



Warranty PROs Examine New Home Searches

In 2016, builders and real estate professionals want to know “How are home buyers across the U.S. researching new home builders and how does this influence their decision regarding who they want to build their home?”

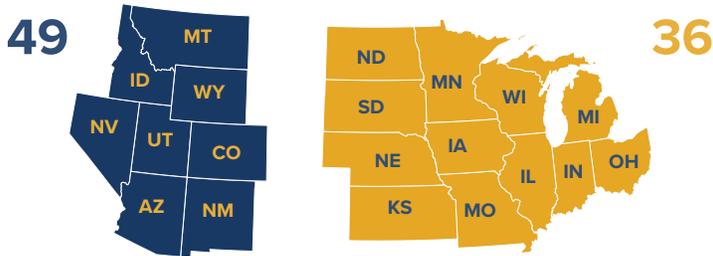
This report will answer both aspects of that question. We will break down the many different factors involved and provide answers that builders can use to grow their business accordingly. This report will also be beneficial to real estate agents, as they will better understand home buyers’ wants, needs and buying influences as well as how they differ across the U.S. Here we offer up-to-date information on what guides, inspires, and impacts homebuying decisions and how builders and real estate professionals can position themselves to take full advantage. So, let’s get started.

The process people use to search for a home builder is constantly changing. Many factors such as a buyer’s location, economic circumstances, home buyer’s age and the expanding use of technology all play a part. The first factor we’ll look at is how a potential buyer’s location affects their search.

New Home Buyer Data

Based on a [recent study](#) by the National Association of Realtors, the demographic of new home buyers varies greatly across the U.S. For example, the median age of the average buyer was 49 for those in the Mountain Standard Time region compared to 36 in the Midwest. Median income was highest at \$97,000 in states along the west coast and lowest at \$73,200 in the states of KY, TN, MS, and AL. Buyers of multi-generational homes were also the highest in these four states at 19%.

Median age of the average buyer



Salary also plays a big part and varied widely by location. According to HSH Associates (HSH.com, the nation's largest publisher of mortgage and consumer loan information), the salary requirement for buying a home with a 20% down payment in Pittsburgh is \$33,729 compared to \$185,023 in San Francisco. To see a list of the top 27 metro areas in the U.S. and the median salary requirements for purchasing a home, [click here](#).

The economy of a builder's geolocation is also important. This information can help both builders and realtors judge what incentives they could offer if their local economy is sluggish.

The demand for multi-generational households is also worth noting. According to PEW Research Center, "...57 million Americans, or 18.1% of the population of the United States, lived in multi-generational family households in 2012, double the number who lived in such households in 1980." The reasons for this range from economic benefits, the desire to be closer to family members, reducing child care expenses and younger generations caring for aging parents.

So now that we know how buyers' circumstances vary across the U.S., let's look at these potential homebuyers in terms of what they're looking for, how they're doing their research and what questions they're asking builders.

What Do Buyers Want to Know About their New Home?

As a builder or real estate agent, the better you understand potential concerns, needs and desires of your client, the better you'll be able to position yourself as an expert and more effectively reach new customers.

The list below outlines the top wants and needs people have when buying a home, according to a recent **Prestige Homes report**:

- Type and size of home
- Layout
- Outdoor living spaces
- Desired features for looks and/or convenience
- Distance from work, shopping, and medical facilities
- Distance to public transportation
- Access to schools, recreational facilities, places of worship and parks

Potential homebuyers will be looking to discuss these desires with both their chosen real estate professional and homebuilder. Having readily available information and positioning your marketing efforts to share your knowledge will help you connect with potential buyers. For example, if you're a builder who specializes in suburban homes in a desired school district, you'll want to highlight this in your marketing efforts. Also, if you're a real estate agent who specializes in a specific price range (think millennial buyer), city or upcoming "hip area," you'll want to emphasize this information.

Important information from both real estate professionals and builders are the expectations clients have of builders.



How are Buyers Researching their Builder?

According to [New Homes Guide](#) and [HGTV](#), home buyers are researching builders in their area to prior to hiring. Potential buyers are:

- Searching for builders who are certified with NAHB, to make sure the builder does quality work
- Checking with the state to make sure the builder is licensed, insured and bonded
- Looking into any lawsuits or liens against the builder
- Checking the BBB for any complaints
- Asking local real estate agents if the builder has a good reputation
- Visiting a builder's previously constructed homes and asking the current owners if they're happy with the work

- Q Asking the builder about amenities and upgrades and the associated costs
- Q Hiring their own building inspector to check the builder's work afterward

Make sure that your business is viewed in the most professional and reliable light as possible. To ease their minds, today's buyers will research you and your business prior to hiring you. Make sure you are easily found online. As a builder or realtor/agent, be sure to manage and monitor your online reputation and utilize reviews that highlight your competency. Doing so will lead to new clients rewarding you with their business.

What are Buyers' Expectations of Warranties & Negotiation?

