

A HOW-TO GUIDE

Building A New Home in the Bay State



SH | STERLING HOMES
DEVELOPMENT CORPORATION

Table of Contents

Introduction	3
Chapter I: Why Build New?	4
Chapter II: What It Costs to Build New	8
Chapter III: Key Homeowner Decisions	12
Chapter IV: Typical Timeline for Building New	13
Next Steps	14

WELCOME

Your Custom Home Journey Starts Here

If you're reading this guide, chances are you're thinking about building a custom home—and I want to personally say, congratulations. Designing and building a home from the ground up is one of the most rewarding investments you can make, both financially and emotionally. It's also a journey filled with important decisions, countless details, and, yes, plenty of questions.

At Sterling Homes, we've spent decades helping families across Massachusetts navigate this process with clarity, confidence, and care. We created this guide to give you a real-world overview of what to expect—from current construction and land costs to design choices, budgeting, and timelines. Whether you're just starting to explore your options or you're ready to take the next step, my hope is that this guide will help you move forward with the knowledge you need to make smart, informed decisions.



If at any point you want to talk through your ideas or get answers to questions specific to your situation, my team and I are always here to help. We believe in building homes that last—and relationships that do too.

- Russ Busa

CHAPTER I

Why Build New?

Building a new home is a major decision, and many homebuyers weigh the pros and cons of new construction versus purchasing an existing home. While buying an existing home may seem like the easier route, building a custom home offers numerous advantages that can provide long-term benefits. Here are some of the top reasons why building a new home in Massachusetts might be the right choice for you:

1. Customization to Fit Your Lifestyle

When you build a custom home, you have the freedom to design a space that perfectly suits your needs. From the number of bedrooms and bathrooms to the kitchen layout and storage solutions, every detail can be tailored to your preferences. This level of customization allows homeowners to create a home that matches their lifestyle rather than adapting to an existing home's limitations.



2. Lower Maintenance & Repair Costs

Older homes often come with hidden maintenance issues, such as outdated plumbing, inefficient heating systems, or roof damage that require costly repairs. A newly built home eliminates these concerns because everything—from the foundation to the finishes—is brand new and up to modern building codes. Many home builders also offer warranties that cover major systems and structural elements, giving homeowners peace of mind.

3. Healthier Indoor Air Quality

New homes are built with materials that comply with today's health and safety standards. Many older homes contain materials like lead paint, asbestos, or mold, which can pose health risks. A new build allows you to select low-VOC (volatile organic compound) paints, modern ventilation systems, and hypoallergenic flooring, ensuring better indoor air quality and a healthier living environment.



4. Energy Efficiency and Lower Utility Costs

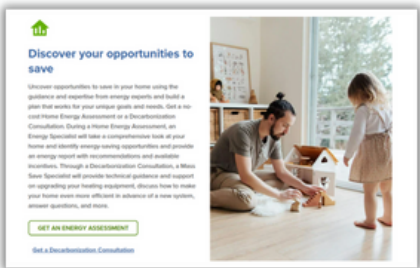
Newly constructed homes are built with the latest energy-efficient materials and technologies, making them more cost-effective in the long run. Features such as:

- High-performance spray foam insulation for better temperature regulation
- Energy-efficient windows to reduce heat loss in winter and cool air loss in summer
- Smart thermostats and high-efficiency HVAC systems
- Solar panel compatibility for those looking to integrate renewable energy

These elements help reduce energy consumption, leading to lower utility bills and a smaller environmental footprint.

Massachusetts also offers rebates for fully electric new home construction. The incentives start at \$7500 for the base tier and rise to \$25,000 for the top level called “passive house”. There are also individual adders for things like: wifi-enabled thermostats (\$100), induction cooktops (\$250), and Energy Star certified ground source heat pumps (\$9,000) among others.

