

WINTER 2022

# HOMEBUYING REPORT



**National Association of Exclusive Buy Agents**

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# TABLE OF CONTENTS

<b>02</b>	Introduction
<b>03</b>	Summary
<b>04</b>	Methodology
<b>15</b>	Conclusion

# INTRODUCTION

Many consumers know that the off-season is typically the best season for bargain shopping. In most US markets, the off-season for home buying is the winter, particularly during the holidays and in the first quarter of the new year. However, winter home buying creates many challenges for cold climate home buyers. This year, we have some unique challenges with the supply chain issues and Covid concerns.

How does winter impact home buying and what things should a winter home buyer be especially aware of, and equally important, what tactics are available to minimize these issues for buyers? Answering these two questions is the purpose of this special report.

This report describes many of the buying complications that home purchasers face in 2022, along with strategies used by America's home buying experts to overcome those challenges.

As the only national association focused on educating and protecting home buyers, the National Association of Exclusive Buyers Agents (NAEBA) is uniquely positioned to help buyers by answering these questions. All member brokers and agents of NAEBA spend 100% of their time on the buyer's side. NAEBA's true Exclusive Buyer Agents (EBAs) never take listings and never represent home sellers.

Note: as the responses indicate, real estate is a very local business. It is essential for buyers to speak to local home buying experts in their area to review specific tactics and strategies.

In addition, please note that this report does not constitute legal advice. Buyers can consult an independent local real estate attorney for answers to specific legal questions.





# SUMMARY



Purchasing a home in the winter months presents some unique challenges to home buyers.

As the largest association of home buying specialists in the country, we surveyed our members in January 2022 to see what issues home buyers are likely to have if they are looking for a home in the next few months.

The weather conditions impact the process much more in the northern areas than in the warmer southern regions, although some winter buying concerns cover every area and climate.

This report discusses the issues first, then the tactics available to combat and potentially mitigate these issues.

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# METHODOLOGY

Our members were first asked to identify issues faced by winter homebuyers in their local markets. Their responses were then combined into a second survey that asked members to prioritize the concerns from most significant to least significant.

The following ten areas of concern were identified, and they are reported here in the order of their relative importance across the country.



## #1 Challenge

### LACK OF INVENTORY

The biggest issue mentioned by all respondents was the general lack of inventory of homes to purchase during the winter months this year. The shortage of available homes right now is unprecedented in virtually all the markets served by NAEBA members.

**A full 78% of the members surveyed cited this as the most significant concern.**

This problem is even worse this year because the market is still recovering from the impacts of Covid, and many members are concerned that the spread of the latest variant may make home sellers more reluctant to have buyers tour their homes. This is similar to what buyers faced in 2020. Coupled with the specter of rising interest rates, these supply issues have motivated many home buyers to act now. NAEBA member Mike Crowley, who serves the Spokane Washington area, commented: "Lack of inventory is my only concern right now; all the other concerns don't add up to anything in our market right now in comparison." Exclusive Buyer's Broker David Kres, who serves the Haverhill Massachusetts market, felt precisely the same way.

NAEBA member Thomas Coler in the Sarasota area of Florida reported that their local market inventory of residential property is only about 20% of what was available this time last year. And last year was a very tight market.

## LACK OF INVENTORY

# COUNTER TACTIC

There is no easy solution to the inventory shortage right now. Still, NAEBA member Victoria Ray Henderson, who serves buyers in Washington DC, Maryland, and Virginia, suggests preparation is one of the best strategies for home buyers.

