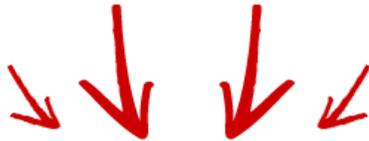
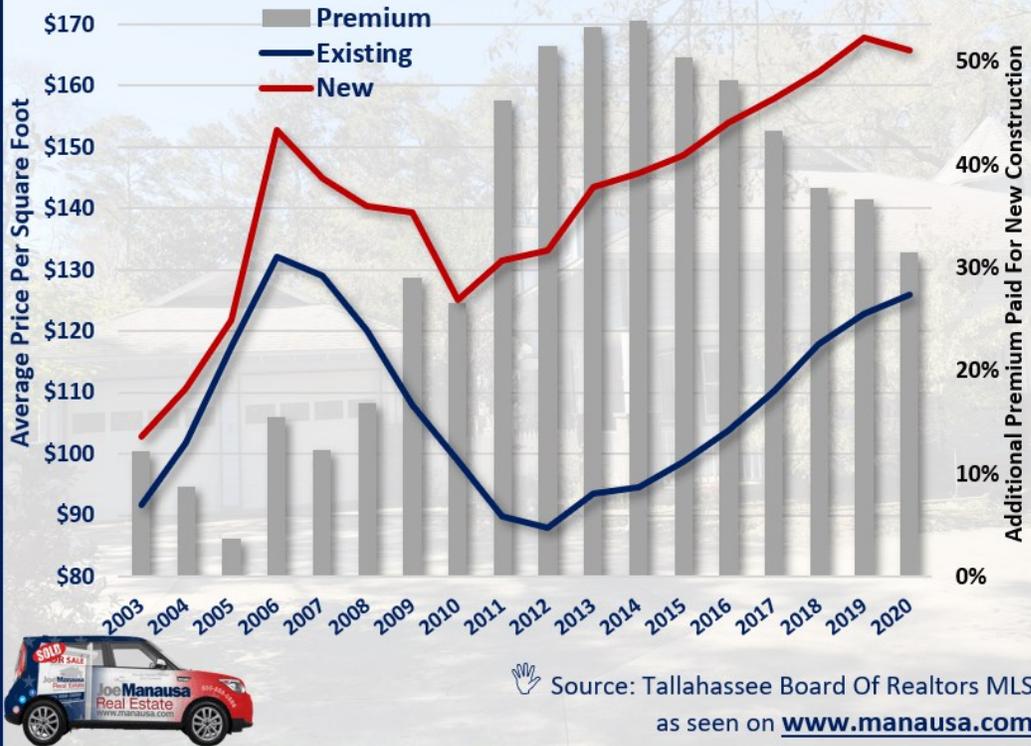




New Homes Are More Affordable Today

New Construction Cost Versus Existing Home Values



Barbara Corcoran's Advice For 2020



- [Selling A Home](#)
- [Home Valuation Tool](#)
- [Property Search](#)
- [The Word Is Out!](#)
- [Archives](#)
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New construction homes are more affordable today than they have been since 2011.

The graph above plots the average price per square foot of existing homes (blue line) and the average price per square foot of [new homes](#) (red line). The gray bars represent the premium that buyers have paid each year.

The lowest difference between new and resale homes occurred in 2005, when new homes were selling for just 3% more than the existing homes in the market. This was because the market was overbuilt and many new construction homes were being

liquidated (either by builders or by banks who had called the construction notes due).

Contrast 2005 with 2014 when buyers were paying 54% more for new construction homes than they were for resales!

Are New Homes Getting Cheaper?

No. It just means that the existing homes in the market are catching up, appreciating at much higher than historically normal rates.

Also, we're not really comparing apples with apples. Most new homes are being built on smaller lots when compared to the average resale.