

TO BUY EXISTING OR BUILD NEW?

Risks - Hope, Manage, Eliminate



When considering a change of address, two options you may consider are buying an existing home, or building a new home. Both of these options carry some risk that should be considered. When viewing existing homes you can visually establish if the home comes near to meeting your requirements and tastes.

But what about the things you can't see? How structurally sound is the home? What condition are the plumbing and electrical works in? Is the home warm and comfortable to live in, in all conditions? And of course, how weather tight is the home? The risk of your investment lies in the not knowing the answers to these questions, and just how much of your rental income will you be left with after these questions have been answered?

Similarly building a new home also has risks of a different kind. How do I know my builder will do a great job? Will my property be built on time, and on budget? How financially secure is my builder, and my investment? What guarantees and warranties do I have? More risk and more hard decisions to make?

The biggest difference with managing the risks of building new is all the questions/challenges can have a definite solution. Your builder should offer client testimonials, if not, alarm bells! Many builders will be able to offer some form of independent guarantee, make sure you check the conditions and limitations. Most building guarantees have claim limits that leave a large portion of your investment at risk, should the builder fail. Be totally clear about what you are getting for your investment, and what is not included. If there are provisional sums in your building contract, ensure that there are few, and insist on viewing the quotes that the sums are based upon. If the price seems too good to be true, it is. Any significant difference in price will usually be reflected in the design and specification of the home.

Whether building your own home or an investment property, eliminate all your risk by contacting Signature Homes Papakura/Franklin. Signature Homes will guarantee to design a home that meets your budget, and provide written guarantees that your investment is 100% secure, you will know your costs before you enter into a contract, and you will know your completion date.

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