**CHECK THE
MASS SAVE WEBSITE
FOR THE MOST
UP-TO-DATE
INFORMATION ON THEIR
NEW CONSTRUCTION
INCENTIVES.**

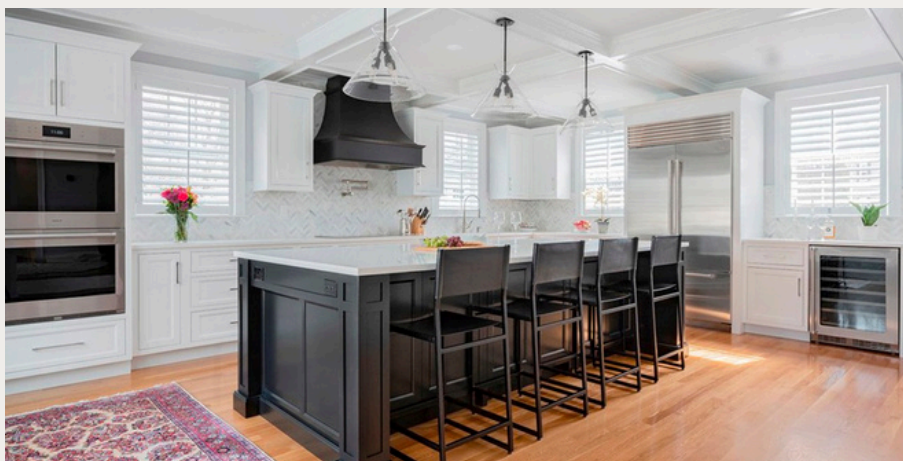


5. Modern Floor Plans and Open Concepts

Older homes often have outdated layouts with small, closed-off rooms that don't align with today's preferences for open living spaces. When building new, you can design your home to include:

- Spacious kitchens with large islands
- Open-concept living areas for seamless entertaining
- Flex rooms that can serve as home offices, gyms, or guest rooms
- Walk-in closets, mudrooms and smart storage solutions

These modern layouts make everyday life more comfortable and practical.



6. No Competition in a Tough Housing Market

Massachusetts has a highly competitive real estate market, especially in desirable areas. According to [US News & World Report's Housing Market Index](#), the median home price in the Greater Boston area is \$723,000 – an increase of 7.9% over 2024.

Driving these prices up (beyond inflation) is the low housing inventory in Massachusetts. Buyers frequently find themselves in fast-moving bidding wars, paying over the asking price for homes that may still require costly updates. According to [Redfin](#), 37.7% of homes went for over asking in 2024 with the average sale-to-list price overall for Massachusetts of 99.7%.

When you build new, you avoid this competition and get exactly what you want without compromising on location, style, or features.



7. Long-Term Value and Appreciation

A brand-new home typically holds its value better than an older home that may require significant renovations. Modern designs, energy-efficient features, and smart home technology make newer homes more attractive to future buyers. Even if you don't plan to sell soon, a new build is often a better investment in the long term.

8. Built to Today's Safety and Building Codes

Massachusetts has strict building codes designed to improve structural integrity, fire safety, and energy efficiency. Older homes may not meet current safety standards, leading to costly upgrades. A newly built home ensures compliance with the latest regulations, giving you a safer, more durable home from day one.

"Throughout the entire process, from concept to delivery of our magnificent new home, Russ stayed true to his word and delivered an outstanding product."

We LOVE our new house and continually receive compliments from visitors. We are very proud to call this our home."

Lexington Homeowner

CHAPTER II

What It Costs to Build New



Costs in The Bay State

Once you've decided to explore a new construction home, the next thing you'll want to understand is the cost of building.

1. Understanding Construction Costs in Massachusetts

The cost of construction for a new home in Massachusetts varies based on factors such as the design complexity, materials and finishes used, and construction methods but typically runs between \$350/square foot on the low end to \$600+/square foot at the high end.

2. Land Prices in Massachusetts

Land costs in Massachusetts are among the highest in the nation, influenced by location and land use regulations. According to land.com, Massachusetts has the 4th highest land prices per acre in the country. One acre lots within the desirable 495 belt can run to \$1M depending on the town.

An alternative to finding land is the "tear down". Most of the towns in close proximity to Boston lack any open buildable lots, so the trend is to purchase an older home, remove it and build new. These tear-downs are common in high-demand towns like Bedford, Burlington, Lexington, Newton, Wellesley, and Winchester.

In general, land costs vary significantly based on factors such as proximity to urban centers, available land, zoning regulations, and desirability of the community.



Budgeting for Your New Home

Effective budgeting is crucial to manage costs and avoid financial surprises. Key components to consider include:

- **Land Acquisition:** Factor in the purchase price, closing costs, and any necessary site preparation.
- **Design Costs:** We recommend using an architect on any new build project. A good design professional can help save you money in the long run by creating a home that maximizes square footage for your needs. They can also help value-engineer the home to help you stay within budget. Sterling Homes Development has long-term relationships with architects that charge fees depending on size and scope of work, and the fit and finishes that are included in the plans.
- **Construction Costs:** Include expenses for excavation, backfill, installation of utilities, drainage/septic systems, foundation, framing, roofing, systems installation, and interior finishes.
- **Permits and Fees:** Allocate funds for building permits, inspections, and impact fees, which can vary by locality.
- **Contingency Fund:** Set aside 10–15% of the total budget for unforeseen expenses or changes during construction.
- **Finishing Touches:** Budget for landscaping, driveways, fencing, and other exterior features.

