

## **Another view of New vs. used.**

**I contend that it will cost you the same to live in a new home as a used home.**

Support for my contention.

### Assumptions – Used

- If you purchase a used home and move it, the used home will hold its value. It will sell for what you paid for it.
- You will lose your moving costs if it must be moved from your site.
- You paid \$10-\$20,000 to move it.

### Assumptions-New.

- new home purchased is \$100,000 with the moving costs included.
- Keep it for 5 years.
- Assume 20% depreciation or \$80,000 if the home has to be moved.
- New homes will go up by 5% a year. That is your competition in re-sale.
- The new home on a dealers lot 5 years from now will probably be selling for \$125,000 in 5 years.
- Your new home (now used) home would probably sell for \$100,000 with the moving costs for the buyer of your home. Assuming it is in good condition in 5 years. That will be enough of a deal to keep the used buyer from purchasing a new home.

Using the above assumptions, it would cost you \$20,000 to live in a used home or a new home. That would cost you about \$4,000 a year (plus extra interest) or about \$350 a month to live in either home.

*Let's consider that you keep it 10 years. With a used home, you will probably have more repairs. The life of a roof is 25 years. Probably have to do a roof then. On a new home the roof is 10 years old. Furnace and air conditioning are new on a new home. Used probably will have to be replaced in that time. A 10 year old home will have more desirability than a 20 or 30 year old home.*

***I would shop for used and new at the same time.***