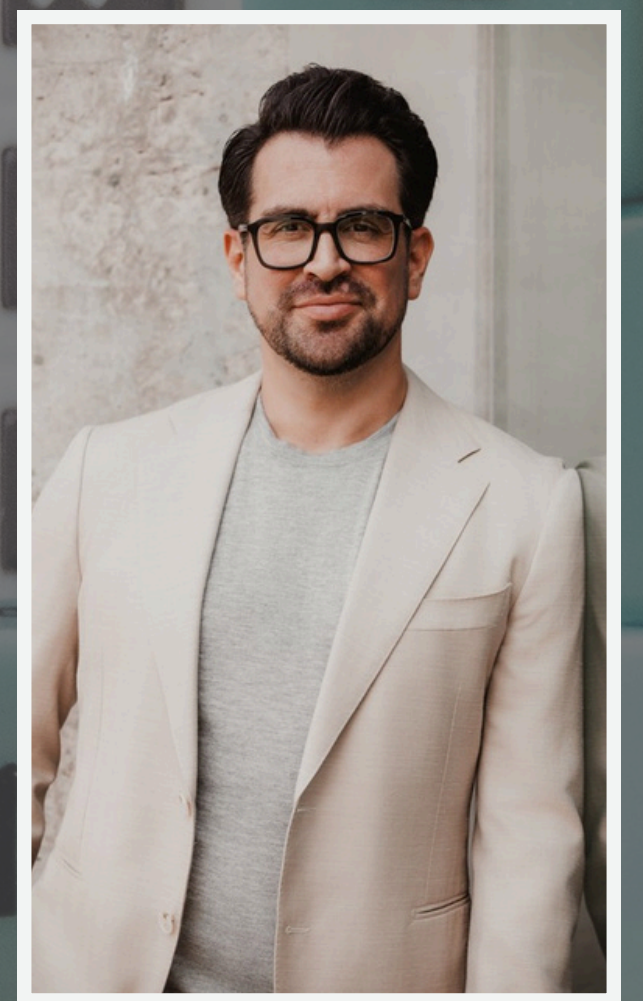


WHAT YOUR NEW HOME ACTUALLY COSTS

Beyond The Base Price

Know the full picture. Build with confidence.

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Why This Guide Exists

The base price you see on a community sign or website is real — but it's the starting point, not the full picture. There are several layers to a new home purchase that most buyers don't see until they're already in the process.

This guide breaks all of it down — lot premiums, design center selections, closing costs, HOA fees, builder incentives, and more — so you walk into your first conversation with a clear understanding of how the numbers work.

None of this is complicated. But knowing it upfront puts you in a much stronger position to make decisions you'll feel great about.

Eric

Base Price Explained

What the Base Price Includes

The base price of a new construction home covers the standard version of that floorplan built on a standard lot. That typically includes:

- The home's structural design and layout
- Standard exterior finishes (roof, siding, stucco)
- Builder-grade interior finishes (flooring, countertops, cabinets, fixtures)
- Standard appliance package
- Driveway, garage, and basic exterior concrete
- General lot preparation and grading

The base price gives you a well-built, move-in-ready home. Everything beyond it — your lot selection, your design choices, your upgrades — is where you make it yours.

What Sits on Top of the Base Price

Here's what to expect beyond that starting number:

- Lot premium (based on location within the community)
- Design center selections and upgrades
- Closing costs
- HOA fees and community-specific costs
- Homeowner's insurance
- Property taxes (prorated at close)

Each of these is covered in detail on the following pages...

Lot Premiums: What They Are & How They Work

Not all lots in a community are priced the same. A lot premium is an additional cost based on the specific characteristics of the lot you choose. Common factors that affect lot pricing:

Location within the community

Lots that back to open space, parks, washes, or community amenities typically carry a premium. Corner lots and lots at the end of a cul-de-sac may also be priced higher.

Lot size

Larger lots or lots with wider frontage may have a premium over standard-sized lots.

Views

In Arizona, lots with mountain views or desert preserve views are often priced above standard lots.

Orientation

Some buyers prefer specific sun exposure for their backyard. North-facing backyards are popular in Phoenix for shade, and these lots can carry a premium.

How to Think About Lot Premiums

The lot is the one thing you can't change after you buy. Your home's floorplan, finishes, and design can all be customized — but the lot is permanent. It determines your view, your privacy, your outdoor space, and your day-to-day experience of the home.

When you visit a community, ask to see the site map with lot premiums so you can compare options with a full picture of the pricing.

The Design Center: Where Your Home Becomes Yours

The design center is one of the biggest advantages of buying new construction. This is where you choose the finishes, materials, and details that make your home feel like it was built specifically for you — because it was.