[Redfin](#) shares expectations that builders and real estate agents should expect in regards to negotiations and contracts:



- Buyers are looking to negotiate and will often research a builder's negotiating style through a trusted real estate agent
- They now demand everything in writing and are not open to verbal contracts of any kind
- Buyers will look at several developments and talk to the homeowners about their experience working with the builder
- They will search for online reviews, testimonials and news about the builder including past or current legal issues
- Homebuyers want purchase agreement documents to contain a completion date and will want to know exactly what will happen if certain delays occur
- When it comes to [home warranties](#), buyers expect builders to know and be able to explain what policies cover what parts of the home
- Buyers want to know what's planned for the surrounding area in terms of future development
- Commonly, buyers are not interested in being pre-approved by the builder's lender and want to find their own

Here are some tips specifically for builders when it comes to dealing with new homebuyers:

- Consider being open to negotiations on the back end, such as paying closing costs or doing upgrades at no additional cost
- Be prepared to put anything you're willing to agree

to in writing immediately. In fact, offer to do so before the buyer can mention it (this will go a long way in establishing trust with the buyer)

- Make sure you are very knowledgeable about [home warranties](#), [builder warranties](#), and [warranty services](#) in order to best assist potential homebuyers
- Establish yourself as a trusted resource by knowing what future development is planned for your area. Don't just expect the buyers to find out for themselves.
- Don't require that potential buyers get pre-approved by your lender, as it will create resentment and possibly a lost customer. (If you must, make sure your lender offers very competitive terms that will attract all potential homebuyers)



 **Real estate professionals and builders should be aware of all potential buyer questions regarding new home sales. We have compiled a list of questions buyers have about home features, building plans, warranties, after-sales service and the overall home building process:**

- What types of warranties do they offer? [Structural home warranties](#) and/or [systems and appliance warranties](#)?
- Are they a member of a third-party new home warranty program?
- Does the company have an established after-sales service policy? What are the terms? And how does it work?
- How amenable is the builder to modifying building plans?
- Do they build model homes I can tour? If not, can they help me make an appointment to see a home they built for another customer?
- What are the major energy-saving features of the homes they build?
- Do they build only from home plans they supply? Or can I provide my own set of plans?

- What standard features do their homes include? What options/upgrades can I select?
- Who will oversee the construction of my home? Who should I contact with any questions I may have?
- How and when can I make changes or upgrades before or during construction?
- How and when will the final price for my home be determined?
- How often (and when) will I have access to the home during the building process?
- How long will my home take to complete?
- Does the community have an HOA and/or an Architectural Review Committee? If so, may I get a copy of their rules and the breakdown of any fees?
- What's their process for inspection at key points of construction, at final walk-through, and to address any matters that need to be corrected or finalized?

Use the [PWSC Top 20 Things to Consider When Hiring a Home Builder](#) as a guide to important questions as well.

A builder or real estate agent who can answer the questions on this list should never have a problem getting new customers! By having direct answers to these inquiries, you will be able to overcome any and all hesitations a potential buyer may have about working with you.

What Types of Online Marketing Can Help Increase Buyer Trust?

Now, let's start looking at some specific ways that builders can use marketing tools to connect and cater to potential homebuyers now that we know exactly what they're looking for and what they expect in a home builder:

▶ Get Google's attention by blogging

Blogging will allow you to introduce yourself to your customers as well as position yourself as an expert.

▶ Capture email addresses

This means getting your site visitors' email addresses, then sending them emails that deliver value and put you in the running to become their future builder.

▶ Use social media

Start with a Facebook Fan Page and Twitter account if nothing else. Most importantly – show off your homes on every social media platform! A picture speaks more than a thousand words due to the increasing use of and reliance on technology. Younger buyers especially

will appreciate that you are utilizing current trends to spread your message. For the more courageous, YouTube videos and 360° online house tours can be excellent marketing tools that historically have a very high conversion rate.

▶ Paid advertisements

No, not billboards or newspaper ads. We mean online ads, in the form of Google AdWords, Facebook ads or Twitter ads. Customers are now searching for builders online, so that's where you want to invest your advertising dollars.

▶ Answer questions personally and in a timely manner

Nothing speaks more highly of a company than the dedication to customer service. Be sure to offer a personal and quick response to all customer inquiries. This one small tip will truly separate you from the pack.

▶ Utilize online sales tools

Use a reputable and knowledgeable company to assist you with sales and cohesive marketing collateral.

These marketing suggestions will also work equally well for real estate professionals. They will allow agents to target their ideal customers as well as establish relationships with local builders. Times are changing when it comes to how potential homebuyers find the right builder for their home. Builders and real estate professionals who take the necessary steps to reach these buyers in the right way and are ready to answer frequently asked questions will be greatly rewarded.



This report is a product of [PWSC](#), a leading provider of best-in-class new home warranty products and home warranty services. They are experts when it comes to [home builder warranties](#), [home warranties for homebuyers](#), and [realtor home warranty solutions](#). We invite you to learn more [about PWSC](#).



**Professional
Warranty Service**
CORPORATION

Confidence You Can Build On.

Professional Warranty Service Corporation (PWSC) headquartered in Chantilly, Virginia, is the leading provider of new home warranty products and administration services to the largest tier of domestic residential construction firms.