

Why Some Homes Appreciate Better And How You Can Find Them!

Thinking about moving from one area of the country to another? Or from one neighborhood to another? You're likely to find that home prices vary considerably from place to place.

What makes one home more valuable than another?

The prime variable, of course, is location. If a home is situated near what people want — and away from what they don't want — it will cost more than comparable homes. And chances are it will remain more valuable — perhaps even appreciate better — sale after sale after sale.

Our Town

Location premiums differ from area to area. In one area, proximity to the downtown district may increase value, while in another, close-in homes may sell for less. In most places, waterfront homes carry a higher price tag, as long as flooding isn't a regular threat. Great views — of mountains, cityscapes, natural areas or water — also command higher price tags.

Around The Corner

Proximity to amenities can certainly increase price. Being near (but not right next to) good schools, medical facilities, shopping and employment is likely to increase a home's value. In metropolitan areas, being able to walk from a home to public transportation, parks, cultural centers and stores often increases a home's worth.

Market Factors

Supply and demand in the real estate market have a tremendous influence on home prices. In a seller's market, where housing inventories are low, a two-bedroom, one-bath home may sell for many thousands more than a four-bedroom, two-bath home in an economically depressed area where many homes are for sale.

Amenities

Size counts when comparing homes in a specific area. The more bedrooms, baths and square footage, the more a home is likely to sell for. So too, a larger lot will usually cost more.

Age can also be a factor. Generally, a new home sells for more than a comparably sized older home in the same area. However, smart homeowners recognize they can close the age-value gap by updating appliances and decor and by returning the home to like-new condition.

Upgrades, especially in kitchens and bathrooms, certainly add value to older homes. Other improvements, such as new carpeting, flooring, cable or wiring for modern electronics, or new windows pay off for sellers, especially if the neighbors haven't kept up.

Notice, these are all cosmetic enhancements. The basics — plumbing, electric, roofing, air conditioning/heating systems — are expected to be in working order and not overdue for replacement. Some people may pay a premium for gas heat, copper pipes and better-quality construction.

Condominiums have their own unit-by-unit values — more closet space, a washer/dryer unit, better views (usually each higher floor costs more in a high-rise), well-maintained common areas and recreational facilities, pet-friendly policies, quality of management, and a good owner/renter ratio.

Ship Shape

Good condition can also increase a home's value, if only because buyers prefer a home that's ready to move into. A home in good working order, with easy-care



landscaping and neutral interior colors, appeals to the most buyers. When buyers must compete for a home, its price goes up.

What's Hot

Current buyer preferences also influence price. Today, island kitchens, screened porches, sunrooms, office space, skylights, garden tubs and other special features all help a home sell at a higher price compared with have-not homes.

Buyer preferences do vary from place to place, however. In some locales, a swimming pool might help bring in top dollar, whereas in cooler climates a pool can actually lower the home's value. Also note, what's popular today may not be so sought-after tomorrow.

Buying Smart

"You get what you pay for" applies to homes just as it does to other commodities. But most of us can't afford to buy the home that "has it all." You can help ensure the long-term value of your home investment by, at the very least, purchasing the value-increasing features you won't be able to add later on — location, view, architectural style, proximity to local amenities, etc. Once you move into your home, you can start adding other sought-after features as your budget allows.

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