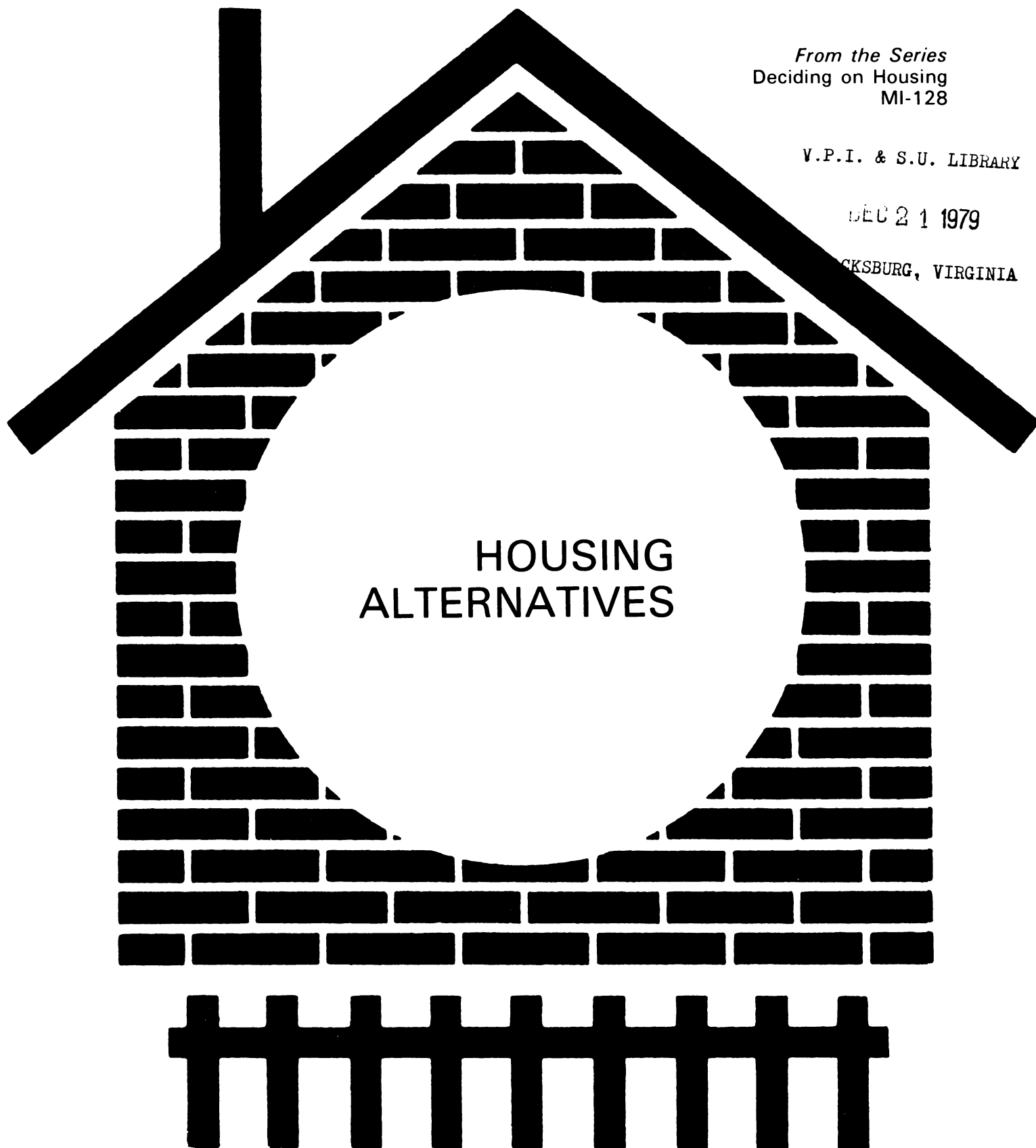


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Deciding on Housing
MI-128

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HOUSING
ALTERNATIVES

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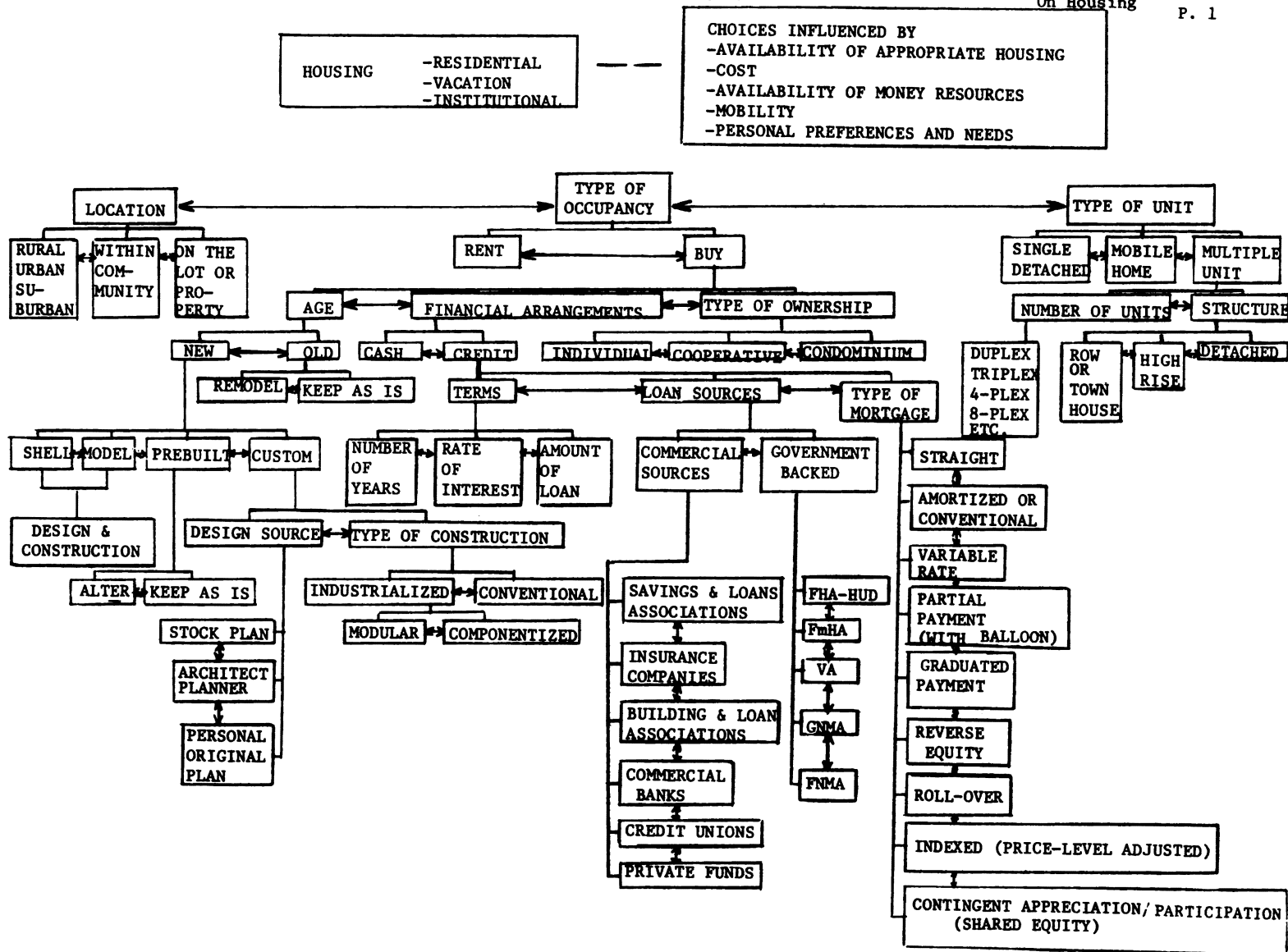
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HOUSING ALTERNATIVES

Series: Deciding
On Housing P. 1



HOUSING ALTERNATIVES

The housing choices one makes are complex, interdependent, and important.

The diagram depicts some of the alternative choices available in the area of housing. The following discussion supplements the information shown on the diagram.

Housing categories include residential, vacation, and institutional housing. Regardless of category there are many areas of concern in which choices must be considered concurrently or sequentially leading toward the ultimate housing choice. Decisions made in any one area of concern will determine possibilities for choice in other areas. One's choices in all areas of concern are influenced by various economic and personal reasons, primarily: availability of appropriate housing; cost; availability of money resources; mobility and personal preferences.

The foremost areas of concern in which one must consider various housing alternatives are (1) location; (2) housing type; and (3) type of occupancy (whether to rent or buy).

Location decisions are of three types, namely: (1) whether rural, urban, suburban; (2) where, within the community; and (3) where, on the lot or property.

Type of unit choices have to be made among (1) single detached unit; (2) mobile home; or; (3) multiple units. If multiple housing is of interest, considerations have to be made regarding (1) number of units--duplex, triplex, 4-plex, etc.; or; (2) structure--row, town house, high rise, or detached.

Whether to rent or buy is a major decision with each move. Decision to buy requires one to consider (1) type of ownership; (2) age of structure; or; (3) financial arrangements.

