

Some things to ponder in 2006

The 2005 has been another excellent year for Real Estate in Greater Moncton. And we'll look into the future for 2006 in the next few weeks. But as we wade through leftovers and ponder our next move, here are some answers to some often asked questions. Like, should you make a choice between an updated home in an older neighborhood or a newer home in a more modern neighborhood?



In general it's all about goals. If your goal is to buy a home for its resale value and the one you are thinking of buying in the older neighborhood is at the upper end of values for that neighborhood, then it may not be the wisest choice.

If it is similar or lower in price to the others, then there should be no problem. That's because pricing should be considered in relation to the local neighborhood and not compared to homes in other neighborhoods (for the most part).

Plus, is it a neighborhood on the decline, or are others going to be fixing things up too so that it is a neighborhood that is improving? Consider if you will the houses in the old West End. People have been buying those older homes and improving them pushing the average price up. And with the Vaughan Harvey extension underway, who knows where those prices could go.

It could turn out to be a very good deal as long as you don't "overpay" because of the recent improvements, or coming ones. But be careful not to buy on a rumour of what might be coming to the area. You could leave yourself short.



Remember too that you also buy a home for its value to you as a "home". In short, which neighborhood would you AND your family feel most comfortable in? Odds are, someone will feel the same way about the area that you do when it comes time to sell.

Some other very common questions deal with upgrades. Like, when buying a new home, what upgrades should you go for? Which ones hold the most value? Do we upgrade the lot? Pick

more square footage in the house? Add an extra bedroom? etc.



The biggest thing to consider is are you buying the house mostly as a home or mostly as an investment? Because there is a difference.

For the most part, upgrades are high-profit items for builders. Have you ever heard someone say that his or her new kitchen or extension cost about the same as the house? Upgrades aren't necessarily designed to enhance the value of the house, but make you happier with the house you do buy.

If you are looking at your home as an investment, then you buy from the smaller to medium size in the tract and spend only a minimal amount on upgrades. By simply watching some home improvement shows, you can easily see how to make a big impression with little money.

If you are looking at your purchase as a home, then you select upgrades that will enhance your quality of living. One rule of thumb however, is to always upgrade the carpet and padding.

For those who are set to buy and then sell in a few years, some of these decisions are a little more crucial. Some want to know which would be more profitable. To buy a smaller house in a great location or get twice as much house in a good location?

Well, sometimes it's like buying stocks. How do you really know which ones will increase most in value over the next five years?

As with any investment, there are risks. The most often quoted rule is that location is the most important factor. You want to make sure that the house does not back on to busy streets and avoid corners and intersections. Choose the middle of the block or a cul de sac. And you'll want to be sure it has at least two bathrooms (if you are buying in an older area).

In the end, sometimes a house bought as an investment is just timing. Perhaps you'll buy a house and then a few months later it's announced a new school and shopping plaza is going to be built just a few blocks away and the prices rise. However, don't buy and then close your eyes and hope for the best. Know what it is that you want from a house. Will it be your home, or an investment? Will it be long term or short term?

In any case, be sure to make a plan. Investigate. Find out the facts. Consult the professionals like your REALTOR who knows what's going on in the area. Then act. If you do, then 2006 could be an exceptional year for you.