

Is it better to buy a new or resale home?



The decision to buy a home is usually both exciting and daunting. While you may know the size or style of home you want, such as condominium or townhouse, the choice between a new or resale home is another important consideration.

Both new and resale homes have their advantages and drawbacks, which may range from having a home with character and history to customizing a brand new space for a turnkey experience.

“What some people may not know is that there are different legal considerations when purchasing a new versus resale home,” says Ray Leclair, vice president of public affairs at LAWPRO®. “Purchasing a home is a significant investment, so be sure to protect it by addressing uncertainties with a real estate lawyer.”

To help in your decision-making between a new or resale home, Leclair advises considering the following factors:

New home

Advantages:

1. The work is compliant with the latest construction and safety code requirements;
2. Warranties for construction/appliance/system defects provide peace of mind;
3. A building-location survey is generally available.

Drawbacks:

1. Construction may not be completed in time for the proposed move-in;
2. The buying decision may be based on plans, rather than actually viewing the property or seeing a similar model;
3. There may be ongoing construction around the home or in the neighbourhood and landscaping and upgrades are discouraged while work proceeds or within warranty periods.

Resale home

Advantages:

1. Buyers can see what they are buying and have the opportunity to inspect the home;
2. Generally the home will be in an established neighbourhood without ongoing construction;
3. The neighbourhood landscape and infrastructure is known and ready to enjoy – think parks, schools and shopping.

Drawbacks:

1. There will likely be no warranties or recourse if a defect is discovered;
2. It may be difficult to see any hidden problems and there is no guarantee that plumbing, electrical or the construction are up-to-code;
3. If there is a building-location survey, it is likely dated.

While these lists aren't comprehensive, they can help buyers determine what's most important when shopping for a new home. Ultimately, the key is to make an informed decision and find something that suits budget, neighbourhood preferences and personal style.