New Construction
Blueprint

The complete guide to building in Southeast Michigan, from builder contract red flags and upgrade economics to pre-drywall inspections, warranty coverage, and what actually happens on closing day.

Build vs. Buy Existing Builder Contracts Upgrade Economics Design Center Strategy Pre-Drywall & Final Inspection 1-2-10 Warranty

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New Construction Blueprint

Introduction

Why New Construction Requires
Its Own Blueprint

Buying new construction is not a resale transaction with a longer timeline. It is a different product category, governed by different contracts, financed differently, inspected differently, and taxed differently, even when the finished home looks identical to one on the next street.

First-time buyers, move-up buyers building custom, production-home shoppers, and buyers comparing resale against new all arrive at the model home with the same assumption: that the purchase process works like buying an existing home, just with a construction wait. That assumption costs money. Builder contracts in Michigan are not MLS purchase agreements. Earnest money is structured in deposits, not a single check. Upgrades are priced at design-center margins, not retail. Inspection rights are limited or absent unless negotiated. And the warranty that protects you after closing is a statutory system, the 1-2-10 system, that most buyers have never heard of until something goes wrong.

This Blueprint covers the full arc of a Southeast Michigan new construction purchase: the build-versus-buy decision, production versus semi-custom versus custom paths, contract language and why it favors builders, earnest money schedules, lender incentive math, upgrade economics, design center strategy, community selection across Canton, Plymouth, Northville, Brighton, Saline, and surrounding markets, HOA realities in new developments, construction timelines and delays, change orders, construction-period financing and rate locks, property tax assessment on new builds, Michigan's 1-2-10 warranty law, independent inspections at pre-drywall and final, and what actually happens at the walkthrough and on closing day.

If you are also evaluating resale homes, read the **First-Time Home Buyer's Blueprint** and the **Home Inspection Blueprint** at heartstohomesmi.com/blueprint-library in parallel. New construction solves some problems resale cannot, and creates others resale does not have. The buyers who do well are the ones who understand both sides before they sign a builder contract.

How to Use This Blueprint

Chapters 1 and 2 establish whether new construction fits your goals and which builder type matches your budget. Chapters 3 through 6 are contract and money, read these before you sign anything. Chapters 7 through 10 cover upgrades and design decisions, where most budget overruns happen. Chapters 11 and 12 orient you to Michigan communities and HOA structures. Chapters 13 through 16 address timeline, financing, and taxes. Chapters 17 through 19 cover warranties, inspections, and closing. The checklist at the end is printable and organized by construction phase.

From Experience Derica Wade, Associate Broker

"The single most expensive mistake I see in new construction is buyers who tour model homes without representation, fall in love with the finishes, and sign a builder contract the same weekend. They have not read the deposit schedule, have not compared the incentive package against outside lenders, and have not asked whether independent inspections are permitted. Six months later they are calling me because the closing date moved twice and they do not know what they can still change. Representation does not slow down new construction, it prevents the surprises that do."

Chapter 1

Should You Build
or Buy Existing?

New construction offers customization, modern systems, and warranty coverage. Resale offers location flexibility, faster move-in, and negotiable terms. The right choice depends on your timeline, tolerance for builder risk, and what you are actually paying for.

What New Construction Actually Delivers

A newly built home gives you current building codes, new mechanical systems with predictable lifespans, energy-efficient construction, and a blank maintenance history. You choose (within builder limits) the floor plan, finishes, and lot orientation. You receive Michigan's mandatory 1-2-10 warranty coverage from day one. For buyers who have owned older Southeast Michigan homes with galvanized plumbing, undersized electrical panels, or deferred maintenance, the appeal is rational, not just aesthetic.

What new construction does not guarantee: a below-market price, a stress-free process, or a home that appreciates faster than comparable resale. New homes often carry a premium of 5% to 15% over similar-sized resale in the same community, before upgrades. That premium buys newness and warranty, not necessarily better long-term value.

The Build-vs.-Buy Decision Matrix

Factor	Favors New Construction	Favors Existing Home
Move-in timeline	Can wait 6 to 14 months	Need possession within 60 to 90 days
Customization priority	Floor plan and finishes matter deeply	Layout is acceptable with minor updates
Room to negotiate	Comfortable with builder terms as written	Want inspection contingency and price negotiation
Budget flexibility	Room for upgrades and change orders	Fixed budget; surprises are unacceptable
Location specificity	Willing to live in active build communities	Need established neighborhood with mature trees
HOA tolerance	Accept architectural controls and assessments	Prefer minimal or no HOA restrictions
Risk tolerance	Can absorb timeline delays and deposit exposure	Need contractual remedies if deal falls through

The Hidden Costs Buyers Miss

New construction buyers frequently under-budget for: design center upgrades (often $30,000 to $80,000 on a production home), window treatments and landscaping (rarely included), mailbox and exterior lighting (sometimes excluded), property tax at full assessed value (no Proposal A cap history on a brand-new build), and interim housing if the closing date slips. The **Michigan Closing Cost Blueprint** covers buyer-side closing costs; this Blueprint covers the costs that appear before closing.

Pro Tip: Run the Total Cost, Not the Base Price

When comparing a $425,000 base-price new build against a $395,000 resale, add realistic upgrade costs ($40,000 to $60,000 for most production buyers), full property tax (not the model-home estimate), HOA initiation and annual dues, and 3 to 6 months of interim housing risk. The comparison number is often much closer than the marketing price suggests, and sometimes resale wins on total cost.

Michigan Tip: Resale Inventory in Build Markets

Communities like Canton, Plymouth Township, Northville, and Brighton have both active new construction and resale inventory in the same school districts. A resale home built in 2010 to 2018 may offer modern floor plans at lower total cost than a new build one mile away, with the tradeoff of someone else's upgrade choices and no builder warranty (though a home warranty or seller concessions may partially offset). Use the Community Guides at heartstohomesmi.com/community-guides-southeast-michigan to compare both pipelines in your target area.

Chapter 2

Production vs. Semi-Custom *vs. Custom*

Not all new construction is the same product. Production, semi-custom, and custom builds differ in price, flexibility, timeline, and who holds the risk when something goes wrong.

Production Home Builders

Production builders like Pulte, Lennar, M/I Homes, Ryan Homes, Lombardo, and regional volume builders across Southeast Michigan, build from a fixed portfolio of floor plans in master-planned communities. You select a plan, a lot (if available), and upgrades from a design center menu. Structural options are limited to what the builder has pre-engineered. Pricing is base price plus lot premium plus options. Timeline is typically 6 to 10 months from contract to close for a to-be-built home; inventory or spec homes can close in 30 to 90 days.

Advantages: predictable pricing bands, established communities with amenities, builder financing incentives, and streamlined process. Disadvantages: limited customization, builder-friendly contracts, and finish quality that reflects volume construction standards.

Semi-Custom Builders

Semi-custom builders offer a wider plan library or allow modifications within structural limits, moving walls, adding bonus rooms, adjusting rooflines. You may work with an in-house architect or select from modified stock plans. Common in communities across Northville, Plymouth, Saline, and Washtenaw County townships. Price range typically runs 10% to 25% above comparable production square footage. Timeline: 8 to 14 months.

Semi-custom is the path most move-up buyers choose when production floor plans feel too generic but full custom is beyond budget or patience. The contract structure is still builder-drafted, but you have more design input before the slab is poured.

