

Buying a new home? An experienced real estate agent is essential.

By [Katherine Salant](#), Published: December 5 | Updated: Friday, December 6, 9:45 AM

When you buy a new house, do you need the services of an experienced real estate agent?

The answer is yes, and here's why.

When you buy an existing house, what you see is what you get for the asking price. When you buy an as-yet-unbuilt house, what you see in the builder's furnished model is *not* what you get for the advertised base price.

That's because a furnished model is filled with beguiling features that enhance the basic house. The to-die-for kitchen, the four-foot extension that makes the family room feel so spacious, the classy Brazilian cherry hardwood floors, and the bay windows that give character to the front rooms and look swell from the street are all optional upgrades. When their cost is added in, the seemingly affordable \$400,000 advertised base price quickly balloons out to \$500,000, far more than you can afford.

When you check out a more affordable version of the model — a nearly completed house down the street that has only \$30,000 worth of upgrades — it's not the same house that has become the stuff of your dreams.

Had you been working with an experienced real estate agent, you would have avoided such a disheartening experience, because the agent would have directed you to new construction that fit your budget in the area where you want to live. As you toured models together, the agent would have helped you distinguish the upgrades from the basic house and pointed out the options that are prudent choices, said David Zadareky, the broker/owner of Re/Max Evolution in Alexandria.

Though option choices never come up in a resale transaction, they are central in a new-home purchase because the basic house is almost always very spare, Zadareky said. The challenge is to keep option choices to an affordable limit, which he caps at 15 to 20 percent of the base price. If your total budget is \$400,000, as in the example above, you should be looking at houses that are base-priced about 15 to 20 percent lower, or about \$320,000. That would give you \$80,000 for options, an amount that would seem to cover everything you might want, but, in fact, will not go very far. "If you're not careful, the final sticker price that you are trying to keep at \$400,000 will quickly balloon up to \$440,000 or even \$480,000," he said.

When choosing specific options, Zadareky advises his buyers to get features that will be difficult or costly to add later; in our earlier example, this would be the four-foot family room extension and the bay windows on



the front. The to-die-for kitchen and the hardwood flooring can be future remodeling projects, and some options should be nixed outright because they will not translate into a better resale price. “No one will pay extra for a fireplace in the master bedroom,” he said.

In addition to helping buyers negotiate the purchase, Zadareky said he nudges them to budget for the cost of new-home ownership — a concern a builder’s agent is unlikely to mention. For example, once you move in, you’ll realize that you’ll have to purchase window treatments because the neighbors will be closer than you realized.

And he raises critical issues that do not occur to most buyers, such as finding out what is planned for the acreage adjacent to the community where they want to buy.

Why don’t most new-home buyers use real estate agents to help them navigate a brand-new house purchase?

It requires planning ahead, and most new-home purchases begin spontaneously when the buyers chance upon a “Grand Opening” for a new-home development and stop to take a look. When asked to “register” by the model sales agent, they fill out a card with their name and contact information. Should the buyers then decide to bring an agent on board, the builder will demand that the buyer pay the agent’s fee, usually 2 to 3 percent of the base price. (For the \$320,000 house noted above, the fee would be \$6,400 to \$9,600.)

To get the real estate agent’s help and have the builder pay the agent’s fee, the agent must register the buyers on their initial visit. But if you visit the model and decline to register, you should be able to return later with an agent in tow, Zadareky said.

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