

BUILDING NEW VERSUS BUYING AN EXISTING HOME

When your existing home no longer meets your needs, the search begins for something more suitable for your lifestyle. The question that inevitably arises is **“Should I buy new or should I buy something used”?**

There is no clear winner in the new vs used debate that applies to all people and circumstances. Each option has pros and cons. It really comes down to this: **What’s most important to you?**

Here we’ll discuss some of the things to consider when determining the best fit for you.



PROS OF BUILDING

➔ Get exactly what you want

This is easily one of the biggest advantages of building a home just for you. You don't have to settle for things you don't like in a home. This means you get the floor plan that provides the functionality you need, the exterior design that makes you proud of your home, and the interior design you love to live in.

➔ Safer for your family

Building codes are constantly changing and are often focused on higher safety levels for the home owner. One example is the requirement for smoke and carbon monoxide detectors in each bedroom in new homes. So whether it's fire protection, electrical safety or other measures, newer homes will be safer to live in.

➔ Less maintenance concerns

With an older home, it's inevitable that the next maintenance cost is just around the corner. Whether it be the roof needing replacement, the furnace quitting on the coldest day of the year, or the headaches of rusty pipes starting to leak.

➔ Energy efficiency

New homes can be as much as 50%-70% more efficient than older homes built just a few decades ago. This not only saves you money but it increases your comfort in the home.

➔ Comfort

Today's homes are built tighter, include higher quality windows, and have a wide range of heating and cooling technologies to maximize comfort in your home. This benefit is often overlooked until you find yourself in a cold, drafty, uncomfortable home.

➔ Lower operating costs

When you compare both the maintenance costs and the energy costs between a new and used home, the new home will cost you less money to operate each year hands down. Let your bank account grow or spend the savings on something else!

PROS OF BUILDING

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➔ Better resale value

While new homes cost more up front, they also provide better resale in the end to help you recoup your investment. This is because newer homes are more appealing than older homes. Consider two similar sized homes side by side and one home is 25 years newer than the other home. Which one will sell for more? The newer one. So while you may save money up front by buying an older home, you also get paid less for it in the end as well..

➔ Warranty

Whether you are buying a new or used home, sometimes deficiencies pop up after you have moved in. With a new home, you have a wide range of things that are covered by warranty. Some items (such as structural) are even covered for up to 10 years!



➔ No toxic materials

Old school materials such as asbestos or lead paint are nowhere to be found in new homes. You also don't need to be worried about mold lingering behind the walls!

➔ Radon mitigation

With radon being the second leading cause of lung cancer in Canada, it has become a hot topic since 7% of homes in Canada are suspected of having high levels of radon. Building codes now require new homes to be better sealed and roughed in for future radon mitigation systems.

➔ Better technology

New homes are designed for today's way of living. If you want lightning fast internet or the latest in smart home or audio technology, the options are endless with a new home.

➔ No renovations

The beauty of a new home is that you don't need to take on the time and hassle of retrofitting the home to meet your needs.

➔ Emotional connection

When you design and build a home just for you and your family, there is an emotional connection and pride that goes along with it.

➔ Lot choice

When you build a new home, you not only get the home you want, you also get the opportunity to select the perfect lot as well.

PROS OF BUYING

Don't count out existing homes just yet! Let's take a look at some of the benefits of buying an existing home.

➔ Lower up-front cost

Generally speaking, buying existing/older homes will save you money up-front. Over time, the gap between the total home costs (purchase price + operating costs + maintenance costs) becomes narrower and narrower when comparing older homes to new homes.

➔ Landscaped yard

One of the great benefits of buying an existing home is that you can move in and start enjoying your yard right away. No work to do and no money to spend on landscaping.

➔ Move in quicker

There's no waiting around for the home to be built when you buy an existing home. If you need to move in quickly, existing homes are your best bet by far. The only caveat is that if you spend 6 to 9+ months looking for the perfect home without any luck, you may not be saving yourself any time and may need to re-evaluate your options.

➔ No construction zone

Unless you purchase a home in a new neighbourhood, you should be able to enjoy your new home without new homes being constructed around the neighbourhood. The construction eventually ends, but there are some inconveniences while it is ongoing.

➔ Resell sooner

If you are looking for a home to live in for the next few years but not long term, purchasing an existing home may be the better option. It takes more time to maximize the benefits from building a new home.

➔ Fewer decisions

If you dread making decisions or can't agree on things with your spouse, you may not enjoy having lots of options to choose from when building a new home. This may be a sign that buying an existing home is the best choice for you.

In addition to considering the pros and cons of **building versus buying**, it may also be helpful to clarify some of the **misconceptions** about building:

➔ **MISCONCEPTION #1: My new home build will likely go over budget.** This doesn't have to be the case. Depending on how you structure the agreement with the builder, it's possible to have all your choices made and your final price determined before you sign the sale agreement and start construction.

➔ **MISCONCEPTION #2: Building a new home requires a large time commitment.** The time commitment needed for a new home often depends on how far you want to get into the nitty gritty details. For people that want to look at every flooring sample and paint colour swatch imaginable, they can expect to spend a sizable amount of time on the project. For those that want to rely on the experts (designers) to suggest some great design ideas and materials, their time commitment is significantly less. We also find that the time commitment is not always equal for each spouse. One generally takes the lead and spends more time on the project.

➔ **MISCONCEPTION #3: Building a new home is stressful.** A well-planned build shouldn't be stressful at all. It should be exciting! Stress can generally arise from three potential areas: 1. Unexpected costs or surprises 2. Miscommunication 3. A disorganized process. The key is to work with a builder that has the tools and systems in place to avoid these stress pitfalls altogether.

