations are complete, we will help you become familiar with your contract and highlight milestones to be aware of on the journey through construction.

# 6

## **Home Inspections & Final Walkthrough**

Even though most builders provide you with a warranty, you may want to hire your own home inspector who will assess the property's condition and identify any potential issues. We can provide you with a list of inspectors and help you schedule walkthroughs with the builder before closing on your new home. The builder will create a punch list of any unfinished or unsatisfactory items that need to be addressed, and will communicate their timeline of getting these issues resolved.



7

### **Close Escrow**

You will work closely with the escrow officer and your lender to coordinate signing documents and the transfer of funds. They will provide you with detailed instructions - pay close attention to these! of getting these issues resolved.

8

### **Receive Your Keys & Celebrate!**

Congratulations on your new home! Let our team know if you need movers or any other recommendations. After closing, we are still here to help you with any questions you may have. Please call any time even if it's just to let us know how much you love your new home!







# BENEFITS OF BUYING NEW CONSTRUCTION

## BRAND NEW EVERYTHING

Never lived in, no need for immediate repairs or updates

## BUILDER INCENTIVES

Many builders are offering credits to lower interest rate or cover closing costs

## CUSTOMIZATION OPTIONS

Choose your finishes, flooring, cabinetry, paint, and sometimes layout

## BUILDER WARRANTIES

Peace of mind with coverage on structure, systems, and workmanship

## ENERGY EFFICIENCY

New homes meet stricter energy codes for lower utility bills

## MODERN FEATURES

Open layouts, smart tech, and up-to-date materials are often standard

# NEW CONSTRUCTION VS. RESALE: KEY DIFFERENCES

Feature	New Construction	Resale Home
<b>Condition</b>	Brand new, move-in ready	May need updates or repairs
<b>Design</b>	Modern and energy-efficient	Depends on age of home
<b>Customization</b>	Personalize during build	Sold as-is
<b>Appliances/Systems</b>	New and under warranty	Varying age and condition
<b>Location</b>	Typically in developing communities	Often in established neighborhoods
<b>Closing Timeline</b>	May take anywhere from 1–6 months	Usually 30 days





# FREQUENTLY ASKED QUESTIONS

## WHAT UPGRADES ARE INCLUDED?

Your home will come with the basic upgrade package which normally includes carpet in the bedrooms and tile in the “wet” areas (ie bathrooms and kitchens). Every builder is a little bit different. We have contractors who can come in after closing, or whenever you’re ready, to complete other upgrades that you decide make sense for you.

## HOW MUCH SHOULD I EXPECT TO SPEND ON UPGRADES?

How much you will spend on upgrades is entirely up to you. Depending on the phase of construction your house is in when you submit your contract, you can visit the design studio and work with the builder to customize your new home to your taste.

## IS THERE A LOT PREMIUM? IF SO, IS IT INCLUDED IN THE PRICE OF THE HOME?

Often, lot premiums are included in the price of the home, but not always. Our team can advise on who charges lot premiums, so you will not be surprised by an added cost to purchasing your new home. If you are paying a lot premium, we’ll help you ensure that it makes sense for you in terms of what it offers such as a view, or privacy, and whether it’s worth it in terms of potential appreciation.



## IS SOLAR REQUIRED/INCLUDED?

The California Solar Mandate went into effect in January of 2020 and is required on all new residential construction. Depending on the builder and community you choose, solar on your new home can either be leased or owned, but it will be present. Contact us to talk about the selected builder and if it's better to lease or own your solar.

## WHAT ARE MELLO ROOS?

Mello-Roos is a California special tax district that sells bonds and levies taxes to fund new or additional community facilities and services within specific boundaries. These special assessments (or taxes) usually last for 20 to 25 years but by law can last up to 40 years. You will pay Mello-Roos fees until the bonds that were initially purchased are paid off.

## WHAT ARE MELLO ROOS FOR?

The purpose of Mello-Roos is to pay for community infrastructure within a Community Facility District (CFD). The use of the taxes can be for a wide variety of facilities and services such as schools, museums, parks, hospitals, police protection, roads, and public utilities. Mello Roos financing is typically used in new developments where the local government does not have the funds to pay for the infrastructure improvements needed to support the new homes.

## IS THERE AN HOA?

A Homeowners Association (HOA) is a volunteer organization that creates and enforces rules and guidelines for a planned community. HOA fees are the monthly or annual fees that homeowners within the community pay for the agreed-upon services provided by the HOA. The amount of the HOA fees varies depending on the community and the scope of the HOA. In general, the fees cover expenses related to maintaining the common areas, such as landscaping, pool maintenance, and security. Almost all new home communities have an HOA.







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