**Instructions for Completing TREC New Home Contract**

**(Incomplete Construction and Completed Construction)**

The New Home Contract (Incomplete Construction) is a form contract promulgated by the Texas Real Estate Commission (TREC). The contract is used for the sale of new homes when construction has not yet been completed by the builder and when the closing will occur after construction has been completed.

The New Home Contract (Completed Construction) is a form contract promulgated by the TREC that is used for the sale of new homes when construction has been completed by the builder at the time that the parties enter into the sales contract.

Both forms are periodically updated; the latest version of the forms are available at: <https://www.trec.texas.gov/forms/new-home-contract-incomplete-construction-0>. It is best practice to check regularly to see if the forms have been updated. The forms relied on for these instructions are the versions as of 2-12-2018.

For CLT sales, both versions of the New Home Contract need to be modified as follows:

1. An asterisk needs to be placed at the end of paragraph 2. Property, with this note: “Seller is selling only the Improvements and not the Land. Seller will retain legal title to the Land. Buyer’s title to the Improvements is subject to use, occupancy, and resale restrictions set forth in a recorded ground lease. See 11. Special Provisions, below, and Addendum with Outline of Ground Lease.”
2. The following text needs to be typed into 11. Special Provisions:

Seller is selling only the Improvements and not the Land. Title to the Improvements will be conveyed to Buyer via a Deed for Sale of Improvements Only. Seller will lease the land from Buyer under a 99-year ground lease. See Addendum with Outline of Ground Lease. Seller shall provide Buyer with a copy of the ground lease within five (5) days of the execution of this New Home Contract. The ground lease will be signed and become effective on the Closing Date. The ground lease contains resale restrictions and other restrictions related to the Buyer’s use, occupancy, and transfer of the Home.

1. In Section 22, the following boxes need to be checked:
   * Third Party Financing Addendum;
   * Addendum for Property Subject to Mandatory Membership in a Property Owners Association;
   * Addendum for Reservation of Oil, Gas and Other Minerals; and
   * Other: "Addendum with Outline of Ground Lease"
2. The Addendum with Outline of Ground Lease needs to be signed by GNDC and the Homeowners and attached to the New Home Contract along with the other completed TREC Addendums.