Location top factor in condo resales

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herself and survived because she learned how to handle condominium resales and the growing tales of concern by developers of ongoing communities that resales within their own developments are fast becoming their best and strongest competition. She has also seen the charts of resale "statistics" from several Detroit area communities and draws her conclusions regarding the growing strength of the market from the experiences of her colleagues as well as her own.

Kate points out that the first "preliminary returns" on the resale statistics at Lexington Condo Homes in Northville, in mid-1975, were a bit baffling. They ranged from a 15 per cent appreciation in value in two-and-a-quarter years on one home (the first to resell), to a 19 per cent appreciation over two-and-a-half years on another to a one per cent loss on another.

Today, after 14 resales, a definite pattern has begun to emerge. The condominium homes in good or better condition, regardless of size, like any other home in the Northville area, are averaging a five to seven per cent appreciation in value per year. The figures are based on resale prices minus the original purchase price, including structural improvements such as finished basements. Once the original owners get past the first two years of ownership, the chances of realizing even greater appreciation on their homes are significantly improved. Time on the market (real estate terminology for the length of time a home is advertised for sale) has varied anywhere from one to three days in some instances to eight months in two situations.

VA services are varied

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entitlement available to them. If, for example, a World War II veteran has exhausted his original $4,000 entitlement for an $8,000 guaranteed loan, he now is entitled to an additional guarantee of $13,500.

A VA or GI guaranteed loan offers these features:

- A moderate interest rate.
- No down payment, unless required by the lender or the cost of the home is more than the reasonable value of the home as appraised by the VA.
- A long repayment period.
- Assurance that the home buyer can pay off all or part of the loan in advance without penalty.

THE VA will also appraise and inspect the house a veteran wants to buy. The appraisal will determine its reasonable value in the prevailing housing market. The inspection checks that the new house meets accepted construction standards and conforms to plans and specifications on which the VA's appraisal is based. In addition, the VA will try to assist in getting a builder to correct defects.

Some things the VA cannot do are:

- Act as an architect or supervise housing construction.
- Guarantee that a house does not have defects.
- Cannot provide legal services if problems result during the construction or purchase of a home.
- Compel a builder to fix defects.
- Guarantee satisfaction with the home.
- Guarantee that the home owner is making a good investment.