

Should You Buy A Used Home Instead Of A New House?

As you embark on buying a home, one of the first decisions is whether to buy a new home or a “used” one. Each choice has its advantages, and there is no single answer that works for everyone.

You may be drawn to the shiny, energy-efficient appliances, the great room, and the beautiful master suite offered in a new home. But you may also like an older home’s charm, its increasing value, and its established neighborhood with a canopy of trees.

Here are some things to consider if you’re looking at a resale:

- Location. Older homes are often found in convenient metro core areas rather than outlying suburbs. Some buyers prefer to select for optimal location first, then remodel the home to make it bigger or more modern.
- Neighborhood. Many people are drawn to developed neighborhoods for the sense of community. Often, these neighborhoods have mature landscaping and developed trees.
- Land. In most metro centers, new homes have less land than older properties because of changes in land-use patterns.
- Price. Generally, used homes are less expensive than new properties.
- Maintenance and repair. A lived-in home has some wear and tear. Make sure you have a good handle on the working status of all major systems, and hire a professional home inspector to check the house. If electrical or plumbing systems or appliances require repair or replacement, that may be reflected in the purchase price.
- Home improvement. If you enjoy small repairs and DIY projects, then a used home would be your cup of tea.
- Traditional layout. Older homes tend to have formal living and dining rooms.
- Extra features. Lived-in homes typically already have features that would cost you extra in a new house, such as window blinds, a security system, a landscaped backyard, built-ins, cabinets, and so on.
- Track record. With an older home, you know how much the property has appreciated over the years. Of course, past performance does not guarantee future market appeal, but at least you have some measurement to date.
- Taxes. Depending on your state, you will likely have lower property tax rates. Also, many older households aren’t required to pay for local bonds associated with new development, such as schools, parks, or road or transportation improvements.