

NEW BUILD or EXISTING HOME: *Which One Is Right for You?*

Homebuyers today are facing a huge dilemma. There simply aren't enough homes for sale.¹

Nationwide, there were 1.27 million active listings in September, down 13% from the previous year. According to the National Association of Realtors, that's about 2.4 months of inventory, which is far less than the six months that is generally needed to strike a healthy balance between supply and demand.²

Given the limited number of available properties, if you're a buyer in today's market, you may need to expand your search to include both new construction and resale homes. But it can feel a little like comparing apples to oranges. Let's take a closer look at some of the factors you should take into account when choosing between a new build or an existing home.

TIMEFRAME

New Build:

While historically it took around five to six months to build a home, many builders are now reporting construction timelines of a year or more.³ And rising costs have led some to raise prices or cancel contracts—extending the timeline even further. We can help minimize surprises by negotiating better terms and advising you about the potential risks involved.

Existing Home:

If you're in a hurry to move into your next residence, then you may want to stick to shopping for an existing home. The average time it takes to close a home purchase is around 51 days, but it can vary based on loan type and market activity.⁴

LOCATION

New Build:

With a brand-new home, you're more likely to move into a neighborhood that's located on the edge of town and is still undergoing development.⁵ This could mean a longer commute and ongoing construction for some time. However, amenities like water features or hike-and-bike trails could offset the inconvenience for some buyers.⁶

Existing Home:

An existing home is more likely to be located close to town in a neighborhood with mature trees, established schools, and a deeply-rooted community. As a result, you may find the neighborhood's trajectory to be more predictable than an up-and-coming area.

MAINTENANCE

New Build:

When you build a home, everything is brand new. Therefore, you can expect less required maintenance and repairs in the beginning. However, some home builders have reputations for shoddy construction, which can lead to unexpected issues down the road. We can help you identify the quality builders in our area.

Existing Home:

While an older home is more likely to need repairs, there are ways to prepare for these expenditures. We always recommend that our buyers hire a certified home inspector, whether they buy a new or existing home. Once we have the inspector's report, we can negotiate with the seller on your behalf for reasonable repairs or concessions.

ENVIRONMENTAL IMPACT

New Build:

If energy efficiency is a top priority, a new home with a low HERS (Home Energy Rating System) Index Rating may be a good choice.⁷ You can also look for one that's ENERGY STAR Certified, which means it meets a series of strict efficiency guidelines set by the U.S. Environmental Protection Agency.⁸

Existing Home:

A basic tenant of sustainable living is: reduce, reuse, recycle. And since a resale home already exists, it automatically comes with a lower carbon footprint. Research has also shown that remodeling or retrofitting an older home is often greener than building one from scratch.⁹

DESIGN

New Build:

Builders tend to put a lot of emphasis on visual details and follow the latest design trends. However, some buyers complain of a cookie-cutter feel, as new homes are often built with a similar aesthetic. We can help you negotiate custom features and upgrades to personalize the space and make it feel like your own.

Existing Home:

While some buyers prefer the traditional look and character of an older home, others crave something more modern. If that's the case, we can help you find a resale home that leaves enough room in your budget to renovate it to your liking.

Sources: 1. Reuters 2. National Association of Realtors 3. KFVS 12 4. Rocket Mortgage
5. Real Assets Adviser 6. Builder Online 7. National Association of Home Builders
8. EnergyStar 9. Advanced Materials Research

WHICHEVER PATH YOU CHOOSE, WE CAN HELP

We are knowledgeable about both the new construction and resale home options in our area, and we can help you make an informed decision, negotiate a fair price, and avoid mistakes that can cost you time and money. And in many cases, our homebuyer guidance and expertise are available at no cost to you! So give us a call today to schedule a free, no-obligation consultation—and let's start searching for your next home!

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