Custom Home Builders

Custom builders construct a one-off home on your lot or a lot you purchase separately. You work with an architect, select every detail, and the builder prices the project from plans and specifications. Timeline: 12 to 24 months. Budget risk is highest here: cost overruns, change orders, and timeline extensions are common without tight specification discipline.

Custom makes sense when you own land, have a specific vision that no production plan accommodates, and have cash reserves or construction-loan capacity to absorb 10% to 20% budget contingency. In Michigan, custom builds on rural or township lots also require separate due diligence on well, septic, drainage, and road maintenance agreements.

Builder Type	Typical Price/Sq. Ft. (2026 SE Michigan)	Customization	Timeline
Production	$180 to $250	Design center options only	6 to 10 months
Semi-custom	$220 to $300	Modified plans, structural options	8 to 14 months
Custom	$280 to $400+	Full architectural control	12 to 24 months

Illustrative ranges only. Varies by community, finish level, lot cost, and builder. July 2026 Southeast Michigan.

Spec Homes and Inventory Builds

A spec home (already under construction or complete, no buyer yet) or inventory home (finished, ready to close) trades customization for speed. You inherit another buyer's design choices or the builder's default selections. Pricing may be more negotiable than to-be-built contracts because the builder is carrying carrying costs. Inspection rights may still be limited, but possession can happen in weeks, not months. For buyers comparing resale, a spec home is the closest apples-to-apples new construction option.

Chapter 3

Understanding *Builder Contracts*

A Michigan builder purchase agreement is a proprietary contract, not the standard MLS form used in resale. It governs deposits, timelines, specifications, warranties, and remedies. You need to read every page before you sign.

How Builder Contracts Differ from Resale Agreements

Resale transactions in Michigan typically use the Michigan Realtors purchase agreement, which includes inspection contingencies, appraisal contingencies, and mutual remedies. Builder contracts replace that agreement with the builder's own terms: limited or no inspection contingency, unilateral right to extend closing, specifications incorporated by reference, and deposit structures that are non-refundable after defined milestones.

The contract package usually includes: the purchase agreement, the floor plan and elevation sheet, the community declarations (if applicable), the design center selections summary, the deposit schedule exhibit, the warranty document, and sometimes a separate financing addendum if you use the builder's preferred lender.

Key Contract Sections to Locate Immediately

1. **Purchase price and inclusions.** What is included in base price versus upgrade price? Appliances, garage door openers, landscaping, sod, mailbox, and basement finish are frequently excluded or partially included.
2. **Deposit schedule.** When is each deposit due, how much, and under what conditions is it refundable? See Chapter 5.
3. **Estimated completion and closing date.** Is the date binding or an estimate? What triggers extensions?
4. **Change order process.** How are changes requested, priced, and approved? See Chapter 14.
5. **Warranty terms.** Builder warranty plus Michigan 1-2-10 statutory coverage. See Chapter 17.
6. **Inspection rights.** Does the contract permit buyer inspections at pre-drywall and final? If not stated, assume they are not permitted without an addendum.
7. **Default and remedies.** What happens if the buyer or builder fails to perform?

Specifications and "Builder's Discretion"

Most builder contracts include language allowing substitution of materials of "equal or better quality" at the builder's discretion. That means the exact cabinet model, tile lot, or fixture brand in the model home may not be what is installed in your home. Your selections sheet, signed at the design center, is the enforceable document for finishes. If it is not on the selections sheet, it is not guaranteed.

From Experience Derica Wade, Associate Broker

"I review builder contracts before my clients sign, not after. The clauses that matter are never on the sales brochure. They are on page 14 of the purchase agreement, in the deposit exhibit, and in the fine print around 'substantial completion.' Buyers who sign at the model home desk without reading those sections discover six months later that their $15,000 initial deposit became non-refundable at permit pull, and the closing date is a target, not a promise."

Pro Tip: Request the Full Contract Package Before the Design Center

Ask for the purchase agreement, deposit schedule, and warranty document when you first tour, not when you are ready to write a check. Review it with your agent and, for custom or high-dollar contracts, a real estate attorney. The design center appointment is emotionally charged and financially expensive. Contract clarity should precede it.

Chapter 4

Why Builder Contracts
Favor the Builder

Builder contracts are drafted by the builder's attorneys to shift risk toward the buyer. That is not a moral judgment. It is how these contracts are written. Knowing where you still have room to negotiate helps you use it before you sign.

Risk Allocation: By Design

Volume builders sell dozens or hundreds of homes per community. Their contracts standardize risk: the buyer absorbs timeline uncertainty, deposit exposure, and limited inspection remedies; the builder retains control over materials, subcontractors, scheduling, and completion definitions. This is economically rational for the builder, and expensive for buyers who do not understand the tradeoffs.

Common Builder-Favorable Clauses

Clause Type	What It Typically Says	Buyer Impact
Closing date	"Estimated" or "on or about" with automatic extensions	You cannot reliably plan lease end, school start, or rate lock expiration
Deposit forfeiture	Deposits become non-refundable at permit, framing, or contract execution	Walking away after milestone costs thousands
Material substitution	Builder may substitute equal or better materials	Model home finishes may not match delivered product
No inspection contingency	Buyer waives right to terminate based on inspection findings	Defects must be addressed through warranty, not negotiation
Force majeure	Delays from weather, labor, materials, permits extend timeline without penalty	Builder not in breach for months-long delays
Limited damages	Buyer remedies capped; no consequential damages for delay	No compensation for interim housing or rate lock extension costs
Binding arbitration	Disputes resolved through arbitration, not court	Limits legal remedies; may favor repeat builder litigants

What Is Actually Negotiable

Production builders rarely change core contract language for a single buyer. What can sometimes be negotiated: lot premium reductions, closing cost credits (especially on inventory homes), upgrade allowances, inclusion of items normally extra (garage door openers, sod, blinds package), extended rate lock assistance, and, critically, **addenda permitting independent inspections** at pre-drywall and prior to closing. Semi-custom and custom builders have more flexibility on contract terms, deposit schedules, and completion guarantees.

Why You Still Want an Agent

The builder's sales representative represents the builder, not you. Their job is to convert your interest into a signed contract and design center revenue. A buyer's agent reviews the contract, negotiates where possible, tracks construction milestones, coordinates inspections, and ensures your selections and change orders are documented. In most Michigan new construction transactions, the builder pays buyer agent commission, meaning representation often costs you nothing at closing.

Michigan Legal Context

Michigan does not require builders to use a standard purchase form. The Michigan 1-2-10 warranty statute (MCL 408.551 to 408.558) mandates certain warranty coverage on new residential construction, but it does not make builder contracts fair or balanced. Statutory warranty and contractual fairness are different protections. You need to understand both.

Michigan Tip: Attorney Review for Custom Contracts

For production homes, agent review of the contract is usually sufficient. For semi-custom and custom builds above $500,000, or any contract with a draw schedule tied to construction milestones, budget $500 to $1,500 for a Michigan real estate attorney to review the agreement before signing. The cost is trivial relative to a six-figure deposit exposure.

Chapter 5

Earnest Money Structure
and Deposit Schedule

In new construction, earnest money is not one check at offer. It is a series of deposits tied to milestones, each with its own refundability rules. This is where buyers lose the most money when they change their minds or their financing shifts.

