

Top San Diego House Buyer Pivots to New Construction Investments

As real estate prices continue to remain high in San Diego, house buyers are shifting toward new construction options as rental properties.

SAN DIEGO, CA, USA, January 12, 2024 /EINPresswire.com/ -- As prices and interest rates remain high, California real estate investments are beginning to make less sense. Interest rates for commercial loans, used for buying rental properties, are even higher than conventional loans. This financially lethal combination is the reason why many San Diego house buyers are pivoting to different investment models.



New Construction

Single-family homes are extremely hard to generate positive cash flow each month as rental properties until investors put in a significant amount of money as a downpayment. Paying down the loan is one of the only ways to make the numbers work in parts of Southern California – that, or unless you buy the property dirt-cheap.

“

Real estate investing is dynamic. You must adapt to the market and only make investments that make sense. If new construction homes are that answer, that's what we'll do.”

Alex Capozzolo - San Diego House Buyer

New construction has taken the San Diego real estate market by storm. These [newly built homes are just as expensive](#), and sometimes even cheaper, than traditional homes in the county. As investors look inland to nearby cities like Vista, San Marcos, and Poway, more development projects are eating up the land and springing into action.

Why should a real estate investor buy a house that was built in the 1960s when there is one for the same price that was constructed this year? It's a no-brainer for many investors.

These new construction properties come with tons of perks. Many are fully equipped with energy-efficient features, like solar panels. Additionally, some new construction builders will offer warranties on the properties they sell. For example, if a kitchen cabinet malfunctions due to how it was set up, they will come back and fix it if it's within the time period of your warranty.

House buyers can save thousands of dollars yearly on utility bills from their new construction rental properties. Also, being a brand-new home, it's easy to attract high-quality tenants. San Diego investors don't have to worry about constantly repairing a home since it's less likely to get badly damaged by these types of tenants.

Local San Diego house buyer, [Alex Capozzolo of SD House Guys](#),

explained, "In general, we're seeing more real estate investors like ourselves shift toward new

construction builds. They're affordable

and easy to maintain being just built. We don't have a reason to buy older homes if it's the same price unless there are major restrictions by the HOA of the community." Alex went out to note that new construction builders are all over San Diego County. Once units become available, they get snatched up fast.

It's hard not to notice all the new developments throughout San Diego County. These builders are trying to meet the demand that's coming from not only investors but also traditional homebuyers. Is there a reason not to invest in a new construction home?

Not all HOAs are made equal in San Diego. Certain ones will completely derail any plans that you may have had to rent out the rooms. Look into any restrictions that will set your investing plans back. For example, certain HOAs will not allow short-term rentals. If your entire investment strategy was based on an Airbnb model, do your research before committing to a property.



New Build



New Construction Builder

Even with certain detractors, house buyers like SD House Guys are continuing to forge their path into new construction investing. New communities are popping up throughout San Diego County, but more commonly away from the coast – since there is more room to build here. Even in [areas that aren't very safe](#) in San Diego, you're beginning to see new construction being built. These are sometimes the perfect opportunity for professional homebuyers to add to their portfolio and not completely break the bank.

Alex Capozzolo
SD House Guys
info@sdhouseguys.com

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