The village is located between the Calderona and Espadan Parks, on the southern slope of the mountain of San Cristobal. Due to this, the term is very steep, although it does not present too high altitudes, highlighting the peaks of San Roque and Malara with 571 and 564 meters respectively.

The urban area is located in the proximity (less than two kilometers) of the Palancia river bed.

The first remains that show the existence of population settlements in the municipal area of Castellnovo are very close to the Mal Paso Tower, where a Neolithic burial was found. There are also remains from the Bronze Age and the Iberian and Roman times.

The Castle dates from the time of the Romans. It was rebuilt again in the period of Muslim domination, on the previous remains, from where it would come the name of Castell Novo. It was conquered at the same time as the nearby Segorbe by the troops of Jaime I in 1233, its first lord was Berenguer d'Entença who later sold it to Guillem d'Esplugues. It belonged to Beatriz de Borgia in the 15th century.

After the expulsion of the Moors in 1609, Beatriz de Borja's great-niece, of the same name, repopulated the Barony with Christians from Aragon, Navarra and Catalonia. The town passed into the hands of the Folch de Cardona family during the seventeenth century, due to lack of descendants. Alfonso Folch de Cardona received the title of Marquis of Castellnovo in 1634. It belonged to the Duke of Montellano in 1786.

Finally, it was the scene of a bloody battle between Liberals and Carlists in 1836.

Traditionally, the main economic activity in town has been based on agriculture, commerce and small businesses.

Irrigated agriculture is very important due to the proximity to the river, producing oranges, persimmons, medlars and cherries. We can find almonds, olives and carob beans dominating the dry land.