Typical Deposit Schedule Structure

Southeast Michigan production builders commonly structure deposits in three to five increments. A representative schedule on a $450,000 home might look like this:

Deposit	Typical Amount	Due When	Refundability
Initial earnest money	$5,000 to $10,000	At contract signing	Refundable during rescission or financing contingency window (if any)
Design center deposit	$5,000 to $15,000	At design center signing	Often becomes non-refundable immediately
Permit / start deposit	$5,000 to $10,000	When building permit issued	Non-refundable once construction starts
Framing / dry-in deposit	$5,000 to $10,000	At framing completion	Non-refundable
Total deposit exposure	$20,000 to $45,000	Staged over 3 to 6 months	Progressively non-refundable

Illustrative schedule. Actual amounts vary by builder and price point. Always read your contract's deposit exhibit.

Refundability: The Critical Question

Ask explicitly: "Under what conditions is each deposit refundable, and when does it become non-refundable?" Get the answer in writing in the contract or an addendum, not from a sales associate's verbal assurance. If your financing falls through after the permit deposit becomes non-refundable, you may forfeit $20,000 or more even though no one did anything wrong.

Deposit vs. Down Payment

Builder deposits are credited toward your purchase price at closing, they are not separate from your down payment. If your total deposits are $30,000 and your down payment is $45,000, you bring $15,000 additional cash at closing (plus closing costs). Your lender will verify the source of all deposited funds. Do not move deposit money in ways that complicate your funding paper trail.

Pro Tip: Pre-Approval Before the First Deposit

Get fully pre-approved, not just pre-qualified, before signing a builder contract and before the first non-refundable deposit. If you are selling a current home, resolve the sell-first versus buy-first strategy (see the Move-Up Buyer's Blueprint) before committing deposits that assume your equity is available. Financing surprises after deposits are non-refundable are among the most painful calls I receive.

From Experience Derica Wade, Associate Broker

"A buyer once put down $12,000 at contract and another $8,000 at the design center before telling me they were also under contract to sell their current home, and that sale had just fallen through. The builder's contract made both deposits non-refundable at design center signing. We explored assignment and inventory swap options, but the financial loss was real. Deposits are not placeholders. They are commitments. Treat them that way."

Chapter 6

Builder Lender
Incentives

"Use our lender and we will give you $10,000 toward closing costs." That offer is real money, and it comes with strings. Understanding the incentive math prevents you from trading a better rate for a marketing credit.

How Builder Lender Incentives Work

Production builders maintain relationships with preferred lenders and title companies. The builder may pay a closing cost credit, rate buydown, or upgrade allowance if you finance through the preferred lender and/or use the preferred title company. The builder recoups some of this cost through volume pricing, referral arrangements, and higher capture rates on sales. The incentive is not charity, it is a pricing bundle.

The Comparison You Must Run

Before accepting a builder incentive package, get a Loan Estimate from the preferred lender and at least one independent lender for the same loan amount, term, and product (usually conventional 30-year fixed). Compare:

Line Item	Preferred Lender	Independent Lender
Interest rate	6.875%	6.625%
Lender credits / builder incentive	$10,000 credit	$0
Monthly P&I (on $360,000 loan)	$2,365	$2,303
7-year interest cost difference	,	~$5,200 more with preferred rate
Net benefit of incentive (7 years)	$10,000 credit – $5,200 = ~$4,800 ahead	Break-even depends on hold period

Illustrative comparison only. Run your actual Loan Estimates. Shorter hold periods favor credits; longer hold periods favor lower rates.

When the Incentive Makes Sense

Builder lender incentives favor buyers who: plan to sell or refinance within 5 to 7 years, need the credit to cover closing costs and preserve cash for upgrades, have credit profiles that rate similarly across lenders, or are buying inventory homes where the builder will not budge on base price but will stack incentives. Incentives favor the builder when the preferred lender's rate is 0.25% to 0.50% higher and you plan to own the home 10+ years.

Preferred Title Company

Some builders require or incentivize use of their preferred title company. In Michigan, you have the legal right to choose your title company on many transactions, but the builder may reduce incentives if you do. Compare title insurance premiums and closing fees. On a $450,000 purchase, a $300 to $600 title fee difference may be irrelevant next to a $10,000 credit, or it may matter if the credit is illusory. See the **Michigan Closing Cost Blueprint** for a full buyer-side cost breakdown.

Red Flag: Pressure to Skip Comparison

If a builder's sales team discourages you from getting outside Loan Estimates, "our lender is the only one who understands new construction", that is a signal to get outside Loan Estimates immediately. Every lender can close a new construction purchase. The question is price, not capability.

Chapter 7

Upgrade *Economics*

The base price gets you in the door. The design center gets you to the home you actually want, at margins that bear no resemblance to retail pricing. Upgrade economics is where new construction budgets succeed or fail.

How Design Center Pricing Works

Builder upgrade pricing includes: material cost, builder markup (often 40% to 100% on finishes), installation labor, project management overhead, and profit. A quartz countertop upgrade priced at $4,500 at the design center might cost $2,200 to $2,800 through an independent fabricator after closing. That does not make the design center price "wrong", it reflects integration into the build schedule, warranty coverage, and convenience. But it means every upgrade dollar requires a value judgment, not an impulse.

The Upgrade Budget Formula

A practical planning formula for production homes: assume 8% to 15% of base price in total upgrades for a minimally customized home; 15% to 25% for a typical family buyer who upgrades kitchen, flooring, electrical, and bathroom finishes; 25%+ for buyers who replicate model home quality. On a $400,000 base, that is $32,000 to $100,000 in options.

Upgrade Category	Typical Design Center Range	Resale Value Recapture
Kitchen cabinet upgrade	$8,000 to $25,000	50% to 70% at resale
Countertops (quartz/granite)	$3,000 to $8,000	60% to 80%
Hardwood vs. standard LVP	$4,000 to $12,000	50% to 70%
Finished basement	$25,000 to $60,000	40% to 60%
Structural: bonus room, bath	$15,000 to $40,000	60% to 80%
Lighting package	$2,000 to $6,000	20% to 40%
Appliance upgrade	$2,000 to $8,000	30% to 50%

Illustrative ranges for Southeast Michigan production builders, 2026. Recapture rates are estimates, not guarantees.

Financing Upgrades

Upgrades are rolled into the purchase price and financed with your mortgage if your loan approval accommodates the higher price. A $50,000 upgrade package on a 6.75% 30-year mortgage adds roughly $325/month, and $64,000 in total interest over 30 years. Some buyers pay for select upgrades in cash at the design center to avoid financing markup-on-markup. Know your debt-to-income ceiling before you select the premium quartz.

Pro Tip: Set a Hard Cap Before You Walk In

Decide your maximum upgrade budget before the design center appointment, not during it. The design center is a professionally designed sales environment with tactile samples, upgrade consultants, and time pressure. Bring your cap in writing. Tell your consultant upfront: "Our budget is $X. Help us prioritize within that number."

Chapter 8

Worth Paying For vs.
Better After Closing

Some upgrades must happen during construction, they are expensive or impossible to retrofit. Others are dramatically cheaper when done by independent contractors after you have keys. Knowing the difference saves tens of thousands.

Upgrades Worth Paying For at the Design Center

Structural and rough-in items: Additional bathrooms, bedroom count changes, garage size, window quantity and placement, electrical panel size, rough-in for basement finish, gas line for range or fireplace, outlet and circuit additions, plumbing rough-in for future basement bath, and any change that requires framing modification. These are either impossible or prohibitively expensive after drywall.

Integrated finishes installed before close: Flooring that runs wall-to-wall (especially tile in wet areas), kitchen cabinetry layout and quality, shower tile and pan, HVAC zoning or upgrade, insulation package, and energy-efficient window tier if the base window is below your climate needs.