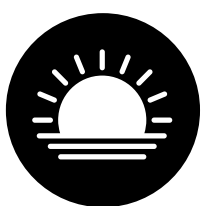
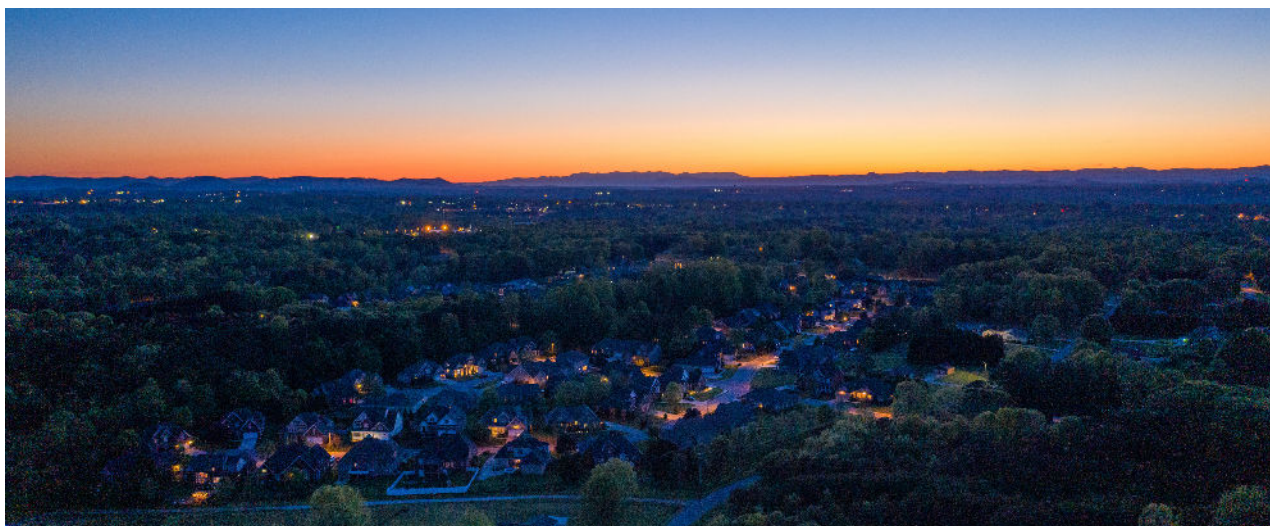
“Have a buyer agent who will listen to your concerns and modify their search criteria to match your needs as those needs evolve. Have an agent who will be providing lots of information about neighborhoods, master plans for communities, and links to pertinent information for each house of interest. Make sure your agent informs you with links to county permitting, master development plans, flood maps, area hiking, and biking trails, and anything you’ve discussed that would add value to your home search.” Then she goes on to say: “If we see a house of interest come on the market, we work to see it immediately. We’ve had success being the first buyer with a solid contract offer.”

Preparation was mentioned by many other respondents, along with the idea of touring as many homes as possible, as soon as possible, to get a clear picture of the market and the competition.

Have a buyer agent who will listen to your concerns and modify their search criteria to match your needs as those needs evolve.

“The more homes a buyer sees, with the help of a knowledgeable buyer agent, the better they are prepared to move quickly and offer confidently when the right home becomes available,” Reported Charo Ledon, who works in the Ann Arbor, Michigan market.

Many of the NAEBA members have heard stories of buyers, who are working with non-EBAs, having to wait two or three days to get appointments to see homes because their real estate agents were busy with listing appointments or other obligations. Having a full-time agent on your side can work to your advantage in scheduling viewings of homes.



## #2 Challenge

### **FEWER DAYLIGHT HOURS MAKES HOME VIEWING MORE DIFFICULT**

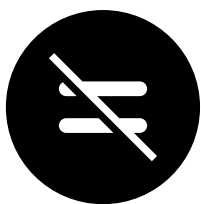
We start to lose daylight in the winter months at around 4:00 or 4:30 PM, depending on how far east you are in your time zone. This poses an issue because most people only finish work around 5:00 PM. Buyers can still see the interior of homes, but the exterior is often too dark to see well after 5:00. If the interior is not well lighted and not well presented for winter showings, even that can cause additional frustration for buyers.

This issue impacts buyers everywhere in the country but isn't as significant if you are located farther west in your time zone.

