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A Guide to Purchasing Property In the North Carolina Mountains

How to Find Property Here

I'm new to this area --
What should I be thinking about?

What are prices like?

How can I figure where
in the area I want to locate?

The following pages provide you information, and some questions to ask yourself, that will help you begin to decide where within the area you'd like to locate and what you can expect to spend.

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Winter Access

1. The most important question concerns winter access. [If you plan to use your property only in the summer, skip to question 2.]

Think of winter access on a continuum. At one end are some winter days when virtually no one leaves home, such as an ice storm or a mid-night 8" snowfall would present. At the other end are the majority of winter days, when everyone can get out.

If you plan to live here during the winter, evaluate every potential purchase on the basis of where within the continuum lie your needs and the nature of your property.

Don't be overly alarmed about winter accessibility – most people are home-bound only in the early mornings on some days and, occasionally, for a couple days -- but do consider it an important criteria for your needs and for each property. In general, the best accessibility carries a higher price.

Here are some questions to ask yourself, relative to winter access:

- Will you be working in a capacity that absolutely requires you be at work virtually *every workday*? Remember that local employers are aware their employees might not be able to get in some days. If you're unsure what your employer expects, discuss the question before you look for property.
- Can you *work at home*, if need be?
- Does your *health* require you be able to get to medical help under any circumstance?
- *Elevation* obviously plays a role in accessibility. If you must get out most days, accessible [that is, regularly plowed] view property will be very expensive.
- *Gravel roads* play a role. Gravel roads are usually plowed after paved roads.
- *Location* plays a role in which roads are plowed first, such as the roads nearest DOT, the roads to major facilities, and the roads to ski-slopes.
- *Driveways* play a role. Most local people accept there will be days they must park at the bottom of a steep driveway, and walk in. If you absolutely do not want to shovel your driveway, be sure and let me know.
- Public transportation departments plow state, county, and city roads. Most subdivisions have POAs [Property Owners' Assns.] which pay someone to plow their roads.
- What type of vehicle do you drive?



Location, Location, Location

2. The best location for you in this area will be determined by *what you value* and what you like to do most while here. If you already know where within this area you want to locate, this page isn't for you. If you're new to the area, the more you can tell me about the following, the better I'll be able to help you.

If:

...you prefer to dine out frequently and thus want to be within, say, a 15-minute drive to a variety of restaurants,

...you like to be close to shopping?

...you need to be within a close drive to our major medical facilities?

Then:

...you'll probably want to be in the Blowing Rock or Boone or Banner Elk/Linville area.

If either skiing, golfing, hiking, or horses is your first priority, **then** let me know and we'll discuss where they are located.

If you prefer the conveniences of an established subdivision or vacation development, **then** you're in luck, for these exist throughout the area.

If you are thinking of a private, rural setting, **then** keep two things in mind:

(1) Land has become quite expensive here. It's unusual to find buildable land at less than \$10000/acre in the least expensive parts of Watauga County. Steep, wooded hillside, generally in tracts of at least 10 acres, can be purchased for about \$500/acre, but these tracts usually have only one building site. If you're willing to drive 30-40 minutes out of the Boone/Blowing Rock/Banner Elk area, land can be purchased less expensively in eastern Tennessee and in Ashe, Caldwell, and Wilkes counties.

(2) The counties in this area do not have zoning outside cities, with only a few exceptions. Thus, if you purchase land, with or without a home, you'll have no guarantee as to what might be built next to it in the future.

If price is a major consideration, **then** read on to the next section.

If a different consideration is very important to you, **then** let me know and we'll discuss it.



What About Cost?

3. How do prices run for property? Most people discover it's more expensive to purchase property here than they expected. Generally speaking, the Blowing Rock area is the most expensive for existing homes and for lots/land. Some developments are as expensive. Also generally speaking, the further away from Blowing Rock you're willing to be, the less expensive will be property.

Do You Prefer to Build?

Lots. It's difficult to find a good building lot for less than \$30,000. Lots priced lower often end up costing as much, or more, due to the excavation costs of our mountainous terrain. Expect to spend \$50,000 for a lot in an established neighborhood relatively near town, and, if you want the most fashionable neighborhoods, such as with long-range views or near Blowing Rock, lots begin at around \$75,000. As in the case of tracts of land, lots can be purchased for less, if it suits your needs to drive 30-40 minutes outside the Boone/Blowing Rock area.

