

Housing 101 for Pitkin County Employees

Prepared by:
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Thank you for taking the time to check out my webpage. I appreciate your time and interest in learning more about the housing process as well as housing opportunities in the Roaring Fork Valley.

My name is Sally Shiekman-Miller and I am a licensed real estate professional with Aspen Snowmass Sotheby's International Realty, and have been listing and selling homes in the Roaring Fork Valley since 1992. I also manage long term rental properties in the valley. I've worked with Pitkin County as their Buyer's Broker for over 4 years and the County has engaged me to serve as a contact for County staff to navigate the complexities of purchasing properties in the Roaring Fork Valley. Please feel free to email me at Sally@SallyShiekman.com or call me at 970-948-7530 with any questions you may have.

Although I am happy to discuss your rental needs if you aren't in a position to purchase a property at this time, the focus of this page is to provide information regarding the purchase of real estate.

Information to Consider When Buying a Home:

Aspen/Pitkin County Housing Authority:

The Aspen Pitkin County Housing Authority (APCHA) offers properties for sale that have certain restrictions and they are generally sold by a lottery system. If you are interested in purchasing a deed restricted property, you must meet certain guidelines pertaining to length of residency in the Roaring Fork Valley (the magic number is a minimum of 4 consecutive years working in the valley), as well as income and asset caps. In this package you will find the current offerings for sale by APCHA; these change weekly and generally are advertised in the Wednesday Aspen Daily News. I have also printed some of the information that you can find on APCHA's website, including the Contact Us page, the Employee Housing Guidelines Table of Contents, Frequently Asked Questions, Current Listings and other Sales Projects. I would suggest you visit their website, <http://www.apcha.org/> for complete information.

The Free Market:

I'm sure you are well aware that real estate in the upper valley (Aspen, Snowmass, Woody Creek and even Old Snowmass) is expensive. In my experience, most employees who want to live in the upper valley make sacrifices in order not to commute on Hwy 82 such as home size, no covered parking, condo vs a home, etc. However, there are options available in the mid-valley (Basalt/El Jebel, Carbondale). I've prepared spreadsheets of properties currently available in Basalt/El Jebel, Missouri Heights and Carbondale under \$600,000 and included print outs of these available properties. Every day there are changes in the real estate market. If interested, I am able to arrange for you to receive email notifications of new properties as they come on the market. If this sounds like something you'd find to be of interest, let's talk!

In my opinion, the single most important aspect to buying a home is knowing your buying power. When making offers to purchase a property, any seller will want to see a prequalification letter from your lender. This shows that you have the means to obtain the financing you need to purchase the house, that you're serious and have started the process by working with a lender.

Once you know how much you can afford, we can begin the search for properties that suit your needs. The process is as follows: 1) I will ask you questions regarding your needs/parameters in order to narrow

down the properties on the market that might work for you and are in your price range; 2) I will send you the options to review; 3) I will make appointments for us to see the properties for sale that you want to see; 4) I will help educate you to the market and give you information on what's sold in a particular area, subdivision or complex; 5) I will keep you informed of new options that meet your parameters. Please know that I have worked with many first time buyers and I recognize that buying a home can sometimes feel like an overwhelming process as well as be an emotional roller coaster. My goal is to make sure that you not only understand but are comfortable with each step of the process and that you end up with a home you love.

Once you have identified a property in which you are interested in buying, I will draft an offer to purchase the property. We will review it together and I will explain the contingencies built into the offer, such as inspection, title and homeowner's association documentation review, loan conditions deadline and closing date and possession. A contingency is a condition in the contract that must be met in order for you to proceed with the purchase. Some examples of a contingency are: 1) the property must appraise for at least as much as you are paying for the property; 2) you must get the financing you have indicated you need in the contract; 3) the property must pass a physical inspection. If these conditions are not met, you have the right to terminate the contract and not buy the property. You must be prepared to provide a portion of the down payment called earnest money, within a certain time period (generally 2 to 3 business days) after the seller has accepted your offer. Once the seller has accepted your offer and has signed it, it then becomes a contract.