#### **FEWER DAYLIGHT HOURS**

### **COUNTER TACTIC**

It can be a distinct advantage if you can get into a home during the weekday or daylight hours on the weekend. Even a quick visit over a lunch hour might work. But that may not be possible in the highly competitive market we have this year. One thing you can do is to bring a powerful floodlight-type flashlight for looking at exteriors and yards after dark. The light on your cell phone won't cut it for this; you'll want a real light. There are a lot of powerful flashlights on the market these days, many with adjustable lenses for flood or spot projection. It might be a good time to invest in one. Also, make sure and bring a compass of some type to visualize how the rising and setting sun will impact living in the home during the warmer months. Taking the time to align an aerial view with the house and the compass points while you are there can also be helpful.



### #3 Challenge

## **ASSUMING THE PRICES NOW WILL BE THE SAME AS PRICES IN THE SPRING**

A common danger for winter home buyers is assuming that pricing will be the same in the spring when more inventory is available. This is a natural perception, but the benefit of increased inventory in the spring is offset by the more dramatic increase in buyers looking for homes in many markets. Many markets see prices stagnate during the fall and winter, only to jump in the spring and summer. So even if there are more options in the spring, a home that sells in the winter will often sell for 3 to 5% less than an equivalent home in the spring.

### **ASSUMING PRICES WON'T CHANGE COUNTER TACTIC**

The solution here is for buyers to be aware of the typical seasonal market swing in the area they are searching. That will depend a lot on the weather conditions in the market. For example, wintertime is prime time in the very warm regions like southern Florida because many snowbirds are in town to avoid the rough weather up north where they live, and many of those buyers plan to purchase a home in the warmer area in preparation for their future retirement.

Again, speaking to a local home buying expert can be very useful to get a handle on the seasonal pricing movements.

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#### #4 Challenge

### **DIFFICULTY ACCESSING HOMES TO VIEW BECAUSE OF SELLERS WORKING FROM HOME AND NEW COVID CONCERNS**

This is a relatively new concern that became an issue with the rise of Covid in 2020. As the country has settled into dealing with Covid, many home sellers now work from their homes. So not only are home sellers nervous about having strangers in their homes with the contagion concerns, now sellers are spending a lot more time in their homes because of their work-from-home responsibilities.

More than a quarter of the respondents rated this as a significant issue.

### **DIFFICULTY ACCESSING HOMES COUNTER TACTIC**

The only practical counter tactic suggestion for this issue is to make sure your buyer agent is in contact with the listing agent/listing office to fine-tune when a home is available to view. Again, it works in your favor if you are working with a full-time exclusive buyer agent who is devoted to you and is experienced at setting up house viewings.



## #5 Challenge

### **SNOW AND COLD TEMPERATURES MAKE IT HARD TO EVALUATE ROOFS AND OTHER STRUCTURAL COMPONENTS**

Decks, roofs, and other structural components may be obscured by snow or ice in the winter. These items are often a significant maintenance concern, and it is essential to have some idea of the condition of these structural elements. Exterior stairs, landings, balconies, and porches can represent significant cost items if they cannot be inspected.

This concern also includes wood decking that can appear solid even though it is just soaked with moisture and frozen. NAEBA members have heard of listing agents recommending roofs be shoveled off, but that is a terrible idea because even sweeping off a roof or repeated walking on a roof can damage the aggregate covering of shingles.

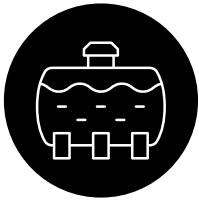
#### **STRUCTURAL COMPONENT INSPECTIONS**

### **COUNTER TACTIC**

Buyers who are winter home shopping, will want to stay extra aware of the weather forecast to maintain a feel for when roofs and yards might be covered with snow and when they might be clear. Weather conditions may impact inspection timing. In addition, it can be helpful to pre-arrange with a home inspector, so they are ready to check the roof at a moment's notice since they may not be able to do the full inspection before it snows or when there isn't snow coverage. Even if the buyer can't get inside the home or can't meet the inspector at a particular day and time, the inspector may be able to meet the buyer's agent at the home to inspect the roof. If roof inspection is just not possible, it may make sense to adjust the standard inspection contingency except for the roof, then have an extended date just for the roof.