What you'll select:

- Flooring (tile, hardwood, luxury vinyl, carpet)
- Countertops (granite, quartz, marble)
- Cabinetry (style, color, hardware)
- Fixtures (faucets, lighting, door handles)
- Paint colors (interior and exterior)
- Appliance packages
- Electrical and technology upgrades
- Bathroom tile and shower surrounds
- Fireplace options
- Extended patios and outdoor living features

Why the design center matters:

Many of these selections — especially electrical layouts, plumbing configurations, flooring throughout, and structural options like extended patios or additional windows — can only be done while the home is being built. Once the walls go up, those opportunities close. The design center is your window to build the home exactly the way you want it from day one.

What to Expect at Your Appointment

Design center appointments are typically scheduled after you go under contract. You'll work with a design consultant who walks you through every option, room by room. Appointments usually last two to four hours. Come with inspiration — photos, Pinterest boards, ideas from model homes — and be ready to make decisions. This is one of the most exciting parts of the process.

Builder Incentives: What's Available and How They Work

Common types of builder incentives:

Rate buydowns

The builder contributes funds to lower your mortgage interest rate — either permanently or for the first one to three years. This directly reduces your monthly payment.

Closing cost credits

The builder covers a portion of your closing costs, reducing the amount of cash you need at the closing table.

Design center credits

A set dollar amount applied toward your design center selections, giving you more flexibility to upgrade your finishes.

Quick move-in incentives

Homes that are already under construction or recently completed may come with additional incentives to encourage a faster close.

The Preferred Lender Advantage

Builders often partner with a preferred lender and offer their strongest incentives when you finance through that lender. You're never required to use the preferred lender — but the incentive difference can be significant.

My recommendation: get a quote from both the preferred lender and your own lender. Compare the rates, the fees, and the total incentive package side by side. In many cases, the preferred lender option results in a lower total cost — but you should always have both numbers in front of you.

Closing Costs on New Construction

Closing costs on a new construction home are similar to resale, but there are a few differences worth understanding.

Typical closing costs include:

- Loan origination fees
- Appraisal fee
- Title insurance and escrow fees
- Recording fees
- Prepaid property taxes (prorated to your close date)
- Prepaid homeowner's insurance
- HOA transfer and setup fees (if applicable)

Closing costs generally run between 2% and 5% of the purchase price, depending on your loan type and lender. Builder incentives — particularly closing cost credits — can offset a significant portion of this.

HOA Fees

Most new construction communities in the Phoenix metro have a homeowner's association. The HOA typically covers:

- Common area maintenance (landscaping, parks, pools)
- Community amenities (clubhouses, fitness centers, trails)
- Exterior maintenance (in some communities)
- Neighborhood standards enforcement

Monthly HOA fees vary by community — typically ranging from \$50 to \$250+ per month depending on the level of amenities. Ask for the specific HOA fee and what it covers before you go under contract.

Other Costs to Plan For

- Homeowner's insurance — Required by your lender. Get quotes early so you can budget accurately.
- Property taxes — Arizona property taxes are generally lower than many other states. You'll pay a prorated amount at closing, then annually or semi-annually going forward.
- Landscaping — Most new homes are delivered with a graded lot but no landscaping. Budget for front and backyard landscaping, which in Arizona typically includes desert-friendly options, artificial turf, pavers, or a combination.
- Window coverings — New homes come without blinds or window treatments. Plan for this as a post-close expense.
- Garage finishing — Some buyers add epoxy flooring, built-in storage, or additional electrical in the garage after closing.

Putting It All Together

Here's a simplified view of how the numbers build on each other:

Base Price

+ Lot Premium
+ Design Center Selections
= Total Purchase Price

Total Purchase Price

+ Closing Costs (minus any builder credits)
+ Prepaid Taxes & Insurance
= Cash Needed at Close

Monthly Payment

Mortgage (principal + interest)
+ Property Taxes
+ Homeowner's Insurance
+ HOA Fee
= Total Monthly Cost

None of these numbers should be a surprise on closing day. When we sit down together, I walk through every line so you have the full picture before you sign anything.

Ready to Talk Numbers?

This guide gives you the framework. The next step is a conversation about your specific budget, your priorities, and which communities and floorplans line up with both.

Here's what happens when you reach out:

1. We have a quick conversation about your timeline, budget, and what matters most.
2. I match you with communities and floorplans that fit your numbers — not just your wishlist.
3. I walk you through the full cost picture, including any active incentives, so you know exactly what to expect.

No pressure. Ever. Just clarity, a straightforward process, and a move that's built around your life.

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