

# New Construction vs. Resale Homes in North Alabama

Use this before you tour a model home, write an offer on a resale home, or compare monthly payments.

The goal isn't to prove new construction or resale is better. It's to help you avoid surprises and choose the home that fits your **timeline, budget, lifestyle, and risk tolerance**.

## QUICK DECISION SNAPSHOT

Question	New construction may fit if...	Resale may fit if...
<b>Timeline</b>	You plan to stay 5+ years, especially in a multi-phase subdivision.	You may move in 2-4 years and want to avoid competing with builder inventory.
<b>Cash cushion</b>	You want fewer repair surprises in the first few years.	You can budget for roof, HVAC, water heater, windows, or update costs.
<b>Lifestyle</b>	You want low maintenance, new systems, and modern layouts.	You want mature trees, bigger lots, established streets, and location.
<b>Full cost</b>	You've compared upgrades, HOA, taxes, insurance, and incentives.	You've compared inspection findings, repairs, concessions, and updates.

## BEFORE YOU TOUR ANYTHING

- Know your target monthly payment, not just your pre-approval amount.
- Ask your lender to estimate the payment using the **fully assessed tax value**, not only the first-year escrow estimate.
- Confirm the homestead exemption will be applied to your primary residence — it lowers your annual tax bill, and lenders sometimes set up escrow at the higher non-homestead rate.
- Decide how much cash you want left after closing for repairs, furniture, blinds, appliances, fencing, or emergencies.
- Write down your top three must-haves before you walk into a model home or open house.
- Compare the full cost of ownership, not just the list price or monthly payment.
- Ask yourself: would I still love this home if I had to sell it in three years?

## NEW CONSTRUCTION — QUESTIONS TO ASK

- What is the base price, and what is included at that price?
- What lot premiums apply to the lot I want?
- Is any part of the lot in a FEMA flood zone, and how does it drain in heavy rain? Was the land recently developed?
- Which items are upgrades that are not included in the advertised price?
- Are blinds, refrigerator, washer, dryer, gutters, fence, mailbox, and landscaping included?
- What builder incentives are available, and do they require using the preferred lender or title company?
- Can I compare the preferred lender quote with another local lender quote before deciding?
- What are the estimated HOA dues, transfer fees, or community fees?
- What is the expected tax amount once the home is fully assessed?
- What is the estimated completion date, and what happens if construction is delayed?

- What inspections am I allowed to have during construction and before closing?
- Who is my point of contact after closing if warranty issues come up?
- What is covered by the warranty, what is excluded, and how are disputes handled?
- Is the neighborhood still in active build-out, and how many phases are planned?
- If I sell in 2-4 years, will I be competing against brand-new builder inventory?

**RESALE HOME — QUESTIONS TO ASK**

- How old is the roof?
- How old is the HVAC system, and has it been serviced regularly?
- How old are the water heater, windows, and major appliances?
- Are there signs of moisture, drainage, crawlspace, foundation, or grading issues?
- Is the home in a FEMA flood zone, and will it require flood insurance?
- What repairs are likely in the next 1-5 years?
- Does the seller have invoices, permits, or warranty paperwork for major updates?
- Are there HOA rules, neighborhood restrictions, or city ordinances I need to know?
- How does the location compare to new construction options at a similar price?
- What repairs or concessions can reasonably be negotiated after inspection?
- How much cash should I keep available after closing for repairs or updates?
- Does the home fit my lifestyle as-is, or am I mentally spending \$30,000 before I move in?

**FULL COST COMPARISON WORKSHEET**

Compare one new construction home against one resale home. Fill in estimates before you decide.

Cost Item	New Construction	Resale Home
Purchase price	\$	\$
Lot premium	\$	\$
Design upgrades	\$	\$
Builder incentive value	\$	\$
Lender fees and rate quote	\$	\$
Estimated taxes after full assessment	\$	\$
HOA dues and fees	\$	\$
Inspection costs	\$	\$
Immediate move-in costs	\$	\$
Repairs needed in first year	\$	\$
Appliances / blinds / fence / landscaping	\$	\$
Estimated monthly payment	\$	\$
Cash left after closing	\$	\$

## THE 4-QUESTION DECISION TEST

Check the answer that sounds most like you. There's no perfect score — the pattern matters.

### 1. How long do you plan to stay?

- A. Less than 4 years
- B. 5 years or more

### 2. What happens if a surprise repair hits after closing?

- A. I have cash set aside
- B. That would stress me out

### 3. Which matters more?

- A. Location, lot size, and mature neighborhood
- B. Low maintenance and new systems

### 4. What are you comparing?

- A. Full cost of ownership
- B. Mostly the monthly payment

## A SIMPLE READ ON YOUR ANSWERS

- More **location, lot size, and flexible timeline** answers usually point toward resale.
- More **low maintenance, warranty, and 5+ year timeline** answers usually point toward new construction.
- If your answers are split, compare the two homes side by side using the cost worksheet above.
- If you're unsure, don't tour alone. Ask questions before you get emotionally attached to the prettiest kitchen.

## RED FLAGS & GREEN LIGHTS

Red Flags	Green Lights
You only compared monthly payments.	You compared full cost of ownership.
You didn't ask about fully assessed taxes.	You know what the warranty covers and excludes.
The incentive sounds good, but the lender fees or rate are unclear.	You got a second lender quote.
You skipped inspection because the home is new.	You have cash left after closing.
The resale home needs repairs you can't afford after closing.	You understand the neighborhood timeline and future competition.
You may move soon and the builder is still selling new homes nearby.	You chose based on your life, not just the best-looking kitchen.

## NOTES FROM MY TOURS

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NEED A SECOND SET OF EYES?

## Let's look at the full picture together.

Before you walk into a model home, compare a builder incentive, or write an offer on a resale home, I'm glad to help you weigh it out — no pressure.

Prefer to grab a time? Book a free 15-minute consult:  
[calendly.com/cpeters-real/15-min-real-estate-consult](https://calendly.com/cpeters-real/15-min-real-estate-consult)

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