

Buying a New home versus a Pre-owned home



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And

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In the Front Range, new home developments are popping up like wildflowers. It is not difficult to drive anywhere without seeing signs for these developments. Given a choice many times homebuyers will gravitate towards purchasing brand new homes but here are considerations that need to be made before you purchase. Lets start with new homes:

- New homebuyers do not want someone else's creation. They consider a new home like a painter's blank canvas ready to be their creation.
- New homebuyer's get to pick the location, floor plan, flooring and colors of new home.
- New homebuyer's will also get to select the upgrades. New homes like new cars come will the bare minimal or "builders grade" trim. Builders will encourage you to upgrade the trim, for a price. Many builders today will only allow "package upgrades." For example, if you want tile countertops in the kitchen, you will have to go with the premium kitchen package which includes more expensive appliances and cabinetry
- New homebuyer's will get to pick the lot and exposure. This is only true if you are early in the particular phase of construction, be aware most of the time the choice lots may be gone or more expensive.
- Time to sell your home - If you have a house to sell it enables you to write the offer contingent upon the sale of your home but most builders do set time limits and want to do research on your home because it selling depends on a sale for them. New construction can take anywhere from 4-8 months depending on the time of year & what builder you are working with. This can be a positive or negative, as the builder cannot accurately tell you when your home will be finished. One would think that an experienced builder could predict this accurately but the industry is filled with stories that tell otherwise. The challenge is synchronizing the sale of your existing home with the completion of your new home. If your home sells fast you most likely will be moving twice. There is always the option of renting back the property from the new owners or temporarily moving in with family.
- Designing your own landscaping. Most builders will only include a front lawn and token tree. Everything is the new owners responsibility. For those that have experienced this it may have been a blessing or a curse. It's a lot of fun sitting with a landscape designer and creating your own Shangri-la. Of course the water features, lighting and special irrigation all add to the cost of the landscaping.

When it comes to buying a house, however, some real advantages may be gained by purchasing someone else's home. A consumer would be wise to at least consider this list of potential benefits associated with the purchase of a resale or pre-owned home, before determining that only new construction will fit the bill.

- In any given area, the odds are excellent that you will get a substantially larger home when you opt to purchase a resale, rather than elect to buy new construction, in a given area. Construction costs, like everything else in life, are greater today than 20 years ago.
- Quality – Generally speaking if the home was built with "Builder's Grade" materials, it will be showing wear in the first few years. Windows, doors and trim typically will have evidence of this. However if the home was built or upgraded with a better grade of materials that will also be apparent. Home improvements, added over a period of time, usually consist of superior quality materials, since homeowners normally believe in "nothing but the best" for their personal properties.
- Landscaping, when maintained, improves with age. New homes are, for the most part, notoriously barren. If towering trees and mature landscaping push your buttons, then compare the lush, natural settings of the pre-owned homes in the area with sparse landscaping of new developments.
- An established neighborhood is exactly that - established. With new construction, what you see is not always what you will get. Plans change, properties get sold and those open fields next store may become a condominium complex.

Regardless if you are buying new construction or resale, it is so important to have someone to represent you on the purchase. Most builders prefer not to work with Realtors for the same reason they do not like to see Home Inspectors. Realtors and Home Inspectors make sure that the buyer gets the best deal and quality home possible. Custom builders are the exception as they deliver high quality homes and are sensitive complaints as they normally build a few homes a year. We have seen many tract builders delivering a flawed home with the promise that they will fix everything after the buyer moves in. Most builders will follow through but in their own timeframe. This same situation is a rarity with resale. Normally most items discovered during the inspection are resolved before closing.

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