Exterior selections locked at build: Elevation materials, roof line changes, deck or patio footings poured with the foundation, and driveway extension if tied to the pour schedule.

Upgrades Better Completed After Closing

Lighting fixtures: Builder fixture packages run $150 to $400 per fixture installed. Retail and online fixtures at $50 to $150 each installed by an electrician after closing save 50% to 70%. Take the builder's standard "builder grade" allowance and upgrade later.

Interior hardware: Cabinet pulls, door hardware, and towel bars are marked up heavily at the design center. Buy packages at retail and swap in a weekend.

Landscaping beyond basic sod: Trees, beds, irrigation, and hardscaping are almost always cheaper through local landscapers than builder exterior packages.

Window treatments: Rarely included; almost never worth builder pricing. Budget for independent measurement and install after possession.

Garage shelving, closet systems, and basement finish details: If the basement is roughed-in but not finished, independent finish contractors often beat builder per-square-foot pricing on recreation rooms, bars, and custom closet buildouts.

Upgrade	At Design Center	After Closing	Recommendation
Recessed lighting (12 cans)	$3,600 to $5,400	$1,800 to $2,800	After closing, if rough-in exists
Quartz countertops	$4,500 to $7,000	$2,500 to $4,000	Design center (integrated timing)
Full basement finish	$40,000 to $60,000	$30,000 to $45,000	Compare bids; rough-in at build
Deck (12x16)	$8,000 to $14,000	$5,500 to $9,000	After closing unless tied to foundation
Interior door upgrade	$2,500 to $5,000	$1,200 to $2,500	Design center if slab doors; swap hardware later
Fireplace surround upgrade	$2,000 to $4,500	$800 to $2,000	After closing in most cases

From Experience Derica Wade, Associate Broker

"I tell every design center buyer: spend your money where the walls are open. The moment drywall goes up, your negotiating position shifts from structural to cosmetic. Buyers who upgrade every light fixture and door handle at the center and then finance it for 30 years are paying $15,000 for something they could have done for $4,000 in the first six months of ownership."

Chapter 9

Design Center
Strategy

The design center is where your floor plan becomes your home, and where disciplined buyers separate from buyers who finance $80,000 in upgrades they will not recoup. Strategy beats impulse.

Before the Appointment

1. **Photograph the model home systematically.** Every room, every fixture, every elevation detail. Model homes represent the top upgrade package, your reference point for what you are replicating or declining.
2. **Build a priority list:** must-have, nice-to-have, after-closing. Share it with your agent and your design consultant before selections begin.
3. **Confirm structural option deadline.** Structural selections (floor plan modifications) close earlier than finish selections. Missing the structural window is irreversible.
4. **Bring your upgrade budget cap in writing.** Include a 10% contingency for items you will discover during the appointment.

During the Appointment

Design center appointments run 3 to 6 hours for full finish packages. Pace yourself. Start with structural and rough-in decisions, then kitchen and baths (highest cost rooms), then flooring, then everything else. Ask for itemized pricing on every selection before you move to the next room. Request a printed or PDF selections summary before you leave.

Decline same-day signing pressure. Most builders allow 48 to 72 hours to review the selections summary at home. Use that time. Compare flooring and countertop choices against your daily life, not the showroom lighting.

After the Appointment

Review the selections summary against your budget cap. Identify items to downgrade before signing. Confirm that every verbal promise from the consultant appears on the written summary, if it is not written, it does not exist. Have your agent review the summary for inconsistencies with the floor plan and contract inclusions.

Model Home vs. Your Home

Model homes are sales tools. They include the maximum upgrade package, professional staging, upgraded landscaping, and sometimes features not available in the standard line (coffered ceilings, tray ceilings, built-in media walls). Ask the consultant to price your home as you are actually selecting it, not as the model is dressed.

Pro Tip: Two-Trip Strategy

Make your first design center visit a research trip only, no signing authority, no checkbook. Photograph, price, and leave. Sleep on it. Return for the signing appointment with your priority list finalized. Builders allow this more often than sales teams suggest.

Chapter 10

Structural Options
vs. Cosmetic Options

The most important distinction in new construction is not price, it is timing. Structural options lock in before framing. Cosmetic options can often wait. Mixing up the two categories is how buyers lose negotiating power.

Structural Options

Structural options alter the physical shell or systems of the home. They require architectural review, permit updates, and framing changes. Once the home is framed and mechanicals are roughed in, structural changes are either impossible or billed as expensive change orders.

Common structural options in Southeast Michigan production and semi-custom builds:

- Adding a third or fourth bedroom
- Converting a study to a bedroom with closet addition
- Adding a full or half bath on main or basement level
- Three-car garage or extra-deep garage bay
- Extended covered entry or rear elevation changes
- Window additions or enlargements (requires header engineering)
- Basement egress window for legal bedroom
- Rough-in for future basement bathroom or wet bar
- Electrical panel upgrade (200 amp vs. 150 amp)
- HVAC zoning or upgraded furnace/AC tonnage
- Plumbing for main-floor laundry or mudroom sink

Cosmetic Options

Cosmetic options affect appearance and finish level without changing the structure. They are selected at the design center but can often be replicated or upgraded after closing at lower cost.

Common cosmetic options: cabinet door style and color, countertop material, backsplash tile, flooring species and plank width, interior paint colors, carpet grade, bathroom vanity style, shower glass vs. curtain rod, interior door panel style, and decorative trim packages.

The Gray Zone

Some options appear cosmetic but function as structural because of installation timing: a gas fireplace, a kitchen island with structural posts, a pocket door (requires wall cavity framing), a tray or coffered ceiling (requires framing modification), and a finished basement (involves framing, electrical, plumbing, and HVAC). When in doubt, ask: "Does this require a framing change or permit revision?" If yes, it is structural for decision purposes.

Michigan Tip: Egress and Basement Bedrooms

Michigan building code requires egress windows in basement sleeping rooms. If you plan to market a basement room as a bedroom, for your family or at resale, specify egress during construction. Retrofitting egress in a completed foundation wall in Southeast Michigan clay soils is expensive and disruptive. This is a structural decision with long-term resale implications.

Decision	Category	Deadline
Add fourth bedroom	Structural	Before framing, often at contract
Upgrade to quartz counters	Cosmetic (integrated)	Design center, before countertop order
200-amp electrical panel	Structural/systems	Before electrical rough-in
Hardwood in main living areas	Cosmetic (integrated)	Design center, before flooring order
Basement egress window	Structural	Before foundation backfill
Upgraded cabinet hardware	Cosmetic	Can wait until after closing

Chapter 11

Michigan New Construction *Communities*

Southeast Michigan has active new construction from Livingston County through western Wayne and throughout Washtenaw. Community choice affects schools, commute, property tax millage, HOA structure, and which builders you can access.

How to Evaluate a New Construction Community

Beyond the model home, evaluate: builder reputation in that specific community (not just nationally), lot premiums and what they buy you, future phase plans (what gets built behind you), HOA covenants and assessment schedule, special assessments risk for amenities, school district boundaries (verify, do not assume), commute routes at rush hour, and proximity to DTE or Consumers Energy service territories for utility cost planning.

Western Wayne and Plymouth-Canton Corridor

Canton Township remains one of the highest-volume new construction markets in Michigan, with production builders across multiple phases near Ford Road, Joy Road, and the I-275 corridor. Price bands span $350,000 to $550,000 for production single-family. Plymouth-Canton Schools draw significant family demand. Property taxes reflect Canton Township millage; verify SEV projections on new plats.

