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# Alaska REAL ESTATE

BY DAVE WINDSOR

Elite AGENT  
duPont REGISTRY



RE/MAX Dynamic Properties • 907.727.3300 • windsor@alaska.net • www.davewindsor.com

## WINTER BUYING BENEFITS

So the days are getting longer and, as long as you bundle up, Alaska is never short of outdoor activities. If, by chance, you have talked at home about purchasing a new place in 2019, I want to suggest that there are several benefits of winter shopping for real estate.

By far the biggest benefit is the money you will save by shopping in January or February. Anyone who has a property for sale at this time of year has likely had it on the market since before Christmas. Most people know that the market does not accelerate until March or April when lots of homesellers finally get around to listing their property for sale.

Before shopping, have your Realtor check the number of days a property has been on the market. Also check the history in MLS. Was it on the market for 200 days last year, then listed again in late Fall? A good Realtor will provide the full profile on all homes for sale in January.

You can definitely negotiate aggressively in January and Febru-

ary. This can produce a savings (or immediate equity) of \$20,000 to \$30,000 over shopping for the same home in Spring. If the property is vacant you have even more leverage because an empty home is costing the seller money for utilities and for the existing mortgage.

Isn't this worth taking a little time to consider? The inventory may be smaller and less choices available but your Realtor could even research listings cancelled or withdrawn in November and December of last year. A lot of sellers pull their property off the market to enjoy the holidays and because they have been told they might as well hibernate until the thaw in April or May.

The early bird catches the worm. In fact, the only bird that doesn't catch a worm is the bird that does not bother to look for one. Winter is an excellent time to obtain a great bargain. I would say that you should be able to save 5% on the price of your home and, quite possibly, even more.

There are other benefits of shopping

for a home in January. I regret not doing so 8 years ago when I purchased my home. I purchased in the Fall, only to discover winter brought ice buildup on the inside of basement windows due to poor heat circulation! The sellers omitted to mention this in their disclosure.

The bottom line here is that Alaskan houses are under the greatest stress at this time of year and will reveal their weaknesses which may not be discoverable in the summer.

Alaska's harsh 7 month winters place demands of roofs, attics, crawl spaces, walls, insulation and heating systems.

When shopping this winter, the first thing you may observe on a home is icicles or ice damming around the roof. Icicles typically, though not always, indicate an escape of heat from the house at the roof edges, or a lack of adequate ventilation in the attic. This is invisible in the summer and may be a very seri-

ous maintenance issue. If heat tape is in use anywhere on the roof, this also is a red flag for your home inspector. Ice damming in a roof valley or near the edge of the roof-line is an alarm bell also. Ice can only form where water is produced and meets freezing air. The only ice sculptures you want to see are those on display downtown as art.

The second critical life support system in an Alaskan home is the heating unit. This is generally a gas-fired furnace or gas-fired boiler (in the case of a hot water baseboard setup). A small number of homes have in-floor radiant heat. Even fewer still have electric heat (I would never allow my clients to purchase an electrically heated home).

Since the 1990's, builders favored forced-air furnace systems because they were cheaper to install, even though they can irri-

tate folk who are allergy prone. Boiler systems are actually simpler and easier to maintain.

The other issue associated with homes built after 1990 is that most of them have only one thermostat, usually on the second level. When viewing your prospective new home in January, be sure to note the variation in temperature upstairs versus downstairs. A lot of these homes will leave the downstairs bedrooms cold unless auxiliary heating units are added. If, when you are viewing, the upstairs is excessively hot, this may be because the seller has turned up the heat so you don't notice how cold it is downstairs.

When you are doing your winter shopping, always perform a careful review of the Seller's Property Disclosure. Statutes now prosecute deliberate untruths with Triple Damages, so known functional problems must be disclosed. Any frozen pipes or any roof, founda-

tion or heating deficiencies should be listed in the Seller's Property Disclosure.

Cardiologists like to give you a stress test on the treadmill to put your heart through its paces, and the best time to look at the quality of a home is in winter.

It is true that snow-covered surfaces, such as the driveway, decks and roof shingles are not visible in winter but, between the Property Disclosure and a good Home Inspector, you should be able to assess these surfaces. In my view, the winter buying benefits of shopping for your new home far exceed the hazards. So bundle up and get on with it!

Dave

Wilson



## Homebuyers to see higher loan limits in 2019!

Qualified buyers in Alaska will be able to take out larger home loans backed by Fannie Mae and Freddie Mac in 2019 thanks to an increase in home prices. The new limits are a 6.9% increase over the 2018 limits.

Loan limits for conventional loans will increase to the following:

- Single Family House/Condo: \$726,525
- Duplex: \$930,300
- Triplex: \$1,124,475
- Fourplex: \$1,397,400

In addition, the Alaska Housing Finance Corporation has increased its loan limits:

- Single Family House/Condo: \$799,177
- Duplex: \$930,300
- Triplex: \$1,124,475
- Fourplex: \$1,397,400