



#### **WHO PAYS CLOSING COSTS ON A NEW CONSTRUCTION HOME?**

In most cases, the homebuyer is responsible for paying the closing costs on a new build home. However, sometimes new construction home builders offer incentives, such as covering a percentage of the closing cost, if the buyer agrees to use a preferred lender or purchase within a specific time frame.

#### **HOW WILL I PAY FOR CLOSING COSTS?**

Although the fees can add up and even seem daunting, closing costs are a normal part of the home-buying process and your mortgage lender can walk you through estimated costs as well as different scenarios to find the best fit for you. To clear up any questions you may have, visit us at [www.ParkwayPreserve.com](http://www.ParkwayPreserve.com) to chat with a Sales Associate.

#### **BUILDER FEES IN NEW CONSTRUCTION CLOSING COSTS:**

Sobel Co does not charge Builder Fees, while other Builders may.

#### **HOW MUCH SHOULD YOU SAVE?**

Closing costs are usually between 2-4 percent of the home's value, 3 percent on average. Those percentages may seem small, but when you consider the fact that you'll have to pay that amount and a down payment, the costs are higher. A \$300,000 mortgage will come with an average of \$9,000 in closing costs. Average closing costs may be 3 percent of the home value, but they vary from state to state. Several organizations track average closing costs by state. Your state average is a good starting point for how much you should save, although other factors influence the costs.



# **UNDERSTANDING CLOSING COSTS**

**What You Need to Know When Purchasing a New Construction Home**

# WHAT ARE CLOSING COSTS ON NEW CONSTRUCTION?

Closing cost are fees associated with purchasing a new home and are a one-time expense due at your home's closing. All fees are listed on your Closing Disclosure form.

Here are fees you'll likely notice on your Closing Disclosure:

- Appraisal and home inspection fees:**

Charged by the appraiser, these fees are for determining the home's value and issuing an appraisal report. The lender typically contacts the appraiser to perform the appraisal, and the buyer pays the fees.

- Title search and title insurance fees:**

The title search is a fee charged by the title company to search the property title for any existing liens or other potential issues.

- Attorney fees:**

Attorney fees may be required if an attorney gets hired to review the terms negotiated in your purchase contract.

- Homeowners association fees:**

Since your closing date may not align with the homeowner's association (HOA) period, a prorated HOA fee may be applied to help ensure neither party overpays.

- Property taxes and insurance fees:**

Property tax is a fee charged by the county or city and depends on the location of the property and its assessed value.

- Escrow deposits:**

You can make this deposit to your lender to cover property taxes and insurance if you are required to or choose to open an escrow account.

