

Real Estate Report:

What should I buy? A New Home, Resale, Single-Family, Condo or Town home? The Pros and Cons.

By Thomas Lee

There a number of things to consider when you're buying a home. First, **where** do you want to live? If you have a growing family, maybe you want to live in the suburbs? This can obviously affect your commute. Is this a neighborhood where you want to live? Also consider the **investment value** of where you want to live. Make sure the area has seen consistent price appreciation.

Then, there's the question of **what type** of home you want to buy. This will also depend on your lifestyle, but make sure you are buying the right type of home, in the right area, based on investment value. After all, buying a home should be an investment. This guide discusses the potential benefits and drawbacks of each particular type of home.

An old home versus a new home

It may appear that newer homes are better investments. After all, they're brand new . . . everything is sparkling. The layouts are consistent with today's styles. And the neighborhood amenities (for example, pool, recreation centers and shopping) make the neighborhood very convenient. Furthermore, you've probably heard that most new homes appreciate from the minute you buy the lot.

This is not always the case! From an investment standpoint, older resale homes can offer just as much, or even more, opportunity for price appreciation. First, older homes are usually closer to the city, so they are often in convenient areas. Secondly, many older homes actually have better quality construction than today's newer homes. On older homes you're likely to find slate roofs, copper gutters, chimney flashing and hardwood floors. Finally, older neighborhoods are established, which means, "what you see is usually what you get." You usually won't find a lot of new construction in your neighborhood that could affect the value of your home.

On the down side, older home may not have the coolest floor plans. The kitchens and bathrooms may be outdated in these homes. Finally, unlike newer homes that are usually maintenance-free, you may incur repair bills after buying older homes. Again, the newer homes have downsides too, including possible poor workmanship, poor location on the

fringes of suburbia, unsettled neighborhoods and cookie-cutter appearances (lack of charm).

Your real estate professional will help you make the best decision. Both older and newer homes have advantages and disadvantages, but both can be excellent investments.

Should I buy a single-family home, condo or town home?

The answer to this question depends greatly on your lifestyle, but each type of home has different investment potential. If you have a growing family, you will avoid a condo. Likewise, if your family is small, you have few or no children, or your children are grown up, you may not need the space of single-family home. A condo may offer you more convenience.

An important consideration is the largest percentage of buyers end up buying single-family homes. In other words, most families have children and a lot of “stuff” to store, so they want single-family homes. Therefore, single-family homes are often easiest to resell and have higher price appreciation potential. Town homes and condominiums also can be excellent investments. Just make sure you buy one in an area that is likely to see price appreciation. Your real estate agent can show you data of what types of homes recently sold in different areas, as well as what type of homes are seeing higher price appreciation. Remember, your home purchase should be an investment decision!

I hope this informational report was informative. As your local real estate professional, I am available to answer any questions you have about finding a home that fits your lifestyle and also has good investment potential. You can call me any time for advice, and please remember that you are under no obligation or pressure of any kind. I would very much like to help you.

Best Regards,

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