

## GUIDE 02 OF 6 | WE BUILD NH MAKING THE RIGHT CALL

# New Construction vs. Renovation: How to Decide

The honest tradeoffs -- from someone who has done both, thousands of times.

People ask me this constantly: tear it down and start fresh, or work with what I have? After forty years I can tell you there is no universal answer. Only the right answer for your specific structure, your land, and your budget.

What I can give you are the variables that actually matter. And I can tell you the single biggest mistake I see on renovation projects: owners who accept value-engineered substitutions to make the budget work, end up with a renovated shell full of second-tier materials that cost them more in maintenance and replacement within five years than the original premium materials would have cost upfront.

### WHEN NEW CONSTRUCTION MAKES SENSE

- \* The foundation is compromised. A bad foundation is not a renovation problem -- it is a demolition problem.
- \* The floor plan cannot be corrected without removing so much structure you are effectively building new anyway.
- \* Significant rot, mold, or pest damage has penetrated the framing. In NH's climate, this is more common than people expect.
- \* You want full control of envelope performance, mechanical systems, and material quality from day one.
- \* The lot value exceeds the structure value -- increasingly true in the Lakes Region and White Mountains.
- \* You want smart home integration, radiant heat, or a fully custom layout. Far easier to design in than retrofit.

### WHEN RENOVATION MAKES SENSE

- \* The bones are genuinely good -- solid framing, sound foundation, workable floor plan.
- \* The structure has historic or architectural character worth preserving. Reproduction materials never quite match.
- \* Your budget is constrained and the bones cooperate. Renovation can be less expensive per square foot than new construction -- but only if the hidden conditions are favorable.
- \* Restrictive zoning or shoreland regulations limit new construction footprint. Timeline matters and scope is well-defined.

### VALUE ENGINEERING IN RENOVATION -- THE REAL COST

The most dangerous phrase in renovation: 'we can save money here.'

Saving money on envelope materials, windows, or roofing in NH's climate costs you far more in energy bills,

maintenance, and early replacement. Specify materials by name and manufacturer before the project starts. Any substitution proposed by the contractor must be presented in writing with full performance and warranty comparison.

Premium windows in an NH renovation are not a luxury -- they are an energy and comfort decision that pays back over the life of the home. Do not downgrade windows to save short-term. Roofing, flashing, and ice and water shield are not places to cut cost in this climate. A \$2,000 savings on roofing materials can become a \$20,000 interior repair three winters later. Insulation is the last place to value-engineer. Undersizing insulation in NH is a decision you will pay for every heating season for the life of the structure.

## MATERIALS WARRANTIES IN RENOVATION

Any material going into a renovation should carry a manufacturer warranty. Ask for the actual document before the material is ordered.

- \* Roofing systems: look for manufacturer-backed system warranties (not just shingle warranties) that cover the entire assembly including underlayment and flashing. These require using all components from the same manufacturer.

- \* Windows and doors: lifetime warranties on glass seals, 20+ year warranties on frames. Understand the difference between a full replacement warranty and a prorated one.

- \* Mechanical systems: HVAC equipment should carry at minimum a 10-year parts warranty. Register it within the manufacturer's required window -- your contractor should handle this.

## HIDDEN COSTS NOBODY TALKS ABOUT

- \* Renovation surprises: open a wall in a 1970s NH house and find knob-and-tube wiring, asbestos, or undersized framing. Budget 15-20% contingency minimum.

- \* Temporary housing during a full gut renovation. Add this cost before you commit.

- \* Code compliance triggers: opening walls beyond certain scope requires electrical, egress, and smoke detector upgrades. Not optional.

- \* Energy performance gap: an old shell renovated to modern interior finishes still has the thermal envelope of an old shell. Factor long-term heating costs into your decision.

## USE TECHNOLOGY TO DECIDE

- \* Thermal imaging: a \$300 infrared scan reveals envelope failures before you commit to either path.

- \* Structural assessment: a licensed structural engineer reviews foundation and framing for a few hundred dollars. Worth every penny.

- \* 3D modeling: we show you what both options look like before a single nail is pulled.

## DECISION CHECKLIST

Foundation inspected by a licensed structural engineer

Thermal imaging scan completed on existing structure

- Framing assessed for rot, pest damage, undersized members
- Existing mechanical systems evaluated
- Local zoning and shoreland regulations reviewed
- All renovation materials specified by name and manufacturer before signing
- No-substitution-without-written-approval clause in contract
- Manufacturer warranty documents requested for all major materials
- Renovation contingency budget set at 15-20% minimum
- Temporary housing costs factored in
- Energy performance of existing envelope assessed
- Long-term operating costs compared between both paths