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What Factors Affect the Price of a Home?

When a person is about to make one of the most important investments of their lives, buying a home there are certain factors that make an ideal home and that will allow their investment to grow . One should not choose their home only considering the factors of appearance and price. A rule in real estate that people should always follow is, “You can install all of the Brazilian cherry flooring and stainless appliances you want, but you cannot change the location of a home” (lee Keadle). This means that the most important factor you should consider when buying a home is the location of the property because no matter what you modify or add to the house, you will never be able to change the location. Many people are not well-informed that there are more factors than price and appearance that affect the price of a home. A potential buyer should always also look at the property conditions, what improvements previous owners have made, and how long the property has been on the market.

The main factor that affects the price of a home is location. The location is very important because this determines what neighborhood you are going to live in and the type of community it is. For example, you can choose a location in a suburban, suburb, coastal and rural areas. What most people want is an area where they have easy access to freeways, groceries stores, shopping malls, and many sources for entertainment. Education-orientated families always want to live in a district where there are very

prestigious schools, where their kids can have a rigorous education in order for them to succeed in life (Greg). For example, one of the most expensive zip codes to live in San Diego is La Jolla because this school district has very prestigious schools and it is family orientated community. In addition, families seek out neighborhoods that have really low crime rates where their children can be safe in the outdoors. Once again, La Jolla has an amazing view of the beach this makes it a desirable place to live in and a safe investment because the price of the home will never go down instead the value will keep increasing. Finally when buying a home, one needs to make sure that their investment will not lose money over the years. In order to do so, one needs to seek neighborhoods that will potentially increase in value (Greg).

Another factor that affects the price of a home is how long has the property been on the market. If a property has been on the market for a long time, this gives someone more room to negotiate with the seller. Typically, the more time a property is on the market, the more desperate the home owner will be to sell the property. When the market is slow and properties are on the market for a long time, this is called a buyer's market (Greg). On the other hand, if a property goes on to the market in a really prestigious neighborhood the price of the home will be higher and will only be on the market for a short time. This is called a hot seller market, because the seller can charge a premium on the property (Greg). They can increase the price of the house because the market is very active and many buyers want to acquire the property. The seller can determine either to accept what they asked for or decide to increase their price.

A wise home buyer should always check the conditions of the property. The condition of the property affects the price of a home because this determines whether the

buyer will have to do future repairs or not. What home buyers should always check first is whether the plumbing and electric system work properly. These systems are very expensive to repair, and if one buys a home without knowing the conditions of these systems in the future, they may regret it (Home Improvements). In addition, home buyers should always hire somebody to inspect the house for termites; no one wants to buy a home infested with these insects (Home Improvements). Furthermore, if buying an older home, one should always check on the foundation of the home because over time the wood deteriorates. Another important factor is the age of the home: usually newer homes will always be more expensive than older constructions, but this depends on the property architecture. If a house is in optimal condition and doesn't need any repairs, the price of the home will be substantially higher in the real estate market than a home that needs reparations (Home Improvements). For example, in downtown there are a lot of similar houses for sale, but the prices of these properties vary because of the condition the property. In downtown a house in perfect conditions can be sold up to fifty thousand dollars more than a house that needs repairs.

Another factor that may increase the value of a house is improvements that the previous owner made to the house. A home buyer should always check really carefully what the improvements were because adding something to the house doesn't really mean that this will make the value of the house increase (Home Improvements). For example, improvements that only certain types of people will pay for don't increase the price of the house. Some improvements that may not be desired by other buyers may be: installing televisions in the bathroom, adding turf to the backyard, or decorative paintings. The improvement has to benefit any kind of person and make the person desire that home

more. Improvements that will increase the price of a home greatly are add-ons. For example adding a room, bathroom, garage, or a second floor really makes a difference (Home Improvements). There are some improvements that are really cheap, but over time will greatly increase the value of a home like adding a built-in barbeque pit, changing kitchen cabinets, and fixing up small details of the bathroom (Cettina). What most increases the value of a home is remodeling a kitchen and adding top of the line home appliances (Cettina). Home buyers also tend to buy homes with wood flooring and marble counter tops. These improvements don't just make a home look better, but the material chosen is of high quality (Home Improvements). Finally, outdoor improvements like remodeling the back yard, adding porches, swimming pool, and sculptures make the appearance of the house appealing.

In conclusion there are more factors than one may think that really affect the price of a home. The five main factors that that people should always remember are: location, how long has the property been in the market, property conditions and improvements the previous owner did. A wise home buyer will always put into consideration these five factors to get the best deal for their money to achieve the goal of buying their dream house. These five factors may help save a lot of money when it comes to buying a house or win a lot of money when you are selling your home. Finally the most important factor is the location of the property because no matter what do you do to improve the house you can never change its location.

Works Cited

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