Even though roofs can't be shoveled, decks, porches, balconies, and landings can be swept or shoveled. The best practice is to have them cleared as long before the inspection as possible while avoiding new snow and ice. That gives those surfaces the most time to dry and clear before the actual evaluation. A buyer agent can often coordinate this with the listing agent.

While the inspector is at the home, they should look at the exterior paint condition, if they can. Peeling paint often becomes an issue with appraisers because of lead paint concerns.



## #6 Challenge

### SNOW AND COLD TEMPERATURES MAKE IT DIFFICULT TO EVALUATE FUNCTIONAL COMPONENTS

Septic tanks and the septic field can still be evaluated when the ground is frozen, but it is often more difficult. The problem is not just having to dig through the frozen soil above the tank openings and field test holes, but even locating the septic components to check is often more difficult when the ground is covered in snow. However, some weather conditions might also make finding the systems easier for your septic system inspector. The warm water coming out of a home will often make the area directly above the septic tank a couple of degrees warmer than the surrounding area, so snow will usually melt faster directly over the septic tank. The effect is similar over a septic field, but it is typically less noticeable.

Air conditioners can't be tested when the temperatures are below about 65 degrees.

Air conditioners can't be tested when the temperatures are below about 65 degrees. (Residential air conditioning systems are typically not designed to function at low temperatures. If a unit is switched on and the lubrication is too cold, it can damage the system.)

Heat pump systems are usually designed to be used during cold weather, but they may not perform well if it is too cold during the inspection.

#### FUNCTIONAL COMPONENT INSPECTIONS

### COUNTER TACTIC

Again, preparation is essential here. Review these types of concerns with your local buyer agent and bring your contractor inspector and septic system inspector into the discussion early to get their views on these concerns.

Many NAEBA members will negotiate to have an escrow held with the closing authority to cover any issues with air conditioners not working when the weather warms up. Discuss this with your buyer agent early in the process. (An escrow is an account held at the closing authority where the seller leaves a sum of money with the closing authority until spring when it is warm enough for the air conditioning system to be tested. If the system is still functional, the total amount gets released to the seller. If the system needs repair or replacement, the funds in the escrow account go to the buyer to facilitate that effort.)



## #7 Challenge

### CONCERNS WITH EVALUATING OUTDOOR POOLS, HOT TUBS, AND WATER FEATURES

Outdoor pools, hot tubs, and water features can add a great deal of enjoyment to a yard in the warmer months, but they represent a large unknown for home buyers when they are shut down for the winter.

Often home owners with pools will wait until sunny weather to put their homes on the market. A pool is a feature that can have a very different perceived value in the eyes of a home buyer depending on the time of year and whether the pool is “open” or “closed.” Sometimes, a home owner doesn’t have the option to wait for nice weather to put their home on the market.

Water features like ponds and streams have the same issues. It can be challenging to get an idea of the pond ecosystem in the winter when it is frozen over and even more complicated if the frozen pond is covered with snow.

#### EVALUATING WATER FEATURES COUNTER TACTIC

One way to minimize the concerns is to ask the home seller for recent photos of their features. You can also ask for receipts for pool or pond service. Call those contractors to ask them about the condition and maintenance when you collect that information. On the one hand, they probably don’t want to bad-mouth their customer’s pool, but on the other hand, they probably know you are much more likely to continue with them for service if they are upfront and honest with you about the condition.

As another possibility, you might contact the neighbors to ask them about the area and mention the water features of the particular property to add their perceptions to your evaluation.







## #8 Challenge

### **UNKNOWN CONDITIONS OF TREES AND LANDSCAPING AFTER THE LEAVES HAVE FALLEN AND WITH SNOW COVERAGE**

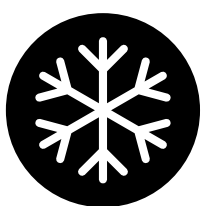
Tree work and dead tree removal can be costly, and it is sometimes challenging to determine if a tree is alive during the winter months. Many home inspectors do not evaluate trees as part of their routine inspections, so it is up to the buyer to be extra careful during the winter. If there are low areas compared to the neighbors, those areas could be wet and marshy during the spring and fall before the ground freezes.