Acreage. Land prices vary considerably. It's highly unlikely you will find land for as little as \$5000 per acre anywhere in Watauga, Avery, or Ashe. Land near that price will probably be steep, wooded hillside in a 10-acre parcel suitable for only one building site, and located 30-40 minutes from Boone/Blowing Rock. 10-acre tracts are fairly common due to a complicated state law that allows division of land into tracts no smaller than 10 acres to be exempt from subdivision regulations. If you purchase a 10-acre tract, you'll need to take this state law into consideration before selling a part of the 10 acres. If you're thinking of purchasing a few acres, expect to spend upwards from \$10000 per acre. As mentioned elsewhere, because our counties have no zoning outside cities, you'll want to protect yourself by thinking what might be built next to you in the future.

Building costs. Keep in mind that contractors now find it necessary to build what we in the industry term a 'plain Jane' house for about \$150/square foot. . Extras such as cathedral ceilings, tile countertops, picture windows, hard-wood floors push up the price. Even if you plan on doing a lot of the construction yourself, keep in mind that prices for materials are more expensive here -- due to the necessity to truck them in -- than even 30 miles away, 'down the mountain,' as we say. Also, due to the expansion in building here, contractors are often backed up for starting new construction. And, sub-contractors are, as well.



Existing Housing

What's available, in general? As an index, consider that single-wide trailers range from \$60,000 to \$90,000. Doublewides in good condition range from \$80,000 to \$160,000. Why am I telling you that? Because it means houses on a lot **begin** over \$100,000. A few houses are available under \$130,000. Quite a few are on the market in the \$130,000 to \$200,000 range. A fair number exist in the \$200,000 to \$300,000, and some exquisite, very expensive homes above \$300,000 on up to homes over \$1,000,000.

The less expensive **homes** will be fixer-uppers or homes further from the Boone/Blowing Rock area. A typical price for a fixer-upper near Boone would be up to \$200,000 for about 1000 square feet on a lot. Houses under \$100,000 are rare. Almost all will be fixer-uppers about 800 square feet or less, on a lot, and they don't stay on the market very long. These houses are in high demand for investment, i.e., as rentals to students or tourists. If a 'plain Jane' house plus some acreage suits your needs, think in terms of spending at least around \$150/square foot, even for existing construction, plus at least \$10000 per acre. Prices in the Boone/Blowing Rock area exceed that; prices a 30-40 minute drive outside the Boone/Blowing Rock area might be less.

Question: What's rarer than a blue moon?
Answer: A house in Blowing Rock less than \$200,000.

"I don't want to see a trailer!"

Buyers often tell me they do not want to be near a trailer/mobile home. Keep in mind housing has developed quite erratically in this area over the past 200 years, particularly outside subdivisions and developments. Expensive homes, old farmhouses, and trailers are mixed together almost everywhere. Wherever you drive from town to your new home, you are almost certainly going to pass a trailer. The cogent question to ask yourself is: how far away from a trailer do you feel you need to be? Just as long as it's not in sight from your new home? Just as long as you don't pass it in the last, say, mile of your drive home?

Log cabins. Expect to spend at the very least over \$230,000 for a log cabin on a lot. These don't usually stay on the market long and typically will have about 1200 square feet [two bedrooms with a loft sleeping area]. For a quaint or larger log cabin on acreage or a cabin with a view, expect to spend over \$350,000.



Condos and townhouses tend to fall into two categories: those preferred by students and those preferred by non-students. ASU's expanding student population outgrew dorm space years ago. Parents of ASU students realized the nature of the local real estate market makes it very advantageous to purchase a condo for their student and rent out the extra bedrooms to help pay the mortgage, then sell at a profit when their child graduates. Students live in most of the condos in Boone. A few, rather pricey, and mostly new condos/townhouses are available for those who desire a quieter, more settled experience. Condos in the Blowing Rock area are all quite expensive [a two-bedroom condo for \$150,000 would be a great deal there]. For a two-bedroom condo under \$125,000 non-students will probably do best in the Foscoe area, or in Banner Elk. Condos characteristically do not stay on the market as long as homes.