Plymouth and **Plymouth Township** offer a mix of semi-custom and production in smaller enclaves, often at higher price points than Canton with closer access to downtown Plymouth and Mettetal Airport area amenities. New construction here competes with strong resale in established neighborhoods.

Northville and **Northville Township** command premium pricing for schools, walkable downtown, and lot quality. Production and semi-custom communities in the township often start in the $500,000s and extend well above $700,000. Inventory is tighter; lot selection matters for resale sight lines and backing conditions.

Washtenaw County

Saline attracts buyers prioritizing Saline Area Schools and a small-town center with Ann Arbor commute access. New construction includes production subdivisions and semi-custom lots on township land. Price bands typically run $450,000 to $650,000+.

Ann Arbor periphery (Pittsfield Township, Scio Township, York Township) has scattered new builds at higher price points driven by school districts and proximity to U-M employment. Custom and semi-custom dominate over volume production.

Livingston and Oakland Edges

Brighton and **Green Oak Township** continue to see production builder activity with Brighton Schools demand. I-96 corridor commuting draws Detroit and Ann Arbor employment mixes. New construction here often offers larger lots than inner-ring Wayne communities.

Novi, **South Lyon**, and **Milford** carry active or recent build communities with Novi and South Lyon schools respectively. Evaluate traffic on Grand River, Novi Road, and I-96 interchange corridors before committing.

Macomb and Further East

Macomb Township, **Washington Township**, and **Ray Township** offer production new construction at somewhat lower price-per-square-foot than western Wayne, with Utica and Chippewa Valley school demand. Commute patterns favor I-696 and M-53.

Community	Typical New Build Range	School District	Builder Type

Canton	$350K to $550K	Plymouth-Canton	Production
Northville Twp.	$500K to $750K+	Northville	Semi-custom / production
Saline	$450K to $650K	Saline Area	Production / semi-custom
Brighton	$400K to $600K	Brighton	Production
Plymouth Twp.	$425K to $600K	Plymouth-Canton	Semi-custom / production
Macomb Twp.	$325K to $475K	Chippewa Valley / Utica	Production

Illustrative ranges, July 2026. Communities and availability change. Verify current inventory with your agent.

Pro Tip: Use Community Guides and the Find Your Fit Quiz

The Hearts to Homes Community Guides at heartstohomesmi.com/community-guides-southeast-michigan cover 18 communities in depth, schools, commute, lifestyle, and resale context. The Find Your Fit Quiz at heartstohomesmi.com narrows your list before you tour model homes. Do the research before you fall in love with a builder's staging.

Michigan Tip: DTE vs. Consumers Energy

Southeast Michigan new construction communities may fall in DTE Energy or Consumers Energy territory depending on township and plat location. Electric rates, solar interconnection rules, and service upgrade timelines differ. Ask the builder which utility serves the plat and what is included in the base price for meter sets, panel upgrades, and any off-peak wiring for EV chargers. Gas service is typically DTE or SEMCO depending on location.

Chapter 12

HOA Expectations in *New Developments*

Nearly every new construction community in Southeast Michigan has a homeowners association. The CC&Rs you sign at closing govern your exterior, your landscaping, and your monthly budget for years.

What HOAs Control in New Builds

In active developments, the HOA (often controlled by the builder until a turnover threshold is met) typically controls: architectural standards and approval for exterior modifications, fence type and placement, mailbox style, landscaping requirements and approved plant lists, parking rules (including street parking during construction phases), outbuilding restrictions, holiday decoration guidelines, and amenity access and maintenance fees.

During the builder-controlled phase, the HOA may not function as a typical resident-run board. The builder votes on behalf of unsold lots. Rules can change until turnover. Read the declarations and bylaws before you assume you can add a pergola, paint the front door a non-approved color, or store a boat in the driveway.

Fees, Assessments, and the Budget Surprise

Cost Type	Typical Range (SE Michigan)	Notes
Monthly HOA dues	$50 to $250/month	Higher with pools, clubhouses, trails
Initiation / working capital fee	$500 to $3,000	One-time at closing in many communities
Special assessments	Variable	Can fund amenities, roads, or detention fixes
Builder-controlled period	Until 75% sold (typical)	Residents may have limited board voice

Questions to Ask Before You Buy

1. **What is the current monthly assessment and what does it cover?** Request the HOA budget and reserve study if available.
2. **Are there planned special assessments for phase 2 amenities?** Pools and clubhouses often trigger assessments after initial sales.
3. **What exterior modifications require architectural review?** Decks, fences, sheds, and solar panels are common trigger items.
4. **When does builder control turnover to residents?** And how many votes does the builder retain until then?
5. **Are there rental restrictions?** Relevant if you might relocate within a few years.

Living Next to Active Construction

In a multi-phase community, you may close on your home while phases behind you are still building for 12 to 24 months. Dust, construction traffic, incomplete amenities, and changing sight lines are normal. Ask for a phase map and understand what will be built adjacent to and behind your lot before you select it.

Chapter 13

Construction Timeline *and Delay Causes*

The sales associate quotes six to eight months. The contract says "on or about." Michigan weather, labor markets, and permit offices have other plans. Plan for the longest realistic timeline, not the best case.

Typical Production Build Timeline

Phase	Duration	What Happens

Contract to permit	4 to 8 weeks	Design center finalization, plan submission, permit approval
Foundation	2 to 4 weeks	Excavation, pour, waterproofing, backfill
Framing	3 to 5 weeks	Structural shell, roof decking, sheathing
Rough mechanicals	3 to 5 weeks	Plumbing, electrical, HVAC rough-in
Drywall and interior	6 to 10 weeks	Insulation, drywall, trim, cabinets, paint, flooring
Finishes and punch	4 to 6 weeks	Fixtures, appliances, exterior completion, landscaping
Total (contract to close)	7 to 12 months	Varies by builder, season, and labor

Common Delay Causes in Michigan

Weather: Foundation work slows November through March. Heavy rain delays excavation in clay-heavy soils common in Wayne, Washtenaw, and Oakland counties. Winter drywall and exterior work may pause.

Material lead times: Windows, cabinets, appliances, and specialty tile have supply-chain lead times that extend interior phases even when framing is on schedule.

Labor and subcontractor scheduling: Production builders sequence dozens of homes. Your place in the queue affects every trade. A shortage of electricians or drywall crews in a hot market adds weeks.

Permit and inspection delays: Township building departments in Canton, Plymouth, Northville, Saline, and Brighton vary in turnaround time. Failed inspections require re-inspection scheduling.

Buyer-driven delays: Late design center decisions, delayed loan documentation, or slow responses to change order approvals push timelines as surely as weather.

Protecting Yourself on Timeline

Negotiate a written construction update cadence (monthly minimum) with your agent's involvement. Document every verbal completion date in email. Plan interim housing with a 60 to 90 day buffer beyond the quoted date. If your rate lock expires before completion, understand extension costs before you need them (see Chapter 15).

From Experience Derica Wade, Associate Broker

"I tell buyers to plan their lease end date or home sale closing for three months after the builder's optimistic completion date. The builders who hit the early date are heroes. The buyers who planned for the early date and did not have a backup when it slipped are the ones calling from a hotel. In Michigan, winter is not a theory, it is a scheduling event."