#### **ASSESSMENT OF LANDSCAPING COUNTER TACTIC**

One method of checking trees in the Midwest is finding a small branch and scraping off the bark in one location with a pocket knife. If you see a green layer under the bark, the branch is alive, and it is likely the tree is just dormant for the winter. You have a dead branch if you don't see a green layer and just see dried wood. If you find several dead branches and no healthy branches, you are likely looking at a dead tree.

Even in winter, most trees will also have live buds on some of the outer branches. If all you see is dead, shriveled buds, you have a dead branch and maybe a dead tree.

If you can't get to branches, at least look at the trunk. The bark grows continuously in a healthy tree. If there is a lot of bark separated from the tree and no new bark, it is a bad sign. If it is an important tree, you might consider hiring an arborist to evaluate it. For concerns about marshy areas, discuss drainage matters with your buyer agent and devote extra time to walking the area.



## #9 Challenge

### **HAVING SAFE CONDITIONS TO VIEW HOMES WITH ICE, SNOW, AND COVID**

Dealing with ice and snow conditions is never fun and going around to other people's homes makes this even more unpleasant. Many home owners will ask you to remove your boots & shoes when you enter. But then, often, when you get to a basement or the garage, you will wish you still had your shoes because the floors aren't completely clean. This situation has bothered home buyers and the showing agents for years.

This year we are again dealing with Covid, and often the seller will ask buyers to wear masks in the home and often to avoid touching surfaces in the house. Buyers and real estate companies are also challenged to quarantine when they are exposed to sick people.

### **SAFE CONDITIONS FOR VIEWING COUNTER TACTIC**

The first strategy is to wear winter shoes or boots that can give you good traction on ice and snow, which can also be removed easily when entering a property. If you need to walk in a garage or basement area, save those areas until the end of your house tour, go back to the front door, grab your boots, carry them to the basement or garage area, and slip them on.

If the seller has provided hand sanitizer at the front door, go ahead and use it before you open cabinets and touch surfaces. Most sellers will notice the supplies being used and appreciate having their requests honored. And if a member of your home buying group has any signs of sickness, have them stay home. Instead, make arrangements with your buyer agent to do the tour while live streaming to your sick partner so they can feel involved and ask questions while you are at the home.





## #10 Challenge

### **CONCERNS ABOUT EVALUATING THE SMELLS, NOISE, AND TRAFFIC OUTSIDE IN THE WINTER**

It can be difficult to evaluate the outside environment if you are touring a home while the wind and snow are howling outside. (Outside smells, noises, and traffic aren't as noticeable in the winter, and home buyers are often in a rush to get from their car to the house.) However, what a buyer doesn't notice in the winter may be a significant issue when spring rolls around, and they start to spend time outside.

### **EVALUATION OF SMELLS & NOISE COUNTER TACTIC**

As a buyer, you need to force yourself to be aware of the outside environment, even when it isn't pleasant to be outside. Make a specific effort to stand outside the house and consider what impact the neighboring properties might have on smells in the warmer months. Then focus on sounds that you might miss in the winter that could bother you in the summer. Study some mapping applications to see if you have a trash dump or paper mill upwind. Or maybe a gun club, a softball field, or a train track in the neighborhood. Devote a few minutes of study to each property you consider, and, be aware of these when you tour the home.

This can be one of those situations where having a trusted buyer's agent who is loyal to your needs and sensitive to your values can be very useful.

