

Choosing the right neighborhood is as important as choosing the right house!

There are many factors to consider when selecting a neighborhood that is right for you. Below are just a few of the many factors. You may think of others that are important to you. Please write them on your Requirements List so they do not get forgotten.



Scout out the neighborhood!

It is important that you scout the neighborhood in person. You live in more than just your house. Talk to people who live there. Drive through the entire area at different times of the day -- morning, afternoon, evening and late at night, as well as going during the week and on weekends. Look carefully at how well other homes in the area are being maintained; are they painted, are the yards well cared for, are parked cars in good condition, etc.

Neighborhood factors to consider

Look for things like access to major thoroughfares, highways, and shopping. Listen for noise created by commerce, roads, railways, public areas, schools, etc. Smell the air for adjacent commerce or agriculture. Check with local civic, police, fire, and school officials to find information about the area. Research things like soil and water. Look at traffic patterns around the area during different times of the day and drive from the area to work. Is the neighborhood near parks, recreation centers, shopping, theaters, restaurants, public transportation, schools, etc.? Does the neighborhood belong to a Homeowner's Association? If so, what are the covenants?



This part of the homebuying process is so important that my friend Gordon asked me to guide you through it personally. My name is Merlin and I will help you select the home that is absolutely perfect for you and your family.



Buying a Pre-Owned Home vs. Buying a New Construction



Most people prefer to buy anything "new" over "pre-owned." It is just human nature. However, when it comes to buying a pre-owned home there are some substantial benefits when compared to buying a new home. A home buyer, even if they think they want a new home, would be wise to give consideration to the value of a pre-owned home.

Buying new conjures up the thoughts of latest technology, best ever, great opportunity, leading edge, while pre-owned brings up images of established, mature, time-tested. The purpose of this comparison is not to tell you whether you should buy a new or pre-owned home. Instead, it is intended to give you food for thought so you can make the decision that best suits your desires and requirements.

Advantages of Buying a Pre-Owned Home

You Get More For Your Money

Generally when buying a pre-owned home you will get a larger home on a larger lot than you would for the same amount of money if you were to buy a new home. The reasons are simple. Construction and land costs are higher today than they were when the pre-owned home was originally purchased. Therefore, the seller of a pre-owned home has lower cost to recover than a builder with a new home.

You Get Better Quality Workmanship

Let face it, today's real estate market and economy are going along great. Most of the country faces unemployment so low today that it is becoming very difficult for employers to attract and retain quality employees. Attracting and retaining quality building trades people is a challenge. Those are the people who actually build your home.



With so much new construction, how can builders effectively monitor the quality of the work their trades people are doing? The answer is... it is extremely difficult and many of the builders simply cannot. Homes that were built a few years ago are less susceptible to these construction quality problems. Also, structural problems in a new house can be the source of a myriad of problems. Foundations and slabs settle or even shift. Cracks in walls, windows frames and door frames occur. Doors no longer close. Windows do not shut. Most builders will come back and fix these problems if they occur during the first year of ownership; however, they often occur and extend well beyond the first year.

Appliances, Curtains, and Decor

Pre-owned homes often come with all the little things that you have to add to a house when you move-in. This can add up to a lot of money. If you like the window treatments, they are generally included in the price of the home or they can be negotiated into the price. Many times it is easier for the seller to include all their appliances in the sale of the home than to go through the expense of moving them. Your initial investment to get your home in a livable and comfortable state is lower with a pre-owned home than a new home.

You Know What Your Neighborhood and Home Looks Like

Landscaping like fine wine improves with age. New homes are generally under landscaped and barren. Who knows what your neighbor is going to do in a new home community. In a new home community you lack control over the final look of your neighborhood. With a pre-owned home, what you see is what you get. Sure neighbors can make modifications to their landscaping, but generally the changes will not be nearly as dramatic as in a new home community. An established neighborhood is exactly that ..."established." With new construction the chance always exists that the builder will not finish your home correctly or on time. The builder or developer may sell off parts of the neighborhood to other builders who may build an inferior product. Or, who knows, maybe the builder will incur financial problems and not be able to complete the project. What will that do to your new home community?