Chapter 14

Change *Orders*

A change order is any modification to the agreed plan after the contract and selections are signed. Each one has a price, a timeline impact, and a paper trail requirement. Informal changes are where disputes begin.

When Change Orders Happen

Common triggers: you reconsider a design center selection after signing, the builder identifies a site condition requiring modification, you request an addition not in the original spec (extra outlet, relocated vent, upgraded appliance model), framing reveals a layout conflict, or municipal inspection requires a code-driven change. Some are buyer-initiated; some are builder-initiated. All should be documented.

Change Order Economics

Change orders carry premium pricing, typically higher per-unit cost than the same selection made at the design center, because they disrupt the production schedule. A $2,000 countertop upgrade at the design center might cost $3,200 as a change order after the countertop template is made. A relocated interior wall after framing can cost $5,000 to $15,000 depending on mechanical runs affected.

Change Order Type	Typical Cost Impact	Timeline Impact
Fixture swap before rough-in	$200 to $800	Minimal
Countertop material change after template	$1,500 to $3,500+	2 to 4 weeks
Additional recessed lights	$400 to $800 per light	1 to 2 weeks if pre-drywall
Wall relocation post-framing	$5,000 to $15,000	3 to 6 weeks
Elevation material change mid-build	$3,000 to $10,000	4 to 8 weeks

Change Order Discipline

1. **Get every change in writing** with price, scope, and timeline impact before work proceeds.
2. **Confirm lender approval** if the change order increases purchase price above your loan commitment.

3. **Update your selections summary** and keep a running total of change order costs against budget.
4. **Decline verbal "we can just add that" promises** from site supers without a formal change order number.

Site Super vs. Sales Representative

The superintendent on your lot can solve problems quickly, and can create expensive ones. A super who agrees to "move that outlet" without a change order may create a billing dispute at closing, or worse, a modification that conflicts with the lender's appraisal or inspection. Friendly does not mean authorized. Route requests through your agent and the builder's formal change process.

Chapter 15

Financing During Construction
and Rate Locks

Your mortgage does not fund when you sign the builder contract. It funds at closing, months later, at whatever rate your lock secures. Construction-period financing and rate lock strategy are as important as the purchase price.

Construction-Period Loan Types

End loan (most common for production): You apply for a conventional mortgage that closes when the home is complete. During construction, you make deposit payments to the builder per the deposit schedule. No mortgage payments until closing. Your rate lock timing is the critical variable.

Construction-to-permanent loan (custom/semi-custom): A single loan that funds construction draws and converts to a permanent mortgage at completion. Common for custom builds. Requires construction loan qualification, draw inspections, and typically a higher down payment or equity position.

Builder financing programs: Some builders offer extended rate lock programs (6 to 12 months) through preferred lenders, sometimes with a fee or rate premium. Compare the all-in cost against independent lender lock extensions.

Rate Lock Strategy

Lock Length	Typical Cost	Best For
60-day lock	Included or minimal fee	Inventory homes closing within 60 days
90 to 120 day lock	0.125% to 0.25% rate or $500 to $1,500 fee	To-be-built with reliable timeline
180 to 270 day extended lock	0.25% to 0.50% rate or $1,500 to $3,500 fee	Long builds; rate certainty priority
Float-down provision	Varies	Locks with option to capture lower rates before close

Lock Expiration Risk

If your home is not complete before the lock expires, you must extend (at a fee), re-lock at current market rates, or float. In a rising rate environment, a 60-day delay past lock expiration on a $400,000 loan can cost $100 to $300/month for the life of the loan. Discuss extension policies with your lender at lock, not at expiration.

Appraisal Timing

Lenders order appraisals near completion. The appraisal must support the full contract price including upgrades. If your upgrade package pushed the price above comparable sales, you may face an appraisal gap. Discuss this risk with your agent when you sign the design center summary, not at the appraisal.

Pro Tip: First-Time Buyer Overlap

If this is your first home purchase, read the First-Time Home Buyer's Blueprint at heartstohomesmi.com/blueprint-library for pre-approval fundamentals, then return here for construction-specific lock strategy. New construction does not simplify financing, it extends the window where things can change.

Chapter 16

Property Tax Reality
and Proposal A

New construction property taxes work differently than resale taxes capped under Proposal A. Your first tax bill will reflect full assessed value, and your escrow payment will be calibrated to match.

How New Builds Are Assessed in Michigan

When a home is built on vacant or newly platted land, there is no prior owner with a capped taxable value. The local assessor establishes State Equalized Value (SEV) based on the completed home's market value, typically at or near your purchase price. Taxable Value (TV) starts equal to SEV on a new parcel. There is no uncapping event because there is no prior cap to release.

This means new construction buyers avoid the "seller's tax bill was $4,200 but mine is $7,800" surprise that resale buyers face when Proposal A uncaps at transfer. Your surprise, if any, is that the tax bill is simply higher than you budgeted because you used a model-home estimate or a neighboring resale home's capped bill as your reference.

Proposal A: What Still Applies

Michigan's Proposal A (1994) limits annual taxable value increases to the lesser of 5% or the inflation rate (CPI) while you own the home. After your initial assessment, your TV will not jump to full SEV each year unless you make additions or improvements that trigger a reassessment. A finished basement added after closing, a significant addition, or a reassessment appeal loss can increase TV independently of the market.

The Principal Residence Exemption (PRE) reduces your school operating millage on your primary home. File for PRE with the local assessor within 30 days of closing. Missing the deadline costs you the exemption for that tax year.

Estimating Your Tax Bill

Step	Calculation	Example ($450,000 home, Canton area)
Estimated SEV	~50% of market value	$225,000
Combined millage rate	Varies by township/city + schools	~42 mills (illustrative)
Annual tax (before PRE)	(SEV ÷ 1,000) × millage	($225,000 ÷ 1,000) × 42 = $9,450
PRE reduction	School operating millage exemption	Varies; often $1,500 to $2,500 savings
Estimated net annual tax	After PRE	~$7,000 to $8,000

Illustrative only. Millage rates vary significantly across Canton, Plymouth, Northville, Saline, and Brighton. Request exact millage from the township assessor.

Escrow and the First-Year Adjustment

Your lender sets initial escrow based on estimated taxes. When the first actual tax bill arrives after assessor review, your escrow may adjust up or down. On new construction, the first full assessment sometimes occurs in the spring following closing, meaning your escrow payment may increase in year two when the assessor confirms SEV.

Michigan Tip: Do Not Use a Resale Neighbor's Tax Bill

The resale home two lots down may show $5,500/year in taxes on Zillow or the MLS because the seller has owned since 2012 with a capped TV. Your new build on the same street will be assessed at current SEV. For a full explanation of SEV, TV, uncapping, and appeals, see the Michigan Property Tax Guide at heartstohomesmi.com. Budget from SEV math, not from your neighbor's bill.

Chapter 17

Builder Warranties:
The 1-2-10 System

Michigan law requires specific warranty coverage on new residential construction. The 1-2-10 warranty system is your statutory backstop when something fails after closing, but it is not a substitute for pre-closing inspections.

