

Buy new or used home? Weigh pluses, minuses

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Sure, the economy is sour, but thousands of people are still buying homes in Central Florida each month, and one of the first questions those people often grapple with is: new or used?

Homebuyers vote with their wallets, and here's what that shows:

- Subdivision builders in Orange, Seminole and Osceola counties sold 2,298 new homes through the first nine months of 2008, at an average price of \$328,600 each, or a combined \$755 million, according to an industry survey by Charles Wayne Consulting Inc. Year-end numbers, once available, will almost certainly show that local new-home sales topped \$1 billion, even in a slow year.
- Realtors in the core Orlando market recorded 14,740 existing-home sales last year, at an average price of \$254,281 each. That's more than \$3.7 billion worth of resale property, according to year-end numbers from the Orlando Regional Realtor Association.

Victor Farina, who builds new homes and remodels existing homes in Central Florida, is an expert on both types and knows the good and bad of each.

"The No. 1 issue, I would say, is location," said Farina, president of Farina and Sons in Orlando. "New or used, location matters."

Farina said most existing homes usually need at least some work, which adds to the buyer's bottom-line cost and brings the price per square foot closer to the price of a new home.

Yet many people buy older homes in locations they like and undertake major renovations anyway.

"Larger great rooms, more living space, more detail is what I'm seeing right now," said Farina, whose family has been building homes in Central Florida since 1950.

For people who buy used and remodel, wood decks generated some of the best returns as a percentage of cost last year, according to the 2008 Remodeling Cost vs. Value Report by the National Association of Realtors.

Decks returned more than 80 percent of their cost upon resale.

Window replacements returned more than 76 percent of costs, and kitchen remodeling typically returned 76 percent to 79 percent.

Florida was among 20 states that showed "consistently higher" rates of return on the remodeling of existing homes last year.

New homes, though, actually can be easier for many first-time buyers to get into, because they can deal directly with the builder's in-house mortgage-financing and insurance options.

Here are some of the pros and cons of an older versus a new home:

- New homes meet newer building codes and typically save on energy costs and upkeep.

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- Older homes often have more character and individuality and may be in established, or historic, neighborhoods.
- New homes often are in deed-restricted communities governed by homeowner associations; that can help support the value of the neighborhood overall but can limit individual options for house colors, landscapes and additions.
- Older homes typically have larger yards, requiring more weekend work or higher maintenance costs but also offering more options for expansions, or additions such as a swimming pool.
- Newer homes often have community amenities, and the newer the community, the more likely it is to have a variety of common areas, from walking trails to recreation facilities.

Credit: Jerry W. Jackson, Sentinel Staff Writer

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