

FACT SHEET

buy or build

It seems that established properties in older suburbs are cheaper than the new ones in developing suburbs - shouldn't I be buying these rather than new homes?

--- Chris Fforde

Most people prefer to live in a brand new home. The reason some new properties may seem more expensive is that they offer a higher quality of living, the latest in construction methods, custom building design, facilities, technology, warranties and amenities.

Renovating old homes can be a great way to have the best of both worlds – it is also very time and labor intensive and prone to substantial budget blow outs leading to over-capitalisation

You should bear in mind that an older property does not usually come with the same warranties and guarantees, and will need upkeep or renovation before a new one. All of these calculations need to be taken into consideration.

As a home owner, you need to think about what it is you may want out of your home and consider that a new home provides a clean slate to work with and influence the design to end up with the house you truly want rather than a compromise of what is on offer.

As an investor, you need to look at what tenants are demanding, such as open plan living, cool, energy efficient homes, and the level of community in the area the home you are looking at provides. An additional financial benefit of a new build for investors is the level of depreciation that you can claim on the house.

