

New Construction or Resale – What is Right for You?

The choice between a new or resale home reflects your individual preference, property availability, and financial considerations. Naturally, new homes have great appeal. Everything is fresh and new. The decorating and architecture are fashionable. In some cases you have the fun of choosing colors and amenities. Some builders allow customizing so the new home reflects your taste and style.

New homes also have the advantage of current energy saving features. Insulation must be up to current codes. Heating and air-conditioning units usually feature enhanced energy efficiency. Other energy saving amenities include ceiling fans, attic fans, double pane windows, etc. These features increase affordability. Utility costs rank second in monthly cash outlay after your mortgage payment. The older the home the more dated the energy amenities. Utility costs for resales tend to be higher.

Greater cash reserves on hand are wise if buying new construction. You will need window coverings, some landscaping, and maybe a fence. These expenses come very soon after your outlay for down payment and closing costs. Resales though may have other amenities that are not typical builder offerings. These could include sprinkler systems, water softeners, decks, pools, hot tubs, etc.

A new home will have warranties. Most repairs will be covered during the first year and some even longer. The risk of repairs is greater for a resale. However, you can purchase a homeowner warranty at closing to lower this risk.

Since resale homes come draped and landscaped, replacement and enhancement can come later. Lack of these expenses up front make resale homes the preferred choice for many. In addition resales tend to have a lower cost per square foot, compared to new homes in the same location. You may find that you get more for your money with a resale home.