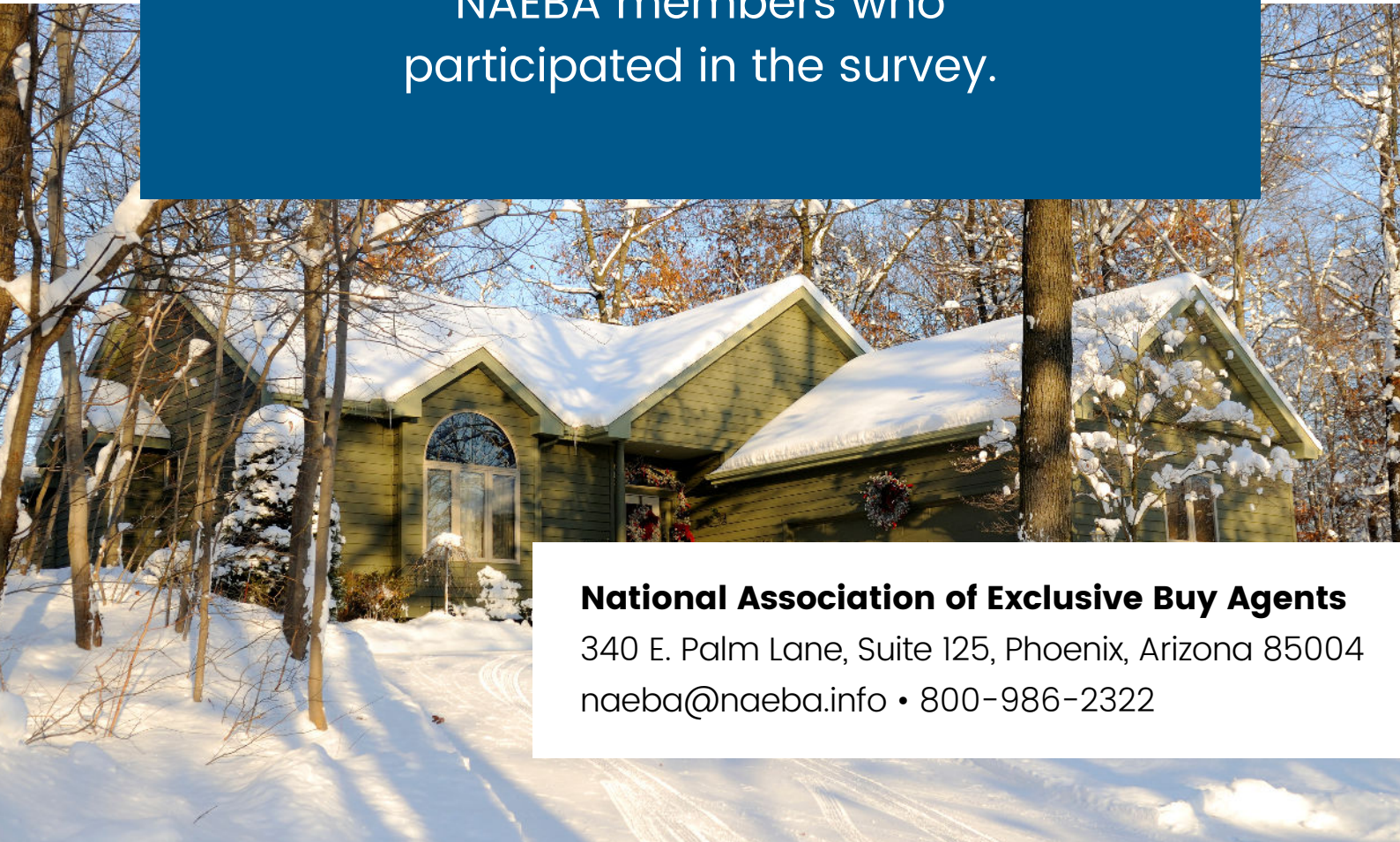
# CONCLUSIONS

If you are buying this winter, start looking at homes absolutely as soon as possible. Do not wait till you see something interesting online. Start looking at everything that meets your broadest possible criteria. The sooner you see homes, the sooner you start to see what features and drawbacks are common in the market. That market knowledge is critical to have when a home comes on the market that you might be interested in because no matter how great the description reads and how lovely the photos are, every home will have shortcomings. You just want to find the house where you love the features, and you can tolerate the flaws.

*Jon Boyd*

*Past President of The National Association of Exclusive Buyer Agents (naeba.org)*

We wish to thank the many  
NAEBA members who  
participated in the survey.



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