Michigan's 1-2-10 Warranty Law

Under MCL 408.551 to 408.558, builders of new residential construction in Michigan must provide:

Coverage Tier	Duration	What It Covers
1 Year	12 months from possession	Workmanship and materials defects in most components: drywall cracks, trim separation, cabinet alignment, paint issues, flooring defects, mechanical installation errors
2 Years	24 months from possession	Electrical, plumbing, heating, cooling, ventilation, and other mechanical systems, defects in installation and major component failure attributable to construction
10 Years	10 years from possession	Major structural defects: load-bearing failure, foundation structural defects, bearing walls, beams, lintels, and other components affecting load-bearing capacity

What 1-2-10 Does Not Cover

Normal wear and tear, homeowner maintenance failures, damage from alterations you make, cosmetic issues after the one-year period, appliance failures (covered by manufacturer warranty, not builder), landscaping, and consequential damages (mold from an unreported leak you did not address, for example). The warranty covers defects in construction, not every problem that occurs in a home.

Builder Warranty vs. Statutory Warranty

Most production builders also offer a written warranty program (sometimes administered by a third party like RWC or similar). The builder's warranty may parallel 1-2-10 or offer different claim procedures, response timelines, and exclusions. Read both. The statutory warranty is your floor; the builder's written warranty is the process you will actually use for most claims.

Filing Warranty Claims Effectively

1. **Document at move-in.** Photograph every room, every defect, every crack before furniture arrives. Date-stamped photos are evidence.
2. **Submit claims in writing** through the builder's warranty portal or certified mail. Keep copies.
3. **Know your one-year deadline.** Workmanship items not reported within the first year may not be covered after the period expires, even if the defect existed at move-in.
4. **Be specific.** "Master bath grout cracked along north wall, 14 inches from shower door" gets a faster response than "bathroom problems."
5. **Escalate systematically.** Superintendent → warranty department → builder management → statutory notice if unresolved.

The 11-Month Walkthrough

Schedule a systematic home review at 10 to 11 months after closing, before the one-year workmanship warranty expires. Check caulking, grout, nail pops, door alignment, window operation, and HVAC performance. Issues visible at 11 months that you report before month 12 are covered. Issues you notice at month 13 may not be.

From Experience Derica Wade, Associate Broker

"Buyers assume the warranty means the builder will find and fix everything. It does not. The warranty responds to claims you file. Buyers who do a disciplined 11-month walkthrough get drywall cracks, grout issues, and window adjustments resolved. Buyers who wait until something fails dramatically often discover the claim window closed or the cause is attributed to maintenance."

Chapter 18

Pre-Drywall, Final, and *Independent Inspections*

Michigan builders conduct municipal inspections. They do not automatically grant you independent inspection rights. Negotiating and using those rights is one of the highest-value actions in the entire transaction.

Municipal vs. Independent Inspections

Township and city building inspectors verify code compliance at defined stages: foundation, framing, rough mechanicals, electrical, insulation, and final. Municipal inspection confirms minimum code, not quality, not completeness of your selections, and not craftsmanship beyond code threshold.

An independent inspector hired by you evaluates workmanship, installation quality, and items visible at the inspection stage. On new construction, the two inspections that matter most are **pre-drywall** (framing, mechanicals, electrical, plumbing visible before walls close) and **final** (completed home before closing).

Pre-Drywall Inspection

Conducted after rough mechanicals and before drywall installation. Your inspector can see: framing quality and spacing, fire blocking, electrical wire gauge and box placement, plumbing pipe routing and strapping, HVAC duct sizing and sealing, insulation type and coverage (if installed pre-drywall), window and door flashing, and vapor barrier installation.

Issues found at pre-drywall are cheapest to fix. A misrouted drain line, missing fire block, or improperly flashed window is a builder correction before close, if you catch it. After drywall, the same issue requires demolition.

Final Inspection

Conducted when the home is substantially complete, ideally 5 to 10 days before closing. Your inspector evaluates: roof and flashing from ground and attic views, grading and drainage away from foundation, siding and trim installation, window and door operation, appliance installation, GFCI and AFCI protection, HVAC operation, plumbing fixtures and water pressure, and visible finish quality.

On new construction, the final inspection is not a contingency to renegotiate price, the contract rarely permits it. The value is a documented punch list delivered to the builder before closing, creating accountability for correction before or immediately after possession.

Negotiating Inspection Rights

If the builder contract does not include inspection rights, negotiate an addendum before signing. Language should specify: buyer's right to conduct pre-drywall and final inspections at buyer's expense, reasonable access scheduling with 48 to 72 hours notice, and builder agreement to address code violations and material workmanship defects identified by the independent inspector. Some builders refuse; some agree routinely. Your use is highest before deposits become non-refundable.

Inspection Type	Timing	Typical Cost (SE Michigan)	Primary Value
Pre-drywall	After rough-in, before drywall	\$350 to \$550	Hidden defects visible
Final new construction	1 to 2 weeks before closing	\$450 to \$650	Punch list before possession
Radon test	After closure of building envelope	\$150 to \$200	Michigan radon risk mitigation
Re-inspection	After builder corrections	\$150 to \$250	Verify fixes completed

Pro Tip: Use the Home Inspection Blueprint

The Home Inspection Blueprint at heartstohomesmi.com/blueprint-library teaches you how to read an inspection report, prioritize findings, and communicate with your inspector. New construction reports are shorter than resale reports, but the items that appear matter. Arrive at the final inspection with that vocabulary.

Michigan Tip: Radon in New Construction

Southeast Michigan counties including Washtenaw, Livingston, Oakland, and Wayne have significant radon risk. New construction in Michigan may include passive radon mitigation rough-in; active systems may be an upgrade. Test after the building envelope is sealed. If levels exceed 4.0 pCi/L, activation or mitigation is far cheaper during construction than retrofit. Discuss radon rough-in at the design center and test before closing.

Chapter 19

Final Walkthrough
and Closing Day

The final walkthrough is your last look before you own it. Closing day on new construction has its own rhythm, different from resale, with builder representatives, lien waivers, and a punch list that may still be open.

Final Walkthrough: What to Check

Schedule the walkthrough 24 to 72 hours before closing, during daylight. Bring your design center selections summary, your independent inspection punch list, and a phone for photos. Walk every room systematically.

- All selected upgrades installed and matching selections sheet
- Appliances operate; range hood vented and functional
- HVAC heats and cools; thermostat programmed
- All windows and doors open, close, and lock
- Plumbing: run every faucet, flush every toilet, check under sinks for leaks
- Electrical: test every outlet, switch, and GFCI
- Garage door openers installed and remotes provided
- Grading slopes away from foundation on all sides
- Sod, seed, or landscaping per contract inclusions
- Mailbox installed if included
- No construction debris in yard, garage, or basement
- Paint touch-ups and trim caulk complete
- Keys, garage remotes, and access codes provided
- Warranty documentation and appliance manuals present

Punch List vs. Closing

Builders often close with an open punch list for minor items: paint touch-ups, caulk gaps, landscaping completion, or a delayed appliance. This is common but not mandatory. Negotiate a written punch list with completion deadlines before you close. Major items, non-functional HVAC, incomplete electrical, missing selected upgrades, should be resolved before closing, not promised afterward.

Closing Day on New Construction

You will sign the same core documents as a resale closing: note, mortgage, deed, title documents, and disclosures. New construction additions include: builder's affidavit or lien waiver confirming subcontractors paid, final change order reconciliation, warranty registration, and sometimes a builder representative attending to accept final signatures on punch list items.

Funds flow: your down payment (minus deposits already paid), closing costs, and lender funds wire to the title company. The builder receives proceeds. Title insurance issues. You receive keys, often from the builder's superintendent, not the seller at a resale.

First 48 Hours After Closing

1. **Transfer utilities** into your name with DTE, Consumers, or SEMCO, gas, electric, and water/sewer if applicable.
2. **File Principal Residence Exemption** with the township assessor within 30 days.
3. **Register builder and appliance warranties** online the week you close.
4. **Document every defect** with photos for warranty claims.
5. **Confirm punch list completion dates** in writing with the builder's warranty department.

