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THE INDEPENDENT GUIDE TO NEW CONSTRUCTION · AUSTIN, TX

Chapter 01: Is New Construction Right for You?

You're not really comparing two houses. You're comparing two different kinds of seller — and knowing the difference changes how you should shop.

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LEVEL 1 · BEFORE YOU VISIT A BUILDER · CHAPTER 01 OF 16

01. Is New Construction Right for You?

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You're comparing two sellers, not two houses

A builder and a homeowner are not the same kind of seller, and treating them like they are is where most “new vs. resale” advice goes wrong. A builder sells inventory — dozens of homes, on a production schedule, with carrying costs that add up every day a house sits empty. A homeowner sells one house, usually with some emotional attachment to it, and rarely has the room to discount below what they still owe on it. A builder can subsidize your financing because the math still works at the company level. A homeowner generally can't.

That difference is the actual thing to understand before you compare a single floor plan to a single listing. It's why builders negotiate differently, why their incentives exist at all, and why the old assumptions about which one is “faster” or “cheaper” don't hold as reliably as they used to.

	A Builder	A Homeowner
What they're selling	One of many — inventory on a production line	The one home they live in
Cost of an empty house	Real, ongoing, every day it sits unsold	None — they're still living in it
Can subsidize your rate?	Often, yes — the math works company-wide	Rarely — they'd be losing their own money
How the price gets set	Standardized, community-wide, adjusts with incentives	Negotiated one house at a time

The rule that stopped being reliable

For years, the shorthand was simple: resale for a quick move, new construction if you can wait. That's no longer a safe assumption. New home sales have held up more than existing home sales through the recent slowdown — built from U.S. Census Bureau and National Association of Realtors data, new construction currently runs at roughly 12% of all home sales, and it's held that share specifically because builders can discount and finance their way to a sale in a way an individual owner usually can't.

In practice, that means a builder's already-built or nearly-finished inventory home can often close on a timeline that competes directly with resale — sometimes with a rate buydown or closing-cost credit a resale seller has no way to match. The homes that genuinely take months are the ones built from a bare lot: semi-custom and custom. Lumping all of “new construction” into that slower category is the exact assumption worth dropping.

THE RULES THE REST OF THIS PLAYBOOK RUNS ON

- Compare total cost of ownership, not the sticker price — taxes, HOA, incentives, and financing move the real number more than the list price does.
- Compare the entire transaction, not just the house — who's selling it changes what's negotiable.
- Don't assume resale is cheaper. Builder incentives can change the effective cost more than the advertised price suggests.
- Don't assume new construction takes longer. That depends entirely on which of the five build types you're looking at — see Chapter 16.
- Don't assume an incentive is automatically a good deal. Chapter 3 shows you how to check.

What new construction actually gets you

A new build gets you a home nobody has lived in, a builder warranty, current building codes, modern energy efficiency, and the ability to choose finishes before drywall goes up. In master-planned communities it also gets you new amenities, new schools nearby, and neighbors who all arrived at roughly the same time — which makes new communities unusually social in their first years.

It also gets you things builders mention less: construction noise and traffic for as long as the community is still building out, landscaping and window coverings that usually aren't included, a yard that starts as bare sod, and property taxes that can jump significantly in year two once the county assesses the completed house instead of the empty lot.

What resale gets you instead

A resale home gets you mature trees, established landscaping, a known neighborhood, negotiating leverage with an individual seller who may need to move, and full transparency: the house has already settled, the tax bill is known, and the neighbors already exist. What it costs you is older systems, dated finishes, no warranty beyond what you negotiate, and repairs that start on day one.

Not all “new construction” is the same purchase

Standing inventory, a quick move-in home, a to-be-built home, semi-custom, and fully custom are five different buying experiences wearing the same label. They differ in price, timeline, negotiating leverage, and how much say you get over the finished product — and conflating them is exactly what makes “new vs. resale” feel like a single decision when it's really two: new or resale, and then which kind of new. Chapter 16 breaks down the differences in full; the short version is that inventory and quick move-in homes are the ones that compete with resale on speed, and custom is the one that doesn't.

Who should lean toward new

Buyers who plan to stay five or more years, want predictable maintenance in the early years, value energy efficiency, and want to pick finishes rather than renovate. Buyers relocating from out of the area also often prefer new construction because the process is more standardized — a builder's contract and timeline work roughly the same whether you're moving from Dallas or Denver.

Who should lean toward resale

Buyers stretching their budget who can't absorb move-in costs like blinds, fencing, and landscaping on top of the purchase, and buyers who prize mature neighborhoods over new amenities. If you might sell within two or three years, be careful with new construction: you'd be reselling against the builder's brand-new inventory down the street, usually at a disadvantage. What resale is no longer a safe default for is speed alone — check what's sitting finished in a tracked community's inventory before assuming it's the faster path.

> Reporting note: A builder's model home is a marketing tool, not a specification sheet. Model homes are typically loaded with tens of thousands of dollars in upgrades. Always ask what the base home at the advertised price actually includes — Chapter 7 covers this in detail.

> TIP — Once you've decided new construction fits, two more decisions come before you tour: what you're actually signing (Chapter 15, The New Construction Reality Gap) and which delivery method fits your timeline — inventory, semi-custom, or fully custom (Chapter 16, Selecting the Build Type).