

10 Homebuilding Terms First-Time Buyers Actually Need to Know

When you buy a newly built home, you'll hear a few terms that don't come up much with resale homes. This cheat sheet explains what those terms mean and, more importantly, what they can change about your monthly payment or your move-in timeline.

1. Pre-Qualification

A lender reviews your income, debts, and credit to estimate what home price and monthly payment you can comfortably afford.

What This Means for Your Budget

This step sets your price range up front so you can target homes within your price range.

2. Homesite

The specific lot where your home will be built inside the community.

What This Means for Your Budget

Some homesites include premiums depending on its location, lot size, or scenic views. That added cost becomes part of the home price and affects your monthly mortgage.

3. Elevation

The exterior style of the home. The same floor plan can have different front designs with varying rooflines, materials, and layouts.

What This Means for Your Choices

We avoid having the same elevation next to each other, so it's best to choose your homesite early while the selection of homesites is the greatest.

4. Design Center

This is where home buyers select interior finishes like flooring, cabinets, countertops, and fixtures.

What This Means for Your Budget

If upgraded materials and finishes are selected, it can increase the final purchase price.

5. Structural Options

Changes to the physical layout of the home, such as a bedroom instead of a den, larger patios, or Multi-Gen configuration.

What This Means for Your Timeline

Structural decisions must be finalized early in construction, so plans and permits stay on schedule.

What This Means for Your Budget

These upgrades increase the purchase price as it modifies the home's footprint.

6. Addendum

An addendum is a live document attached to your purchase agreement. It's how we track and account for every upgrade and design selection you make so your final pricing is always transparent.

What This Means for Your Budget

The addendum confirms the purchase price that lenders will use when approving your mortgage and calculating your monthly payment.

7. Open Wall Tour

A scheduled visit during framing, when plumbing, electrical wiring, and structural elements are still visible.

What This Means for Your Choices

This visit happens before drywall installation, while plumbing, wiring, and framing are still visible. After that stage, construction moves into finish work, and the home is buttoned up with drywall. You can see exactly what goes into this [construction stage](#), and verify that your selections at this stage of construction are installed.

8. Rate Lock

An agreement with a mortgage lender that keeps your specific interest rate the same until a specified date, allowing you to close on your home without sudden rate changes.

What This Means for Your Budget

This lock protects you against potential interest rate increases during the loan process.

9. New Home Orientation Tour

A walkthrough before closing, where the builder shows you how your completed home's systems and features work.

What This Means for Your Timeline

This appointment typically happens shortly before move-in and helps make sure everything we can control is ready for closing day.

10. Closing

Closing is the big day. This is the day escrow closes and ownership transfers to you.

What This Means for Your Timeline

You'll receive your Grant Deed from the County within approximately six weeks after escrow closes.

Need more help navigating the home-buying process?

[Get in touch with the McCaffrey Homes team](#). We'll walk you through financing, timelines, and the next steps toward owning your first home.