4. Do I want rental income from my property?

Second homes as vacation rentals. The solution many people choose to help offset the high cost of a second home is to place the home in a rental program. Location is the key factor for determining what return your investment will bring. Generally speaking, rentals in the Blowing Rock area bring the best return because the rental market in Blowing Rock has developed into a year-round business. Rental property in Foscoe, Valle Crucis, Banner Elk, and Beech is more dependent on the ski season.

check it out!

When you are ready to open your new residence here, check out my webpage on relocation:

www.findamountainhome.com/relocation

You'll find information on local utility companies, links to schools, and more.



Some Considerations for Vacation Rentals

Vacation rentals are very popular in this area because the area is a strong tourist destination, and many people want a charming 'home' environment to rent, rather than a motel/hotel.

Generally, the highest rent and the best [most extensive] year-round occupancy is in the Blowing Rock area. The Blowing Rock area is virtually a year-round tourist destination now – Spring for flowers, Summer for cool weather, Fall for the leaf colors, and Winter for skiing. March tends to be the slowest month. Nor surprisingly, Blowing Rock properties tend to be more expensive than elsewhere in the area. In general, the further you get from Blowing Rock, the less you have year-round occupancy. Banner Elk and Beech, for instance, rent well during the remainder of the year. Valle Crucis is a close second to Blowing Rock for year-round occupancy. Ashe County is rapidly expanding in rentals.



The remainder of the area provides more limited occupancy. Most vacationers are here to enjoy the cultural area. Most vacationers are here to events in the Blowing Rock/Boone to Banner Elk area. Hiking, outdoor sports, dining, skiing, golfing, shopping – what they come for – tend to be in these areas, what I term the 'Blowing Rock to Banner Elk corridor.' For the majority of people who are here to take part in these area offerings, the 30-40 minute drive from elsewhere is an impediment to their vacation enjoyment.

Some points to keep in mind about what vacationers seek to in a rental:

- For home rentals, log cabins are in great demand.
- Renters like log cabins in a wooded setting but cabins with long-range views or a creek or on the river are also in demand.
- Other than log cabins, vacationers want a home that looks and feels like a vacation home [rather than a home that feels like...well..home, i.e., their primary residence], chalets and round houses, for instance.
- Fortunately, vacationers want different things. That is, condos are also highly popular rentals.
- Rentals with hot tubs are a first choice, when available. I would highly recommend adding a hot tub to your rental, if there isn't one.
- Vacationers, for the most part, want a rental with a rustic and enchanting feel, something they fall in love with at first sight.
- It's a wise choice to include something distinctive in the rental home – a striking stained-glass window, a trellis entrance, a bear theme to decorations, for instance -- something that is charming and, also, sticks in renters' minds. Your first year renting will provide the least income. The income will grow yearly with repeat business and referrals from happy vacationers. It is very, very



common that vacationers will phone to re-rent but will not remember the street [or the name; many homes up here have names] but usually WILL remember the distinctive feature [as in, "We want to rent the home with the stained-glass picture of Grandfather Mountain," etc]. If this sort of decorating is not your strong point, consider hiring someone. It makes a huge difference in future return vacationers. I'll be happy to recommend someone.

- Consider giving a discount [and possibly including a bottle of champagne] to honeymooners. People like to return to their honeymoon spot! And usually have enthusiastic memories to tell their friends and relatives. [Referrals, referrals, referrals...]



- Consider creating a spa feel by supplying a few bars of nice soap, bottles of juice and packages of containers in the fridge, etc. The pleasure of finding gifts after a long drive to the area is a delight well remembered.



Restrictions on rentals: For short-term rentals, it's necessary to confirm that a home owners' association or local ordinances allow them. This is something I generally don't undertake until my buyers are here and ready to look at properties.

For long-term rentals, Boone is the most in-demand area. Should you decide to purchase a rental in Boone, you would need to be aware of a Boone ordinance that prohibits renting to more than 2 unrelated persons. The idea, as I understand it, is to keep single-family residential areas from not becoming overwhelmingly rental properties. You could, for instance, rent to 5 brothers, but you can't rent to 5 people who aren't related to each other.

For vacation rentals, it's important for you to know there is a Town of Blowing Rock ordinance prohibiting rentals of less than 30 days.

Vacation Rental Companies.

It's a good idea to phone the various rental companies.

