

NEW CONSTRUCTION INSIDER

Speak Builder

The new-construction glossary,
in plain English.

Because 'structural options' shouldn't require a translator.

Free buyer resource · Charlotte, North Carolina

A quick note before you dive in

This guide is for general educational purposes only and is not financial, legal, or tax advice. Builder incentives, rates, and availability change frequently — always confirm current terms in writing with the builder and your lender before making decisions.

Builders have their own language. These are the terms you'll hear in model homes, design studios, and contracts — translated into what they actually mean for your wallet.

Appraisal contingency

A contract clause letting you cancel (or renegotiate) if the home appraises below the purchase price. Know whether yours is full, partial, or waived before you sign.

Base price

The advertised starting price for a floor plan — typically on the least expensive lot, with included features only. Your final price is almost always higher.

Broker / Broker-in-Charge (BIC)

The licensed broker responsible for a firm's agents. In North Carolina, every firm operates under a BIC.

Build job / permit set

The approved construction documents the builder files with the county or city to get a building permit.

Closing costs

Fees due at closing: lender charges, title insurance, recording fees, prepaid taxes and insurance. On new construction, ask for an itemized estimate early — some builder fees surprise buyers.

Cul-de-sac premium

An upcharge for lots on a cul-de-sac, prized for low traffic and larger yards. Often \$5,000–\$15,000+ in our market.

Design studio / design center

The builder's showroom where you select finishes and upgrades: flooring, cabinets, countertops, lighting, plumbing fixtures. Set a hard budget before your appointment.

Due diligence (NC)

North Carolina's contract period during which the buyer investigates the property. The due diligence fee is paid directly to the seller and is non-refundable if you walk away.

Earnest money deposit

Money you put down with the contract to show good faith. On new builds it is often 1–5% and may be partly non-refundable after due diligence ends — read the terms.

Elevation

The exterior style of a floor plan. The same plan often comes in 2–4 elevations at different prices.

Energy certification (e.g., Energy Star)

Third-party verification that the home meets efficiency standards. Ask which certifications the builder includes.

Escrow

A neutral account holding earnest money and closing funds until disbursement at closing.

Framing

The structural skeleton of the house — walls, floors, roof. The pre-drywall walkthrough happens right after.

Grade / grading

How the land slopes around the home. Proper grading moves water away from the foundation; poor grading is a top source of warranty claims.

HOA (Homeowners Association)

The community governing body. Review dues, what they cover, and any special assessments before buying. Ask for the HOA docs during due diligence.

Homesite / lot

The specific parcel your home sits on. Location within the community drives the lot premium.

Included features

What comes standard at the base price. Builders advertise these heavily — compare them across builders, because 'included' varies wildly.

Inventory home / spec home / quick move-in

A home the builder started (or finished) without a buyer. These carry the deepest incentives because the builder is paying carrying costs daily.

Lot premium

An upcharge for a desirable homesite: corner, cul-de-sac, wooded, water view, larger, or backing to open space. Negotiable more often than buyers expect.

Model home

The decorated showcase home. Note: models usually include tens of thousands in upgrades not reflected in the base price — ask for the 'as shown' price.

On-site agent / sales consultant

The licensed agent staffing the model home. They represent the builder, not you — a legal fact worth remembering every visit.

Options / upgrades

Anything beyond included features, priced a la carte. Structural options happen during framing; design options at the design studio.

Orientation (lot)

Which direction the home faces. Southern exposure means a brighter backyard and lower winter heating bills; western exposure means hot summer afternoons.

Punch list

The written list of defects or incomplete items documented at the final walkthrough. Nothing is 'fine, we'll get to it' unless it is on the list.

Pre-drywall walkthrough

Your inspection after mechanicals (plumbing, electrical, HVAC) are installed but before drywall covers them. The most important walkthrough of the build.

Preferred lender

The builder's affiliated or partner lender. Their best incentives are often tied to using this lender — always get an outside quote to compare.

Price improvement

Builder-speak for a price cut, usually on inventory homes. If you see this phrase, there is room to negotiate.

Punch-out / orientation

The builder's final walkthrough with you before closing, distinct from your independent final walkthrough.

Rate buydown (permanent)

The builder pays discount points to lower your rate for the life of the loan (e.g., 7.5% to 5.99%). Best for buyers staying 5+ years.

Rate buydown (temporary / 2-1)

The rate is reduced for the first years (e.g., 2% off year one, 1% off year two), then adjusts to the note rate. Know exactly what happens in year three.

Selections

Your chosen finishes and options, documented on a selections sheet. Verify it line by line — errors here become expensive change orders.

Setback

How far the home must sit from property lines, set by zoning. It limits where the house (and future additions) can go on the lot.

Site plan / plat

The map of the community showing lots, roads, amenities, and future phases. Ask to see the full buildout plan — that empty field behind your lot may be phase 4.

Slab vs. crawl space vs. basement

Foundation types. Slabs are common and economical; crawl spaces allow access to systems; basements add living space but cost more and depend on the lot's topography.

Stick-built

Framed on-site with lumber, the traditional method for most Charlotte-area production builders.

Structural options

Floor-plan changes made during construction: bonus rooms, extended patios, third garages. Decide early — they cannot be added after framing.

Survey

A licensed map of your lot's boundaries. On new construction the builder typically provides one at closing.

Title insurance

Protects against ownership claims on the property. Lender's title insurance is required; owner's title insurance is optional but wise.

Walkthrough (final)

Your last inspection before closing. Test everything, photograph everything, and put every defect in writing.

Warranty (1-2-10)

The typical builder warranty structure: 1 year workmanship, 2 years systems (plumbing/electrical/HVAC), 10 years structural. Get the actual warranty document, not the brochure summary.

Warranty walkthrough (11-month)

A follow-up inspection near the end of your 1-year workmanship warranty to catch anything that surfaced after move-in. Calendar it at closing.

Weep holes

Small openings in brick veneer that let trapped moisture escape. They must stay clear — a classic pre-drywall and final inspection check.

Zero-lot-line

A home built nearly to one property line, common in higher-density communities. Check the maintenance easement terms for the neighboring wall.

One term to remember

Buyer agency. In North Carolina, the on-site sales agent represents the builder under a written agreement with the builder. A buyer's agent represents *you* under a separate written agreement with you. The builder typically pays the buyer's agent commission — so representation costs you nothing out of pocket, and going without one saves you nothing.