



Part 6 On the Road to Home Ownership Building or Buying?

It has been said that your home is your castle. If you want to own that castle whether it be big or small, there are two possible ways in which you can achieve the status of home owner, you can either buy it or build it. Either way will allow you to own perhaps the most valuable asset you may ever have in your lifetime. Previous NFLP articles focus on purchasing a home. If your choice is to build rather than buy, here are some important tips for you.

You can get your dream home by **building** your home. By building a home you can get exactly what you want! For example you can get your large kitchen with stone counter tops and bay windows or the stunning master bedroom with walk in closet and sunken bathtub.

No feeling can equate to the comfort of owning your own home, yours to redecorate and renovate at will and a haven for you and generations to come.

As the value of property increases over time so too does personal equity as the owner of property and eventually if and when you decide to sell the property, no income tax is paid on the capital gains of the sale.

Building though can be more risky than buying because so many things can go wrong.

When **buying**, the final price of your home is certain whereas when building, the price may vary from the original estimate, usually higher, because the cost of materials and other inputs may go up during the period of construction.

If building the entire structure all at once, you may need to source bridging finance. Bridging finance is geared towards the conversion of land into a completed home. The financial institution would advance funds for the construction of the home during the building phase. You would only have to pay interest on the funds advanced. Principal is not usually paid during this period.

Don't forget to...

Ensure that the land on which your home is to be constructed is approved by Town and Country Planning for residential development. YOU must ensure that you receive documents proving this BEFORE you purchase the land for home construction!

Send your house plans to the Town and Country Planning division of the Ministry of Planning and Development. These plans will then be forwarded to the Regional Corporation for the area in which the land is located.

Obtain clearance from WASA before you begin construction.

Obtain both a detailed Builder's Estimate and a Quantity Surveyor's Report on your proposed home.

This article brings us to an end of the "On the Road to Home Ownership" series. Please call us if you have a group of new or prospective home owners who can benefit from a session on the issues around Home Ownership.

Your MONEY... Know It To GROW It!

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