- They charge different management fees and they also provide different services. You'll want to evaluate what you're getting for the money.
- The other issue with rental companies is amount of their inventory vs the amount they advertise. The largest companies maintain the largest inventory -- that means your cabin competes against many other cabins for renters' attention [other than when they phone and ask for a specific cabin]. On the other hand, the larger companies do more advertising. With some of the smaller companies, you'll have less to compete against, but not the same amount of advertising.
- This is where it's good to have an estimate from more than one company on both occupancy and rental amount. You'll want to go with the company that is confident they can rent your home for the highest amount and the greatest occupancy, comparing that with property management fee.

Your choice of which company will depend in part on where you purchase. *In general*, companies located in Blowing Rock serve only Blowing Rock rentals; companies located in Foscoe/Valle Crucis serve only Foscoe/Valle Crucis; companies located in



the Banner Elk area serve only Banner Elk; companies located in Beech serve only Beech. Proximity facilitates cleaning and maintenance.

| | |
|--|--|
| <p>Some Blowing Rock rental companies:</p> <p>Blue Ridge Mountain Rentals 828 295 7400 8100 Valle Blvd, Blowing Rock, NC 28605</p> <p>Blowing Rock Resort Rentals 828 295 9899 232 Ransom St., Blowing Rock, NC 28605</p> <p>Some Valle Crucis rental companies:</p> <p>Valle Crucis Log Cabin Rentals 828 963 7774 3657 Broadstone Rd Valle Crucis</p> <p>105 Realty Place 828 963 6547 [located in Foscoe] 9189-4 NC Hwy 105 S, Banner Elk, NC 28604</p> | <p>Some Banner Elk rental companies:</p> <p>Resort Real Estate and Rentals 818 898 9746 3390 Tynecastle Hwy, Banner Elk, NC 28604</p> <p>Sheila McCoury Perry Properties 828 898 2555 3440-F Tynecastle Hwy, Banner Elk, NC 28604</p> <p>Some Beech Mountain rental companies:</p> <p>Beech Mountain Chalet Rentals 818 387 4231 405 Beech Mountain Hwy, Banner Elk, NC 28604</p> <p>Beech Mountain Slopeside Rentals 828 387 4251 503 Beech Mtn Parkway, Banner Elk, NC 28604</p> |
|--|--|

5. How important is a view?



Views

A word about **views**: Well, four ‘words.’ First, views are a highly desired criteria in this area, and thus are pricey. Second, there are views and then there are views. Some people want long-range views, 50 to 100 mile distant. In general, these, particularly Gorge views near Blowing Rock, are the most expensive. Other people want a meadow view, or an across-the-valley view or a Grandfather view or something else. Be as specific as possible in letting me know what view you have in mind, so I can better find it for you. Third, if you think about it, everything has ‘a’ view. The real question is ‘What kind of view? Fourth, realtors are not given many choices when entering information on our listings so we often have to do some digging beyond the MLS information to figure out what kind of view the property has.

If I don’t already know what view a particular property has, I can find out for you by asking the realtor who has the listing. But even then, it may be impossible to know what the view will be until we get to the property.

OK OK — a fifth ‘word.’ Views are VERY much in demand in this area so do expect a view to add to the cost of the property.

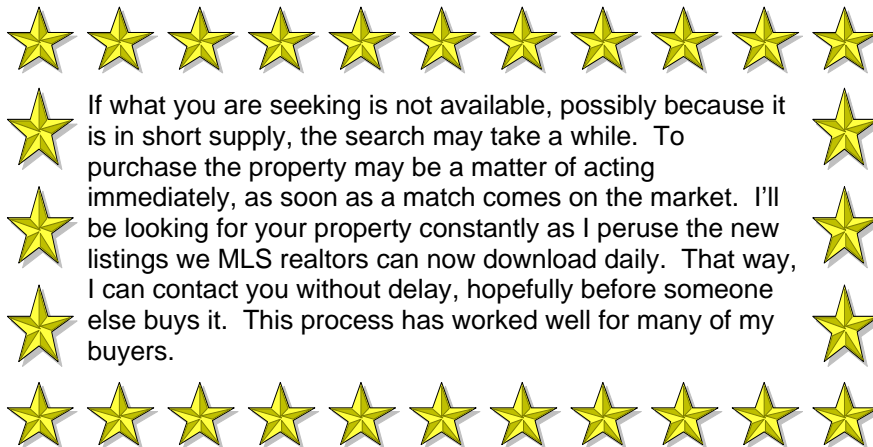


My promise to you.....