Of course what I've just told you is an abridged version of what you can expect during this process. There's negotiation of price, terms, inclusions and exclusions and other items in a contract, which is why you need the guidance and assistance of a real estate professional.

Working with a Real Estate Professional:

As a buyer, you have two choices as to how you would like to work with a real estate broker. One is Buyer's Agent (the broker is your agent and represents you in the transaction) and requires that you sign an agreement to work with that broker for a period of time. The other is Transaction Broker (the broker is a facilitator, not your "agent") and this requires that you sign a disclosure form (as opposed to an agreement). More differences between these two options are detailed below.

Buyer's Agent: A buyer's agent works solely on behalf of the buyer to promote the interests of the buyer with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the buyer. The buyer's agent must disclose to potential sellers all adverse material facts actually known by the buyer's agent including the buyer's financial ability to perform the terms of the transaction and, if a residential property, whether the buyer intends to occupy the property. A separate written buyer agency agreement is required which sets forth the duties and obligations of the broker and the buyer.

Transaction-Broker: A transaction-broker assists the buyer or seller or both throughout a real estate transaction by performing terms of any written or oral agreement, fully informing the parties, presenting all offers and assisting the parties with any contracts, including the closing of the transaction without being an agent or advocate for any of the parties. A transaction-broker must use reasonable skill and care in the performance of any oral or written agreement, and must make the same disclosures as agents about all adverse material facts actually known by the transaction-broker concerning a property or a buyer's financial ability to perform the terms of a transaction and, if a residential property, whether the buyer intends to occupy the property. No written agreement is required.

I would be happy to provide you with a copy of each of the above documents.

Home Purchase Assistance Programs:

One of the biggest challenges in purchasing a home is coming up with enough money for a down payment to make your monthly mortgage payments affordable. Pitkin County recognizes this and has created programs to help employees bridge this gap.

Pitkin County Down Payment Assistance Program:

The County has created the Employer Assisted Housing Benefit, Employee Home Ownership Program – EHOP for regular employees who work at least 1,500 hours per year. This benefit is to be used toward the down payment and closing costs in the purchase of a primary residence. The maximum amount of the benefit is 15% of the purchase price not to exceed \$50,000 with a maximum term of 15 years. The employee must make a minimum contribution toward the purchase price of 2% of \$3,000, whichever is greater. The complete guideline for this benefit can be found in the seminar package or discuss with Human Resources at Pitkin County for a complete explanation.

Pitkin County Employee Home Ownership Deed Restricted Program:

The County has created the Employee Home Ownership Deed Restricted Program in which the County partners with an employee to take an ownership interest in a property to make home ownership a reality for employees that qualify under certain conditions. The County developed this program to facilitate and encourage the purchase of primary residences. The basic guidelines are as follows (please see the inclusions in your package for a full list of guidelines):

- 1) Primary residence in Pitkin, Eagle and Garfield Counties between Aspen and Carbondale;
- 2) Free market (not deed restricted);
- 3) The maximum benefit amount of \$300,000 or 40% of the property purchase price (whichever is less) with the County investment being at least 15% of the purchase price;
- 4) Employee and co-borrower (spouse) must qualify for a primary (first) mortgage with a fixed or variable interest rate with a term of 30 years or less;
- 5) Monthly payments for the first mortgage, property insurance, property taxes, HOA fees and estimate utilities may not exceed 35% of the total household income.

Several local lenders familiar with these programs are:

Michael Picore and Kathryn Erickson, Bay Equity, 970-279-7099, kerickson@bayeq.com
Jody Cooper, Wells Fargo Home Mortgage, 970-544-2333, jody.cooper@wellsfargo.com.
Ryan Beckman, Guild Mortgage, 970-927-1000, rbeckman@guildmortgage.com