

Should I Buy a Move-In Ready Home or Fixer-Upper?



Owning a home is still a major part of the American dream. According to a recent survey done by The Harris Poll in 2020, a third of Americans who have never owned a home plan to do so in five years.

If you're a first-time homebuyer, one of the questions you may have is whether to purchase a move-in-ready home or one that needs some renovation before moving in. In this article, we'll discuss the advantages of each option so you can make the best decision for yourself and your family.

Buying a Turnkey Home

The top two reasons for buying an existing, turnkey home are convenience and cost.

Convenience

New homeowners find it convenient to buy a turnkey home because once you are pre-approved by your loan provider, moving into your new home can go fairly quickly. After closing the deal, moving in can be as quick as a few weeks.

One of the perks of purchasing a turnkey property is that it's free of major repairs or renovations. So, if you're on a tight schedule to move in or want to minimize construction disruptions to your life, to get this is the best option for you.

Cost Savings

According to the National Association of Home Builders, overall, it's less expensive to purchase a move-in-ready home than a fixer-upper. In light of current economic conditions, real estate prices have dropped significantly across the US which means that buying a turnkey home is an even more attractive option.

Renovate a Fixer-Upper

We've all seen TV shows where home renovation experts turn a once dilapidated home into a dream home with just a little elbow grease. While not as easy as they make it out to be, a low-cost fixer-upper in your ideal neighborhood may be worth the extra work.

The most important thing to consider is the type of work that your prospective home needs. Other than sprucing up the appearance, consider whether the home requires mechanical or structural renovation as the cost and time to fix these issues can quickly add up.

To better understand what the fix-upper requires, hire an experienced home inspector. They can check the foundation of the property and to help you determine the extent of the work required.

If repairs have already been completed by the current owner, the inspector can ask for a copy of the scope of work done so they can double-check if items are indeed repaired correctly.

Stay away from homes with cracked foundations because they can turn out to be bottomless pits to fix. A whole new foundation can cost close to \$40,000 to repair.

Build Your New Home From Scratch

Another surprising option that first-time homebuyers often overlook is that they can build a brand new home, from the ground up. The biggest advantage of building your new home is that you will get exactly what you want. For many first-time homeowners, this is reason enough to choose to build over buying.

You can take advantage of the latest technologies in home construction which give you a more energy-efficient home that easily meets new standards for heating, cooling, and ventilation.

You can also decide the design and flow of the home, building around your tastes and lifestyle.

Ready to Finance Your New Home?

As a first-time homebuyer, you can either build, buy or fix a home for your family. No matter what choice you make, the next step is to choose financing options to fund your project.

Our loan experts can discuss various loan products for the kind of property that you want.

You can choose from conventional mortgages and government-backed loans to construction loans and renovation loans that can suit your needs.

*** Specific loan program availability and requirements may vary. Please get in touch with the mortgage advisor for more information.**