I take a great personal satisfaction and delight, in helping people find mountain property they will thoroughly enjoy, especially when the property is a dream come true. When you come to the area to look at property, I'll take as much time as necessary to find what is right for you. I promise you I will unwaveringly, diligently search for you, for as long as you remain interested in my serving as your realtor.

The more I know about your needs and desires, the better able I will be to find what's available that most closely suits your life. It helps me greatly to know what is **absolutely necessary** for you as well as what would be nice, but is **optional**; to know what is your dream property as well as what you just couldn't accept under any circumstances. It helps to know where you'll be working and what amount of driving is acceptable. Or, what types of activities you'll be looking for while in the area. And many other things, *especially* including anything I haven't mentioned or addressed above that is important to you.

I've prepared a Confidential Buyers Profile. It's long. **HOWEVER**, it's long because it's designed to cover a wide range of desires. You'll find that in your case you can quickly skip past many parts. If you will take the time to fill it out — perhaps an hour — we may save a couple days looking at properties here. I'll be able to eliminate showing you properties you won't want to consider. I can snailmail you the Profile or email it to you. People who have completed the Profile inevitably tell me that it helped them clarify their own thinking about what they are looking for. I highly encourage you to fill it out so that your valuable time here will be put to best advantage....and you can get onto serious play or relaxing!



“Flat”

Here’s something interesting I’ve learned from my years in real estate. It’s been a surprise: ‘flat’ is a relative term. I mean, I’d always thought ‘flat’ meant ‘flat.’ As it turns out, however, ‘flat’ is relative to whatever your past experience has been.

If you’re from eastern NC or from Florida, ‘flat’ means what I term ‘cookie sheet’ flat. If you’re from the mountains, ‘flat’ means something else [see below].

We don’t have much ‘cookie sheet’ [what we’d more likely term ‘dead flat’] flat property here. Dead flat property is likely to be in the flood plain and either not buildable OR will require extensive fill to become buildable.

It’s best if you try to get the idea of dead flat property out of your expectations. What you might hope to find is what we term ‘flat’ by which we mean ‘gently sloping.’ Gently sloping means the property isn’t dead flat, but it’s also not ‘steep.’ ‘Steep’ is property that can be walked but would be a strenuous climb.

Gently sloping property has lower building costs than steep property.

However, steep property is DEFINITELY buildable. People build on it all the time up here. One reason: it often has the best views. There are several ways that local builders solve the ‘steep’ problem. One solution is to bulldoze in a driveway and use that dirt to fill in and level out the house site. Another solution is to bulldoze in a driveway and built the house up on a tall foundation. Another solution is to build the house, then attach a parking deck from the road. As you drive around this area, take a look at these solutions. You’ll see them on many homes.



‘Gentle Slope,’ as we use the term



Between ‘gentle slope’ and ‘steep’



Whom Do Real Estate Agents Represent?

In North Carolina, a real estate agent can represent either the seller or the buyer as a single agent OR can represent both the buyer and the seller as a dual agent (with the written permission of both the buyer and the seller).

If you're not familiar with the concept of a real estate agent 'representing' someone, then it may be easiest for you to think of a similar concept with which you probably are familiar: the attorney-client relationship. An attorney's ethical duty is to represent the best interest of his/her client. Real estate agents, of course, are not attorneys, but they have a similar ethical duty to represent the interest of their clients. If a real estate agent lists a property for sale, the owner of that property is the agent's client. Therefore, the real estate agent is ethically bound to pursue the best interest of the owner. Primary among the agent's duties will be to sell the property for as high a price as possible as quickly as possible. If the real estate agent represents a purchaser as a buyer's agent, the real estate agent has an ethical duty to pursue the best interest of the purchaser. Primary among the buyer's agent's duties will be to help the buyer obtain the lowest price and best terms for the purchase.

In looking for property and purchasing property, it is your choice whether the real estate agent will represent your interest as a buyer's agent or whether the real estate agent will represent the seller's interest as a seller's subagent. To put this another way, it is entirely your choice whether you wish the real estate agent to work with you as:

- Your buyer's agent, in which case the real estate agent represents your interest

OR

- A seller's subagent, in which case the real estate agent represents the seller's interest while helping you find property.

