

To Build or Buy

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Vance Winiata & Co Ltd is a Property Valuation and Advisory company servicing the rural, residential and commercial markets.

At some stage you may be faced with the dilemma of whether to build a new house or buy an existing house. There are advantages and disadvantages with either option.

When you are comparing buying an existing older home with a new "to-be-built home, a key determinant in choice will generally come down to the quality of accommodation and section size.

When you buy an existing home the package is quite clear. What you see is what you get. The chances will be it may not be 100% right with regard to size, design, colour, and location however it meets the budget and circumstantial criteria.

The obvious advantage of buying is that it is a turn key situation and within a short period of time you (and your family) can maintain continuity.

When you buy an existing home you do not get to make the decisions you would if you were to build your own home.

A key factor between the two options is the cost of land and construction at time of decision.

In my view, it is an opportune time to build in light of the availability of vacant sections and general competitiveness from building contractors.

New construction at this time, I believe, is an affordable option. A number of builders and building companies have what is known as a selected range of pre-drawn plans so a relatively quick decision can be made with regard to design, size and layout to meet your preference.

There are also a range of building materials available on the market and finishing touches. With a new home, you get to add your own flavour, which can range from bold and trendy to middle of the road/conservative.

Another advantage of building is that you get to seek and choose the section and location for your home to your preference.

It is often said that it is best to be the last development in the new subdivision as opposed to the first. The reason being, is that you get to assess the standard/quality of your neighbours prior to making the investment and you can design a house that differs from the "norm" that may have already been established creating a different package that assists saleability.

A key determinant in deciding between buying or building generally comes down to ease of

transition of moving into a newly built home as opposed to having alternative accommodation for the construction period of a to-be-built home.

There may not necessarily be a capital gain when building when section and land prices are reasonably static, as we are experiencing at this time.

People's lifestyles tend to influence their choice of property. For example, busy executive couples may well prefer a modern low maintenance dwelling as to an older home on a large section.

Lifestyles and preferred locations/house designs aside, the underlying determinant in the end choice will invariably be equity contribution / disposable income.

Mauri ora kia tatou

Vance Winiata

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