

Casa Grande Real Estate Reality

Are YOU Saving Money to Replace Your Air Conditioning System?



-Debbie Yost

That's probably the last thing you are thinking about these days. After all, it's cold enough to have the heat on. Besides, your air conditioner or heat pump is working just fine. Why would saving for a new air conditioning system be on your mind in January?

You might be in for a quite a surprise next summer if your air conditioner needs repair. A new law goes into effect January 23rd, 2006 that mandates that all air conditioning and heat pump systems be built to meet or exceed 13 SEER (Seasonal Energy Efficiency Ratio) requirements to help the country conserve energy. This seems like a great idea. Saving energy means saving money, usually. In fact, the US Department of Energy estimates the 13 SEER mandate will not only create significant energy savings for the country, it will also reduce energy bills for homeowners up to 30% over the current 10 SEER units. It all sounds great, doesn't it?

Imagine having your air conditioner break down and finding out that not only does it need to have some expensive parts such as the compressor replaced, but there are no replacement parts available. Knowing that replacing the compressor will be expensive, you concede that at least you'll be saving some money on your monthly electric bill. Unfortunately, you may find that you'll have to replace the air handler as well, because air conditioners are made up of two units, the compressor and the air handler, and both need to be compatible in order to function. Once you accept that you'll be replacing the entire air conditioning system or heat pump, you might be surprised to learn

that the new units are significantly larger than the less efficient units and the new one may not fit in the existing space! If your unit is located on an exterior concrete slab, or the air handler is inside the house, the closet may need to be enlarged or the concrete slab extended. These modifications might require a building permit, which means more expense and more delay. A simple compressor replacement may turn into an involved, lengthy and expensive entire system replacement! When it's 112 degrees in June, an air conditioner repair can't happen fast enough!

Now, it's true that I've painted the worst-case scenario above. However, be assured this situation will occur and will be an unhappy surprise for homeowners. The big question is WHEN? As long as there are parts available for units rated less than 13 SEER, existing units may be repaired. With all the construction and repairs happening in the Gulf as a result of Katrina, there isn't an accurate assessment of the current supply for parts for existing units. I've heard estimates ranging from as little as a six-month supply to as long as a three year supply.

Many questions arise as a result of the change in regulations. If you are building a new home, do you know if a 10 SEER unit or a 13 SEER unit is being installed? If it's less than 13, and the compressor is covered under a 5 year warranty, will the warranty cover the additional cost if you have to upgrade to the higher efficiency unit because there are no parts available for your system? If you are selling an existing home, do you even know what type of unit you currently have? If it's less than 13 SEER, this may be an item you need to disclose to potential buyers, as they have the legal right to know they could be facing an expensive replacement after closing escrow. If you are buying an existing home, did your home inspector inspect the unit closely enough to learn the energy rating on the existing system? If you have a home warranty insurance plan, what are the limits of their liability if your system needs an upgrade during the coverage period? I'm aware that at least one of the home warranty companies is offering a policy upgrade option to cover the

increased costs for customers being required to upgrade their entire system. There are a lot of things to consider as the new regulations are implemented.

You might be wondering if there is any way to be proactive other than starting a savings account for your new air conditioner. Ask questions if you are buying, selling or building a home. Find out what level of efficiency the air conditioner is, and if you have any options to upgrade to a 13 SEER unit. I've been told that the SEER level MAY be located on the same panel as the serial number, although many older units or less efficient units probably won't have this information easily identified. If your air conditioner isn't relatively new, you anticipate some repairs in the next year or so, or you just want to be proactive, you might consider calling a licensed HVAC repair person to service your system and asking if there is any preventative maintenance or parts they suggest be replaced. At the same time, they'll be able to tell you what efficiency level your system is, so at least you won't be surprised when you call them for a needed repair in the heat of the summer.

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