

State Department Federal Credit Union

Topics of Interest

Buying a Home With Resale Value.

Location – Local Community, Town or City

Before you can actually pick out a house, you need to choose what cities or communities you would like to live in. There are many factors you should pay attention to, not only for yourself, but because you intend to eventually sell the home to someone else. Carefully choosing your community is the first step in "location, location, location" and can help maximize your future potential resale value.

Economic Stability

When choosing a community for your purchase, it makes the most sense to buy in a city with a viable and stable economy. Five, ten, or even fifteen years from now – when you want to sell your home – you can have a reasonable expectation that your community will still be a desirable place to live.

In addition to residential neighborhoods, there should be a healthy mixture of commercial and business districts. These not only provide jobs to the local residents, but also add an income source that the city can use to upgrade and maintain roads and city services.

In fact, you should take a drive and see how well the community is maintained. You have probably heard of "pride of ownership" when referring to an individual home or an automobile. Look to live in a city that demonstrates community pride, as well.

Local Government Services

In addition to community pride, check on the services provided by local government. One example would be the local library system. Are there several library branches? Do they stock a good selection of books, including recent best sellers?

You should also look into local crime statistics and see how the city compares to the national average and other local communities. Is the police force effective and responsive to community needs? Are fire stations located strategically around the community so that they also can respond quickly in an emergency?

Another area of inquiry is community services. Does the city sponsor youth sports and have well maintained athletic facilities and parks? Do they sponsor

community events, such as an annual parade? Are there activities available for children, teenagers and senior citizens?

Your local agent, if they are a good one, will have amassed a wealth of information on these subjects of inquiry. It is also another reason to always use a **local** agent.

Schools

Even if you do not have school-age children and do not intend to have children, you must pay attention to the local school system. That is because when you sell the property, many of your potential buyers will have concerns of this nature.

You will want to know if the local schools are overcrowded. Take a drive around and see if there are auxiliary trailers outside the local schools. Call up the local school district and see if elementary aged children always attend the school closest to their home. If not, ask why. Are there enough schools to support the local population? If not, are there plans to build new schools? How will building new schools affect local property taxes?

You should also check to see how local students score on the standardized tests. You can ask your agent about these things, but you should also get the local phone numbers so you can ask yourself.

There are also school reports available for free on the Internet.

Property Taxes

Property taxes may be higher in one town than another nearby city. This can sometimes affect whether potential homebuyers view a community as a desirable place to live. Often, they will choose not to purchase in a community with higher taxes, though this decision is not always justified. Higher property taxes often mean newer and more modern schools, well-maintained roads, and bountiful community services.

In addition, you will often find that the "cost per square foot" of homes is lower in cities that have higher property taxes. This means you can buy a bigger house for less money. Since the mortgage payment may be lower, but the property taxes a bit higher, the monthly housing costs may be approximately the same in each city.

However, many agents and prospective buyers have a bias against a community with higher property taxes. If resale value is important to you, make property taxes a consideration when choosing the location of your new home.