

Powering up energy-efficient homes in Alaska!

New Home Construction Rebate

Alaska Housing Finance Corporation

Alaska Housing Finance Corporation (AHFC) established the New Home Construction Rebate (NHCR) in early 2025 to strategically address Alaska's critical need for increased housing supply, while promoting energy-efficient home construction. This program provides a \$10,000 rebate to homeowners who build or purchase newly constructed, owner-occupied homes that meet high energy-efficiency standards. By targeting single-family homes, as well as duplexes, triplexes, and fourplexes where the homeowner occupies a unit, the Rebate encourages housing growth throughout the state. The program serves as a critical component making quality, energy-efficient homes attainable, while driving Alaska's strategic housing objectives forward.

Background

In 2024, AHFC received a \$7 million appropriation from the Alaska State Legislature intended to incentivize new housing construction and relieve market pressures caused by a lack of inventory. This initiative aligned directly with Governor Dunleavy's Strong Families Strong Alaska strategy, which prioritizes housing affordability for young families. As stated by the Governor, "The New Home Construction Rebate is one more incentive for families who choose to live and work in Alaska, and it reflects our 'all of the above' strategy that makes more housing more accessible."

Program Development

Following the appropriation of funding, AHFC staff immediately began designing a program to expand the state's housing supply, while ensuring that all new homes supported by the Rebate met high energy-efficiency standards. Recognizing the short construction season due to Alaska's long, cold winters, AHFC staff embarked on an ambitious program launch date ahead of the 2025 summer building season to ensure builders and home buyers could maximize long-term energy efficient benefits. Staff commenced immediate work on program guidelines, in-house program software, and necessary updates to AHFC's governing regulations. The program launched Jan. 2, 2025.

Innovation and the JOLT Portal

AHFC accelerated the six-month development of an in-house, online application and program management portal called JOLT in collaboration with numerous stakeholders and outside contractors. The software application and program management tool was specifically designed to meet the needs of program participants and AHFC staff. Once program participants create an account and upload their required documents, AHFC staff are immediately able to review the material and process the application. This approach simplified the application and Rebate payment process, allowing staff focus on customer service.

Beyond the NHCR, JOLT streamlines processing and minimizes administrative burdens for other housing partners in Alaska. Housing partners have the opportunity to engage with JOLT to administer their own energy incentive programs. This collaborative opportunity not only effectively spreads development costs, but it allows partners to learn from one another maximizing program efficiencies. JOLT is a scalable, replicable model that other housing agencies could consider adopting.

New Home Construction Rebate

The New Home Construction Rebate is designed to incentivize the construction of new, energy-efficient housing in Alaska. As of 1992, all housing receiving AHFC financing must comply with the Building Energy Efficient Standard, which set minimum building requirements for thermal resistance, air leakage, moisture protection, and ventilation. Currently, BEES incorporates national standards—the 2018 International Energy Conservation Code and ASHRAE 62.2 2016—alongside Alaska-specific amendments. A home's energy-efficiency performance is graded on a scale from *1-Star* to *6-Star* with *6-Star* the most energy-efficient. While a *5-Star* energy rating is the minimum standard for AHFC financing, the NHCR requires a *5-Star Plus* or *6-Star* energy rating to qualify for the incentive. Energy ratings are determined using AHFC's proprietary software, AKWarm.

Developed in 1996, AKWarm is an Alaska-specific, energy-modeling software tool utilized by builders, architects, energy raters, and homeowners to design energy-efficient homes, identify energy-efficient housing improvements, and determine a home's energy rating. Energy raters perform onsite energy ratings to determine a home's energy performance score. Energy rating performance is determined by the efficiency of appliances, such as heating systems and domestic hot water systems; the building envelope, such as insulation, air sealing, windows, and doors; and ventilation systems. All these building factors are taken into consideration by AkWarm resulting in an overall performance score.

AHFC collaborated with industry stakeholders to establish the Rebate at \$10,000. This amount was specifically calculated to offset the average cost of additional improvements needed to elevate a standard home to the *5 Star Plus* tier allowing homeowners to access the long-term benefits of high-performance housing. This strategic financial structure ensures that for every \$1 million in public funding, 100 new energy-efficient homes are supported across the state.

Program eligibility requirements:

- The home's foundation must be completed and inspected on or after Jan. 2, 2025.
- The home must meet a minimum *5-Star Plus* or higher energy efficiency standard.
- The home must be owner-occupied.
- The Rebate is restricted to single-family residences, duplexes, triplexes and fourplexes where the homeowner occupies one unit.
- Program participants can reserve a Rebate for up to 18 months while their home is being built.

- Home completion is determined by the final building code inspection.
- The program excludes developers, investment properties, and non-residential buildings.

Market Impact and Economic Benefits

The program is designed for long-term economic resilience beyond the immediate financial incentive. By offsetting construction costs, the Rebate enables Alaskans to invest in high-efficiency homes that yield energy savings often exceeding the rebate amount over the building's lifetime. This creates a net-positive economic ripple effect, ensuring that public funds serve as a high-value investment in the financial stability of Alaska's families and communities.

As of March 2026, 343 Alaskan's have initiated the application process, with 128 homeowners receiving their Rebate and 113 more currently under construction with conditional approval.

The Rebate has successfully reversed a downward trend in high-efficiency construction that began in 2018. Drawing on AHFC's AKWarm modeling data, more than 44 percent of new homes in 2025 achieved *5-Star* or *6-Star* energy ratings - a milestone unseen in Alaska for more than a decade. This turnaround clearly shows how the rebate incentivizes builders and communities to prioritize energy efficiency, resulting in tangible benefits and a renewed commitment to constructing top-rated, energy-efficient homes.

Conclusion

The New Home Construction Rebate is more than a subsidy; it is a transformative market intervention. By aligning financial incentives with rigorous energy standards, AHFC is setting a new national standard for how state housing finance agencies can lead the transition toward a sustainable, affordable, and robust construction economy. Ultimately, this initiative reinforces AHFC's core mission to provide Alaskan's access to safe, quality, affordable housing. By incentivizing superior building standards today, we are securing a stable and sustainable future for families choosing to live and work across the state.

AHFC New Home Construction Rebate



\$10,000 rebate for Alaska homeowners buying or building newly constructed, energy efficient homes.



New Home Construction Rebate

You could be eligible for \$10,000 through AHFC's New Home Construction Rebate. Now accepting applications, this rebate will be paid to eligible applicants after completion of new home construction.

- The home's foundation must be completed and inspected on or after January 2, 2025.
- The home must meet a minimum 5-Star Plus or higher energy efficiency standard.
- The home must be owner-occupied.
- The rebate is restricted to single-family residences, duplexes, triplexes and fourplexes where the homeowner occupies one unit.
- Payment is contingent on new home construction being completed within 18 months of application.
- The rebate is not available for developers, investment properties and non-residential buildings.



**Scan here or visit
alaskahousingenergy.us
to apply.**

Funds are available on a first-come, first-served basis. The application will remain open until funding is exhausted.

Have questions or need assistance?
Call (907) 330-8203 or 1-888-994-2432 toll free,
or email nhcr@alaskahousingenergy.us.

