

Will a Builder's Model Home be Less Expensive to Buy?

Like any other business, a builder has to have some kind of resume or sample work that demonstrates what they can do. In the case of developing communities, the way the builder shows off the homes they plan to build and sell within that neighbourhood is through the model home. These homes will usually follow the basic floor plan that all the rest of the homes in the neighbourhood will use, but they have some key differences, namely in the features that can be found within the model home.

Remember it's all about the show!

The idea of the model home is to entice buyers into agreeing to buy one of the other homes that will be built in the neighbourhood. Because of this, the model home is a lot like staging a home in other areas of real estate; the idea is to make the properties as appealing as possible. This means that the model home will include a lot of upgrades that probably won't be a part of the other homes in the neighbourhood, unless of course the buyer specifically says they want those upgrades in their own homes. Custom paint, hardwood floors, expensive fixtures and other upgrades are common features in the model home.

So, how does that translate when it comes to price?

Basically the answer to the question of whether it is less expensive to purchase the model home is, it depends. We will look at some of the conditions below.

Model homes will generally be more expensive than the other homes. Because of the upgrades, the builder will charge more for the purchase of the model home.

Exception #1: You plan on putting in the same upgrades. If your whole plan is to have a custom paint job and expensive fixtures and all of the upgrades of the model home, then you will probably save money by purchasing the existing model home if it is for sale. Builders may have put \$150,000 extra into the upgrades, but the purpose of the home has been served once the neighbourhood sells out and they can afford to knock \$50,000 or so off. The house will still be more expensive than the others, but you will save on the upgrades.

Exception #2: The builder needs to offload the model. Sometimes when a neighbourhood is entirely sold out, the builder needs to get rid of the model home. If it has been sitting around for a while, it might actually be cheaper than the other homes, and that translates into a great deal once the upgrades are factored in as well!

When it comes right down to it, buying the model home will only be less expensive under certain conditions. If you are just looking for a good deal, it's best to stick with the stock models.

About the Author

Are you an empty nester, ready for early retirement or just looking for a safe, friendly community for your [new home Ontario](#)? It has many new developments including Lucan's Walnut Grove subdivision which is a short commute to London and just a short drive to the shores of Lake Huron.

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