You Negotiate Price and Terms With A Pre-Owned Home

In most new home markets, new home builders set the price and there is often little to no negotiation. The builder expects and gets the full asking price. With a pre-owned home, the seller is not a professional seller. They will often negotiate price or selling terms. It can be easier to close a deal with a pre-owned homeowner than with a builder.



Advantages of Buying a New Construction

Appreciation of Equity

Homes like everything have a life cycle. The first 7 to 8 years of a new home are its "formative" years. During this period of time is when most homes are likely to appreciate at their fastest rate. It is during this time that homes can have their greatest appeal, and growth with the surrounding area and economy. The second stage is often referred to as the "maturation" period. This is usually from 8 to 20 years. This is when many homeowners find that their home appreciates at a slower rate. During this period is when depreciation and some obsolescence starts to become a factor. Features and style begin to look dated. Items such as flooring, roofs, carpeting, HVAC, water heaters etc begin to need replacing. Years 20 through 40 are sometimes referred to as the period of "built-in obsolescence". By now new homes have changed significantly. Features are more efficient. Styling has changed dramatically. Floor plans have changed to reflect the changing lifestyles. It is at this point that a major remodeling or renovation of a pre-owned home often takes place.



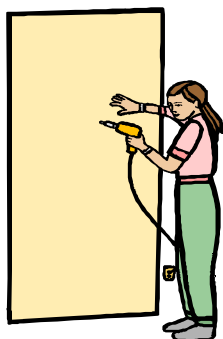
Warranty

New homes carry better home warranties. During the first year or two virtually everything is covered. Some home builders have extended their warranties to 5 or 10 years. Manufacturer warranties for appliances and other home items are in effect for the first few years of a new home.

Better Products and More Amenities

There are simply better and more efficient products on the market today, than with years gone by. Products today often last longer and save you money. Requirements by government to improve energy efficiency have literally forced new home builders to find newer and better ways to lower utility bills. New homes are equipped with double-paned or high insulation efficiency windows. Home insulation requirements have improved. Building code requirements have been strengthened. New homes are simply built with better products than pre-owned homes of earlier years. New homes often have more amenities. For example, 20 years ago many homes averaged one and a half bathrooms. Today new homes average closer to three bathrooms.

It is Yours, and It is Brand New



It is new and it is yours and nobody else has laid claim to it. A new home is a primary expression of its first owner. New homes often offer the buyer the choice of style, floor plans, options, colors, carpets, paint, appliances, and the list can go on and on. No one else has cooked in your kitchen, smoked in your living room, or cut their toe nails on your carpet. New home owners take a high level of pride of ownership, and it is reflected in condition of their new home and property.





Home Warranty Protection

New Home Warranties

When you purchase a newly-built home the builder usually offers some sort of full or limited warranty on things such as the quality of design, materials, and workmanship. These warranties are usually for a period of one year from the purchase of the home.

At the closing the builder will assign to you the manufacturer's warranties that were provided to the builder for materials, appliances, fixtures, etc. For example, if your dishwasher were to become faulty within one year from the purchase of your newly-built home you would call the manufacturer of the dishwasher -- not the builder.

If the home builder does not offer a warranty, be sure to ask why!

Resale Home Warranties

When you purchase a resale home you can purchase warranties that will protect you against most ordinary flaws and breakdowns for at least the first year of occupancy. The warranty may be offered by the seller as part of his overall package. Your home is one of the biggest investments of your life. Why take chances? Be covered against the expense of an unexpected repair or replacement for a full year after closing, less standard deductible. Think about it. No matter how closely you inspect a home before you buy, you just can't predict certain things. Like breakdowns from normal wear and tear, or the possibility of mechanical failure during the first year of ownership. Things like internal plumbing, electrical wiring, or vital parts of the air conditioning and heating systems. Even with a warranty, you should have the home carefully inspected before you purchase it.

Ask THE KIPER TEAM for more details about home warranty packages. An average one-year policy with a \$75 deductible costs about \$420.00