In ***either*** case, the real estate agent must be honest and use reasonable skill, care, and diligence in helping you find and purchase property; while informing you about the property, including telling you of any 'material facts' that might influence your decision to purchase; and helping you with an offer to purchase .

This concepts can be confusing if they are new to you. Be sure to ask as many questions as necessary, until you understand the difference. Make an informed decision, as your choice can influence the price you pay for your property and other terms of the sale.



This table may help you understand the differences:

| | Buyer's Agent | Seller's Subagent |
|--|---|---|
| Whom an Agent Represents in a Transaction | Buyer | Seller |
| Who pays the Agent's Commission | The seller pays, in most cases. **See below | Seller |
| Agent's Responsibilities | <ul style="list-style-type: none"> ◦ Safeguard and account for any money handled for you ◦ Be loyal and follow reasonable and lawful instructions ◦ Disclose any information which might influence your decision to buy ◦ Be fair and honest | |
| What the Agent Can Help You With | <ul style="list-style-type: none"> ◦ Locate the right property for you ◦ Write an Offer to Purchase ◦ Verify property information as it has been represented ◦ Advise you on a purchase price ◦ Get the best [lowest] price for the buyer ◦ Get the best terms [such as most repair costs] for the buyer ◦ Tell the buyer anything about the sellers' situation that would help get the buyer a better price | <ul style="list-style-type: none"> ◦ Locate the right property for you ◦ Write an Offer to Purchase ◦ Get the best [highest] price for the seller ◦ Get the best terms [such as least repair costs] ◦ Tell the seller anything about the buyers' situation that would help get the seller a better price |
| Purchaser's Responsibilities | <ul style="list-style-type: none"> ◦ May pay a fee, refundable upon purchase ◦ May pay the agent's commission ** See below | <ul style="list-style-type: none"> ◦ No fee ◦ Seller pays commission |

**In our area, virtually all sellers agree to pay the commission for a buyer's agent. However, it is possible a seller will not agree, and in that case, you will be obligated to pay the agent's commission. Your real estate agent will know of any properties you are considering for which the seller has refused to pay a commission to a buyer's agent.



Be a wise consumer: If you chose for your realtor to be a seller's sub-agent, don't tell the agent anything you wouldn't want the seller to know!

If you prefer the real estate agent to represent you as a seller's subagent, the agent will ask you to sign a disclosure. The disclosure is not a contract. Rather, it is a consumer protection measure designed to ensure that you understand the agent represents the interest of the seller. *In this situation, it is very important you do not tell the agent anything that you would not want a seller to know.* Remember, the seller's subagent is ethically obligated to represent the seller's interest, and thus is ethically obligated to tell the seller anything you might say that would help the seller get a higher sale's price or better terms. For instance, if you urgently need to purchase a property, it wouldn't be in your best interest to tell that to a seller's subagent who would be obligated to pass it on to the seller.



If you prefer the real estate agent to represent you as a buyer's agent, you and the agent will sign a contract. There are a number of negotiable terms the agent will explain to you, and which you can decide upon. The contract may obligate you to pay the agent a commission even if you do not purchase property through the agent. Generally speaking, a buyer's agency assures the real estate agency you will purchase property through him/her and assures you the agent will protect your interest through the sale.

When you and I begin talking about your needs in purchasing property, I will ask you whether you choose to have me represent you as a buyer's agent or as a seller's sub-agent. Remember, it is entirely your decision.

If you choose for me to represent you as a buyers' agent AND you decide to look at or purchase a property I have listed, I will represent both you and the seller directly as a dual agent. In this case, I can not advise either you or the seller on price or terms, nor can I disclose anything personal about either of you to the other party.

I've enclosed a copy of a document prepared by the North Carolina Real Estate Commission, entitled "Working with Real Estate Agents." This document explains more fully the differences between a realtor who represents you as a buyers' agent, a sellers' sub-agent,

Thank you....

...for requesting, and reading through, this brochure. I hope it's helped you better understand property values in this area. I'll love to hear of anything you hoped to find but didn't.

I also hope I'll soon be showing your property!

Helen J. Phillips



For information on:

Weather

Things to do

Skiing

Hiking

Boating

Lodging [including pet-friendly accommodations]

News

Calendar of Events

Golf

And **MUCH** more

Check out my website:

www.CoeRealty.com

Then click on the link: "Local Area Information"

OR: More [often 'breaking'] information at my blog link.

