



Should I Buy a Condo or House?

The American dream of owning property has changed in recent years. Nowadays, although the dream still boils down to having your own roof over your head, the options for doing so have changed drastically. One of the fastest growing segments of property sales today is in the area of condos.

Owning a condo has some things in common with owning a traditional home, but it's the differences that count. And there are a lot of them! So how do you know whether a house or a condo is right for you?

Take a look at the following points, and then do some research of your own before deciding to buy a condo or house.

What is a condo?

In order to explain the differences between owning a single family home and a condo, we should first define exactly what a condo is.

Condominiums resemble apartments in many ways. They consist of several units in the same building or complex, with common areas like courtyards and lobbies that are shared by everyone. But condos, as opposed to apartments, are owned by the individual tenants and not just rented.

When you purchase a condo, you're giving up some privileges in exchange for gaining others. It's this balance of benefits that will be most helpful when you're weighing what type of property to buy.

Benefits of a condo

- Less maintenance. Although the price of your condo will cover the cost of maintenance, you will not be required to perform it yourself. Some small tasks may fall to the condo owner, but for the most part jobs like mowing the lawn, replacing broken fixtures, and insulating for the winter are all taken care of for you. Keep in mind, though, that you are still footing the bill.
- Community environment. Maybe you've got an empty nest at home and are looking forward to being around other people. Maybe you just hate the thought of rattling around in a large house by yourself. Some people prefer having neighbors in close proximity, and appreciate having common areas to share with others.
- Amenities you couldn't afford otherwise. Most condos feature special areas for their tenants. Some have gyms, while others have pools and saunas. Plenty of condo owners choose to buy a condo because they love the convenience of having these amenities right outside their doorways.
- Standardized construction. This particular point doesn't apply if the condo you choose happens to be in an older building that has been converted. If you purchase new, however, your condo will be built to new construction standards and will feature many modern conveniences. Buying a brand new single family home would give you the same benefit, but with a much larger price tag.

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Benefits of a traditional home

- Privacy. No matter how well a condo is built and how soundproof the walls are, the fact is that you're sharing the space. For some people, there's no substitute for your own walls and yard.
- Investment value. Even though the condo market is on the rise, condos will never replace single family homes as the real estate investment of choice. Homes have a wider appeal than condos and will always appreciate at a better rate in the market.
- Freedom of choice. The world of condos comes with certain restrictions. Condos operate with a central Home Owner's Association (HOA) that makes decisions regarding certain areas of the building's appearance. If you're the type who wants to paint the walls turquoise and display an assortment of lawn gnomes, you'll be better off in a single family home.

Should I buy a condo or house? The bottom line

As baby boomers reach retirement age, the condo market is seeing an increase in purchase demand, and the fact is that condos are much more popular than they were ten years ago. In big cities where housing space is limited, condos are an excellent way to live in a populated area without having to pay inflated prices for a small square of land. Think about it this way: you can fit a lot more people into a certain amount of square footage if you build upwards, so condos certainly have their place. And in large expensive cities, they're a lot more affordable than traditional homes, particularly if you're a first-time buyer.

If you look at the situation from a financial point of view, you should weigh factors like investment value against things like proximity to your workplace. Maybe a house will be worth more if you sell it, but if buying a condo in a big city cuts your commute time in half then it could still be the cheaper choice. Maybe you'd rather have a single family house, but if you're trying to move to a big city the sticker price of a condo might look a lot more appealing.

Consider your options carefully before deciding what type of property to purchase. Listen to advice from those who have purchased property in the past, and get advice from Real Estate investors if necessary. In the end, whether you buy a condo or house is entirely dependent upon your needs. After all, you're the one who will be calling it home.

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