Financing Your New Home

Securing financing for a custom home requires careful planning and understanding of available options:

- **Construction-to-Permanent Loan:** This loan covers the construction phase and automatically converts to a traditional mortgage upon completion. It typically requires a single closing process.
- **Construction-Only Loan:** Covers construction costs but requires refinancing into a permanent mortgage after the home is built, involving two separate closings.
- **Home Equity Loan or Line of Credit:** If you own property with substantial equity, you might leverage it to finance the construction.

Lenders will assess factors such as credit score, debt-to-income ratio, and the appraised value of the proposed home. It's advisable to consult with multiple lenders to determine the best financing strategy for your situation.



"We are over the moon with the outstanding quality, craftsmanship, timeliness, and dedication shown by Sterling Homes Development Corp. throughout our recent project. Your professionalism, attention to detail, and commitment to excellence have truly exceeded our expectations."

Tewksbury Homeowner

How Can I Get the Most House for My Money?

That question should really read, "How can I get a home that I'll love for the least amount of investment?" Because, really, you aren't interested in the cheapest home you can get; you want the best home for your family that you can afford or are willing to invest in.

The answer, as stated above, is through careful planning, wise choices, getting detailed bids and exercising the discipline not to make last minute changes once construction has begun. If you can find a plan that makes you happy that is simply designed (simple doesn't have to mean 'boring'), without a lot of offsets or intersecting roof lines, you'll be on the road to cost savings.

The magazine Fine Homebuilding included the following in their list of **10 Tips for Getting the Most House for Your Money**:

- Two-story homes cost less than ranch style homes since they maximize the amount of interior space on the foundation and under the roof.
- Keep plumbing centralized by putting baths back-to-back and keeping short runs for pipes.
- Don't skimp on insulation. The small bit you spend for added insulation will pay you back big dividends for as long as you live in your home. Especially with our cold winters AND hot summers.
- Add porches and patios for 'indoor/outdoor' living. This can add a significant amount of square footage of living space to your home for most of the year (think fire pits with outdoor couches for spring and fall seasons).



Additional suggestions for areas to best spend your housing budget include:

- If possible, put in a full basement. Lower levels can be finished later if needed and are the least expensive way to find additional living area in your home.
- Plan for 'flex' space. Thoughtful design can allow for specific areas to be easily converted as needed. For example, with a little planning a bedroom can be repurposed as an office, exercise room, den or theater. Again, planning is the #1 key to controlling cost.

CHAPTER III

Key Homeowner Decisions

Home design, features and material selections

Building a custom home involves numerous decisions that impact both functionality and aesthetics of the space. Homeowners need to consider:

- **Design and Layout:** Determine the number of bedrooms, bathrooms, and overall floor plan to optimize flow and suit your lifestyle.
- **Materials Selection:** Choose materials for flooring, doors, millwork, countertops, cabinetry, lighting, and fixtures, balancing quality and budget.
- **Energy Efficiency:** Decide on insulation, windows, and appliances to enhance energy efficiency and reduce long-term costs.
- **Technological Features:** Consider integrating smart home technologies for security, entertainment, energy savings, and climate control.
- **Exterior Design:** Select siding, roofing, and landscaping options that align with your aesthetic preferences and maintenance considerations.

Because of the sheer number of decisions to be made, we find the more time you can invest up front in researching, planning and making your selections – the more stressfree your actual build will be. And you will enjoy the process more!



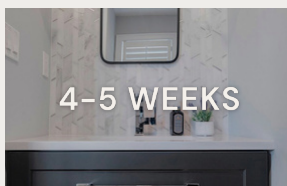
CHAPTER IV

Typical Timeline for Building New



Plan & Design

- **Architectural Design:** Collaborate with an architect to create your home's design.
- **Permitting:** Secure necessary building permits, which can vary by municipality.



Site Preparation & Foundation

- **Land Clearing:** Prepare the site by clearing vegetation and debris.
- **Foundation Work:** Pour the foundation, allowing time for curing.



Frame to Finish

- **Framing:** Construct the structural framework of the house.
- **Systems Installation:** Install electrical, plumbing, and HVAC systems.
- **Interior and Exterior Finishes:** Complete tasks such as drywall, flooring, painting, and exterior siding.



Final Inspection & Occupancy

- **Inspections:** Conduct final inspections to ensure code compliance.
- **Occupancy Permit:** Obtain a certificate of occupancy to move in.

NEXT STEPS

This is the beginning of something good.



Building a custom home in Massachusetts is a significant endeavor that offers the opportunity to create a residence tailored to your preferences and needs. And by understanding the associated costs, timelines, and key decisions involved, you can navigate the process more effectively and achieve a successful outcome.

If you are ready to get started, or just want to have an exploratory conversation, please contact Sterling Homes for a free, no obligation consultation today. The photos included in this report are all custom homes built by Sterling Homes. We'd be honored to help you plan, develop and own the home that will delight and inspire you for years to come!

CONTACT US TODAY