

## Things you need to know before buying a new-build house

by [Peter Corbett](#) - Feb. 25, 2011 03:22 PM  
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New homes generally offer the latest design features, less maintenance, warranties and often better energy efficiency than resale houses.

But as with any [investment](#), buyers need to do their homework to get their money's worth in the higher-priced new-home market.

Some real-estate agents recommend a home inspection before closing the deal.

"Just because it's new doesn't mean everything works properly," said Laura Rightenburg, a Scottsdale real-estate agent who has also worked as a builder's sales agent.

That is just one of the many tips agents and others in the Valley's housing industry have for consumers who have been focused the past few years on the vast inventory of resale homes at declining prices rather than new homes. Other issues in play include financing, a builder's financial strength and knowing the prices of existing homes near a new subdivision.

Location is always a prime concern, particularly its impact on commuting. Buyers also need to weigh where their home is within a subdivision, avoiding busy streets and other noisy locations.

Rightenburg, of Phoenician Properties

Realty, advises buyers to pick a real-estate agent to represent their interests in what can become of dazzling array of new-home choices.

"Don't rely on the seller in the model home," who is working for the builder, she said.

### Financing approval

Of course, a new-home search should start with buyers getting prequalified by a [lender](#) to learn what they can afford.

"Unless they're capable," said Mark Honek, World Class Realty [broker](#), "why go around wasting a bunch of people's time? Things aren't what they used to be."

Honek, who specializes in finding infill lots for new homes, said lenders are a lot stricter these days in screening buyers.

He advised buyers to make sure a builder is financially stable and can complete a subdivision.

"You don't want to have the second home in an eight-house subdivision that stalls and the rest of the property" is vacant and

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neglected, Honek said.

Builders typically offer some of their best deals when a community first opens and prices often increase as a community is completed. Early buyers can save money, but they can also be marooned if sales stall.

### Building pace stalls

New-home sales have been in steep decline since 2005, when a record 63,570 were built in the Valley. Last year, 8,066 homes were built, down 26 percent from a year earlier, said Greg Burger, RL Brown Housing Reports president.

By comparison, there were 106,975 existing homes sold in Maricopa County last year, according to Arizona State University Realty Studies.

Burger said the pricing discrepancy between existing and new homes is far greater than in a normal market.

The median price of a new home in December was \$223,829, more than double the existing-home price of \$110,000.

That compares to five years ago when new home median was \$299,895 and existing homes were at \$248,000, according to Burger.

Still, there is value in new homes. Builders who bought land in good locations at good prices are offering homes at prices competitive with resale homes, Burger said.

### Smells like new

Builders are touting the design choices they make available to buyers, along with home

warranties and stepped-up energy-efficient features.

Hal Looney, Arizona area president for Shea Homes Active Lifestyle Communities, said buyers do not want cooker-cutter homes.

"That's why the iPod has been so successful. People want their own choice of music," he said. "We're seeing that in their homes."

Trilogy at Vistancia in Peoria is offering flexibility in adapting bedrooms to offices and hobby rooms and even second offices for couples, he said.

Trilogy's homes range from 1,300 to 3,100 square feet, with base prices ranging from \$196,900 to \$383,400.

Graham Epperson, vice president of sales for Pulte Group Arizona, said owners of new homes can enjoy their weekends without having to do home repairs or painting. There is a value in having a brand-new home, he said.

"You don't have to accept that mysterious stain in the middle of the family room or someone else's countertops," Epperson said.

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Pulte has 50 Valley communities, with prices ranging from \$90,000 to more than \$600,000.

Pulte, Shea and other Valley builders have made homes more energy efficient by adding more insulation, radiant barriers to reflect heat, along with better windows and air-conditioners. Photovoltaic panels are an option with some builders.

Andy Warren, Maracay Homes president, said building in the energy-efficient features is far more cost-effective than trying to retrofit an existing home.

He urged new-home buyers to carefully note the green features in the homes they are considering.

"New homes are better built than they were a few years ago, but not all new homes are built alike from an energy-use standpoint," Warren said.

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