Type of ownership includes (1) individual ownership; (2) cooperatives; or; condominiums.

Age of (whether new or old) housing is also a major consideration at this stage. If old housing is the consideration, whether to remodel or "keep as is"

is of concern.

If new housing is the consideration, choices have to be made among (1) prebuilt; (2) selection from model; (3) shell; and; (4) custom housing.

If prebuilt housing is being considered, the choice to alter or "keep as is" must be made.

If shell or selection from housing model is being considered, design and construction completion must be made.

If custom housing is being considered, the (1) type of construction and (2) design source choices must be made. Construction type may be (1) conventional or (2) industrialized, and industrialized housing may be (1) modular or (2) componentized. Design source may be (1) stock plan, (2) architect or planner, or (3) personal (original) design.

Financial arrangement decisions which should be considered include method of payment--cash or credit.

If credit is used, the major decisions are related to (1) terms; (2) source of loan; or; (3) type of mortgage.

Decisions regarding terms relate to (1) years (2) rate of interest; or; (3) amount of loan.

Loan sources include (1) commercial sources, or (2) direct government loans. Commercial sources include (1) savings and loan associations, (2) insurance companies, (3) building and loan associations, (4) commercial banks, (5) credit unions, and (6) private funds. Government backed loans include (1) FHA-Hud, (2) FmHA, (3) VA, (4) GNMA, and (5) FNMA.

Type of mortgage includes (1) straight; (2) amortized or conventional; (3) variable rate; (4) partial payment (with ballon); (5) graduated payment; (6) reverse equity; (7) roll-over; (8) indexed (price level adjusted); and (9) contingent appreciation participation (shared equity).