

New home or used home? Which is right for you?

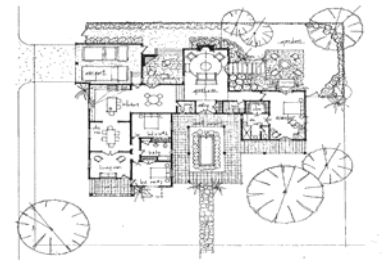
The durable argument of whether it's best to buy a new home or older one dates back centuries. And it's never quite been resolved. For every qualifier, there's a disqualifier. For every "on one hand," there's an "on the other hand." The truth is, builders can never fully re-create the nation's quaint old neighborhoods, where every house was built architecturally distinct from the neighbor's. And home buyers will never be able to fully assemble their dream homes the way they can on a vacant lot with a fantastic view.

So the choice between the two is always a relative call, not a dollar-and-cents one. One of the fundamental mistakes that consumers make is a rush to judgment. So how do you decide which best fits your needs and personality? Below are a few pros and cons in the new/resale debate:

Locale—The oft-recited real estate mantra of "location, location, location" is still relevant. Most older, established neighborhoods are in the town's center, which can be good or bad depending on the vitality of your urban area. New subdivisions—and newer schools—are generally on the outskirts. But the expense of a daily commute is one factor that many buyers forget to consider.

Price—Existing homes are usually less expensive per square foot, in part because of escalating land costs in new subdivisions. But ownership costs are considered more predictable—almost inevitable—in a new home, especially considering the cost of a code upgrade or remodeling of a vintage home. Some builders will include closing costs as part of their price of a new home, although that builder has a set amount he must get from that home to make a profit. Price is more readily negotiable for an existing home. Also, a hidden cost in many new subdivisions is a homeowner's association, with mandatory fees and other assessments, as well as architectural controls that may surface at remodeling or expansion time. Do your homework.

Move-in complications and advantages—The resale is sitting there waiting for occupancy, warts and all. But the wait for a new home can seem interminable, though the buyer can check on quality control as it's being built. If your finished house is among the first in a new subdivision, prepare to navigate through construction teams and precariously misplaced nails for months on end. And don't forget that daytime hammer serenade.



Neighborhood—People moving into new neighborhoods are more homogeneous—the same things that appeal to you also appeal to others like you. When a development goes up, it offers an opportunity for you to help create your own neighborhood lifestyle. If you want to move into a community where your children have lots of playmates, that may be for you. In an older community, people have moved in and out over the years and you tend to get more diversity of neighbor backgrounds that include older people, singles, families, and renters.

Living space and design—Lower building costs of the past mean more home for the money for the buyer of a resale. Resale basements or garages might have been finished out nicely for additional living space. On the other hand, new-construction homes often employ more efficient, innovative uses of square footage and property. Also, newer "zero-lot-line" developments offer more living space per square foot than a same-size lot that surrounds a resale.

Customization—In a new house, you can pick your own color schemes, flooring, kitchen cabinets, appliances, custom wiring for TV's, computers, phones and speakers, etc., as well as have more upgrade options. Modern features like media rooms, extra large closets and extra large bathrooms and tubs are also more attainable in ground-up construction. In a used home, you rely largely on the previous resident's tastes and technological whims, unless you plan to farm thousands into a remodeling and rewiring. Be warned: It's unwise to wallpaper for at least one year in a new house until it settles. The wallpaper will tear (but it is okay to paint).

Safety—Builders have to follow very strict guidelines in new homes and additions, especially in the West and Northwest, where earthquake safety standards must be observed. In general, new homes are usually more fire-safe and better accommodating of new security and garage-door systems.

Character—While many new homes are built in “contextual” style, which blends elements of the old and the new, it’s still hard to emulate a pre-Civil War house in New Orleans, a Victorian home in San Francisco or a brick row house in Boston. Hardwood floors, vaulted windows, high ceilings, built-in cabinetry and other design nuances express a certain individuality in older homes that’s nearly impossible to copy. Many new-home buyers believe they put the character in their own homes.

Landscaping—Mature trees, robust shrubs, gardens, rose bushes, and perennially well-watered lawns are some of the rewards of an older home, while most new homes are apt to yield small trees, fewer walkways, and sparse vegetation. Landscaping is an expensive proposition today for the cost-conscious home builder.

Energy efficiency—Advantage: new construction. New-home designers can use new building materials such as glazed Energy Star windows, thicker insulation, and other technology that will lower future energy costs for the owner. Most states now have minimum energy efficiency requirements for new construction. Kitchens and laundry areas in new homes are designed to house more efficient, energy-saving appliances. Older homes, unless they have undergone an energy retrofit, usually cost much more per square foot to heat and cool.



Amenities—Many new subdivisions offer neighborhood clubhouses, swimming pools, playgrounds, bike and jogging trails, and picnic venues for residents. Older homes don’t, although many have better access to urban shopping venues and restaurants because they’re part of old, self-containing city-planning philosophies.

Maintenance—The charm of an older home often goes hand in hand with increased maintenance, especially if the previous owners were not vigilant in upkeep. Building materials may be harder to replace or match in an expansion or remodeling. New homes generally come with at least a one-year warranty for the repair of some problems that develop as it settles into its foundation. But know what your warranty covers. Many are elusively written.

Taxes—Newer homes tend to spring up in less-developed, outlying municipalities, which may impose higher taxes on you because they’re subsidizing fewer inhabitants than the central metropolitan area. Your community will still need fire and police coverage, sidewalks, sewers, and probably a new school. A more established home in a built-out area has a little more predictable tax structure.