

July 1, 2010 Column:

## *“Things to Consider When Buying a New Home vs. a Resale Home”*

### Feedback from Readers:

Jim

This is an excellent article and I don't see any errors from a legal standpoint. I would use "Typically" to start the second sentence of the 6th paragraph which seems to declare that the earnest money deposit is never escrowed and is spent, which is generally true, but can vary from builder to builder.

Overall, the prospective purchaser is not on a level playing field with the builder, and is generally unaware of the risks in dealing with the builder and you bring this out in the article.

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Good morning, Jim,  
I have also found in some counties, the assessor has not yet re-assessed the property to include the value of the improvements....so the taxes can more than double a year or so after the purchase. Builders in Grand County are very flexible with the contracts, and will even allow the buyer to use the standard Colorado contract; however, in the front range...they

will not budge. In this current housing market, it seems it would be in their interest to work with the buyers.

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Jim,

I didn't know about the contract difference between the new build vs a resale. That's very interesting.

It's amazing what materials the builder uses in these homes, especially in the plumbing arena. Even though CPVC and AquaPex for the water supply piping and CSST for gas lines are approved, I would never build a house with these materials. The only person who benefits is the plumber who installs it, only because its easy for them. They only think of the present time and not how the system may be performing many years from now.

New houses should always be inspected.

Good article,

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This is good....the one thing that gripes me about “new-builds” is the builders’ “requiring” borrowers (via generally bogus incentives) to use their lenders, and then requiring their appraisers to grossly inflate values. In my opinion, that was a major contributor to the foreclosure epidemic. We would see new homes that sold for \$350,000 selling for over a hundred thousand less within a year or two of sale. And that wasn't all due to market depreciation.

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