Closing Cost Review

Compare your Closing Disclosure to your Loan Estimate line by line. Builder incentives, title company choice, and property tax escrow estimates are the most common variances on new construction closings. The Michigan Closing Cost Blueprint at heartstohomesmi.com/blueprint-library walks through every line item.

From Experience Derica Wade, Associate Broker

"The walkthrough is not a formality. It is the last moment you still have negotiating power before the home is yours and every issue becomes a warranty ticket. I walk through with my clients, selections sheet in hand, and we do not leave until every missing item is on a written punch list with a date. Closing with clarity beats closing with optimism."

New Construction
Checklist

A multi-phase checklist from your first model home tour through the first year of ownership. Print it. Check items off as you go.

Phase 1: Before You Sign a Contract
- Decide build vs. buy existing using Chapter 1 approach
- Identify production, semi-custom, or custom path (Chapter 2)
- Get fully pre-approved; confirm DTI with upgrade budget included
- Request full builder contract package and deposit schedule exhibit
- Review contract with your buyer's agent (and attorney for custom builds)
- Compare builder lender incentive vs. at least one independent Loan Estimate
- Research target communities via Community Guides and Find Your Fit Quiz
- Verify school district boundaries for specific plats and phases
- Confirm utility provider (DTE or Consumers) and included service scope
- Estimate property tax from SEV math, not neighboring resale tax bills
- Negotiate inspection rights addendum (pre-drywall and final) before signing

Phase 2: Design Center and Deposits
- Photograph model home systematically before design center appointment
- Set written upgrade budget cap with 10% contingency
- Prioritize structural and rough-in selections before cosmetic choices
- Request itemized pricing on every selection
- Review selections summary at home before signing (48 to 72 hour window)
- Confirm every verbal promise appears on written selections sheet
- Track deposit due dates and refundability milestones
- Notify lender of final purchase price including all options
- Lock interest rate with extension policy understood

Phase 3: During Construction
- Receive monthly construction updates from builder or agent
- Schedule pre-drywall independent inspection when rough-in is complete
- Submit pre-drywall punch list to builder in writing
- Document all change orders with price and timeline impact
- Confirm lender receives change orders that affect purchase price
- Monitor rate lock expiration vs. construction timeline
- Plan interim housing with 60 to 90 day buffer beyond quoted completion
- Conduct radon test after building envelope is sealed
- Review HOA budget, assessments, and phase map for your community

Phase 4: Pre-Closing
- Schedule final independent inspection 5 to 10 days before closing
- Review the Home Inspection Blueprint before your inspection appointment
- Deliver final inspection punch list to builder before walkthrough
- Conduct final walkthrough with selections sheet in hand
- Negotiate written punch list with completion deadlines
- Compare Closing Disclosure to Loan Estimate (Michigan Closing Cost Blueprint)
- Confirm wire instructions by phone with title company 48 hours before closing
- Verify builder lien waivers and subcontractor payment affidavits
- Arrange homeowner's insurance effective on closing date
- Schedule utility transfers (DTE, Consumers, SEMCO, water/sewer)

Phase 5: After Closing (First Year)
- File Principal Residence Exemption within 30 days
- Register builder and appliance warranties online
- Photograph entire home at move-in for warranty documentation
- Confirm punch list items completed per written deadlines
- Submit warranty claims for any move-in defects promptly
- Schedule 11-month warranty walkthrough before one-year period expires
- Review first property tax assessment in spring; appeal if SEV appears incorrect
- Complete after-closing upgrades per Chapter 8 plan (lighting, landscaping, hardware)

- Track all post-closing improvements for future tax basis

Real Hearts to Homes Story · New Construction Blueprint

The Pre-Drywall Find That Paid for Itself

"They were first-time buyers, nervous about new construction, and had already put $18,000 in deposits on a production build in Saline. The sales team told them inspections weren't necessary, 'we have our own quality control.' I helped them negotiate a pre-drywall and final inspection addendum before the permit deposit became non-refundable."

"At pre-drywall, their independent inspector found a bathroom drain line routed through a floor joist that had been over-notched. Not a code violation the municipal inspector had flagged yet, but a structural concern that would have been invisible after drywall. We submitted the report to the builder's superintendent with photos."

"The builder corrected it before drywall, a fix that would have cost $4,000 to $6,000 and weeks of disruption if discovered after move-in. The inspection cost $425."

"At final, the punch list caught six items: a kitchen cabinet door misaligned, missing caulk at a window sill, a garage outlet that wasn't live, landscaping sod gaps along the side yard, and two selections that didn't match the written summary, a pendant light and a bathroom faucet finish. We delivered the list 8 days before closing. Four items were resolved before close; two were on a written 14-day punch list with the warranty department."

"They closed on a Friday in October. Both punch list items were done by the following Wednesday. At the 11-month walkthrough, we found three nail pops and a grout crack in the secondary bath, all covered under the one-year workmanship warranty because they filed before month 12."

"The lesson they tell their friends: the builder wasn't dishonest. The municipal inspector wasn't negligent. But neither of them was working for the buyer. The $425 pre-drywall inspection and the $550 final inspection were the best money they spent in the entire transaction."

Derica Wade, Associate Broker · Hearts to Homes Team · Real Estate One · Plymouth, Michigan

Your Next Step

What Happens *Next*

You now have the plan for every major decision in a Southeast Michigan new construction purchase. The next step is applying it to a specific builder, community, and floor plan, with your finances, timeline, and upgrade priorities mapped before you sign.

New construction rewards preparation more than any other purchase type. Buyers who understand deposit schedules, lender incentive math, and design center economics before the model home tour make better decisions than buyers who figure it out after $20,000 in non-refundable deposits. The process is not inherently adversarial, but it is asymmetric. The builder has done this hundreds of times. You are doing it once or twice.

The conversations that matter most happen before the design center appointment and before the first non-refundable deposit. If you are comparing communities in Canton, Plymouth, Northville, Brighton, or Saline, or evaluating whether to build at all, now is the right time to have that conversation.

I represent buyers in new construction transactions across Southeast Michigan. The builder pays buyer agent commission in most production and semi-custom communities, which means this guidance often costs you nothing at closing.

Let's Build the Plan

Book a Free New Construction
Strategy Session

We will review your build-vs.-buy decision, compare communities and builders for your criteria, walk through contract and deposit structures, and build a design center budget that fits your financing. 45 minutes. No pressure. Completely free.

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Blueprint Library

Continue Your Blueprint Journey

Inspect Before You Close Home Inspection Blueprint New construction inspections are different from resale, but the vocabulary is the same. Learn how to read a report, prioritize punch list items, and work with your inspector at pre-drywall and final. heartstohomesmi.com/blueprint-library

First-Time Buyer Foundation First-Time Home Buyer's Blueprint If this is your first purchase, start here for pre-approval fundamentals, offer strategy, and Michigan buyer basics, then use this New Construction Blueprint for the build-specific decisions. heartstohomesmi.com/blueprint-library

Budget the Full Transaction Michigan Closing Cost Blueprint + Community Guides Closing costs, escrow deposits, and property tax estimates on one side; 18 Southeast Michigan community profiles and the Find Your Fit Quiz on the other. Build your complete financial picture before you sign. heartstohomesmi.com/community-guides-southeast-michigan