

— The Complete Guide to —
BUYING
Your Mountain
Dream Home

Quick and Easy Tips to Help You
Purchase Your Vacation Home



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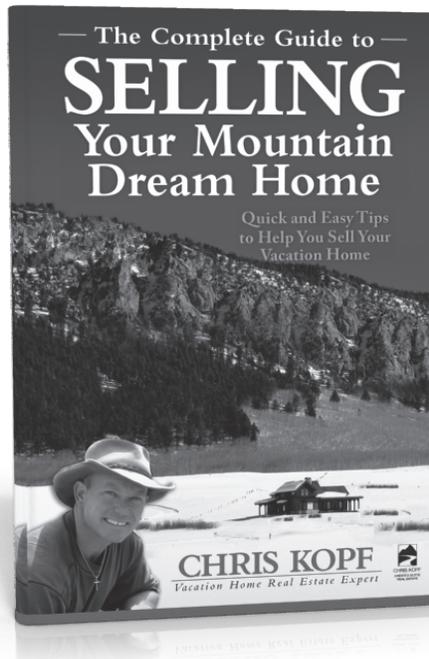
For Francene
my love & inspiration

For Shelby, Lindsay & Courtney
my gifts from God

For Dad
my biggest fan and influence

For my valued clients
thank you for your trust

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About the Chris Kopf



Chris Kopf is a top real estate agent in the mountain town of Crested Butte, Colorado (#1 in 2014). Chris has earned numerous awards, including the Coldwell Banker International President's Elite award; only the top two percent of the 87,000 Coldwell Banker Sales Associates in the world earn this designation.

Customer service, hard work and attention to detail are the keys to Chris Kopf's success. Chris has been designated as a Previews® Property Specialist by Coldwell Banker serving the luxury homes segment of the market.

Chris has been in your shoes, looking for that perfect Colorado mountain property that would work for his family. Chris was a second homeowner in the mountain town of Crested Butte for ten years before he moved his family there full-time.

Chris grew up spending his summers at a second home on an island his parents and four other families owned in Put-in-Bay, Ohio where he worked as a cook and a bartender during his college summers. Chris graduated from the Ohio State University, moved to Texas and lived in Dallas for twenty-five years. During this time, Chris was an avid skier and skied in many mountain towns throughout the Western US. Chris has had a successful career in sales and sales management with numerous technology companies, as well as a business owner in the real estate and advertising industries. Chris has negotiated thousands of complex transactions in his career and works hard to exceed his clients' expectations.

Chris's wife Francene is from Tulsa, Oklahoma, and they met in Dallas when they were competing in triathlons. They have three daughters, Shelby, Lindsay & Courtney, and a dog named Millie. Chris has successfully completed both the Texas Water Safari (a 260-mile canoe race) and the Elk Mountain Grand Traverse (a 40+ mile ski race from Crested Butte to Aspen that starts at midnight), and prides himself on preparation, endurance and execution in all that he does.

For more information visit: **ChrisKopf.com**



CHAPTER 1

Selecting a Mountain Town that Fits You and Your Family

This may be the hardest decision you will make. There are many variables that you should consider when selecting a mountain town.

1. Location/Proximity to Your Primary Residence

How easy is it to get to your mountain town and second home? What are your options? Can you drive to your future mountain dream home? Even if it is a long drive, driving is a convenience and may be a consideration when looking at multiple trips for a family of five and the cost of airfare. How long of a drive is it? Are there decent places to stop and spend the night to break up the drive, and are the roads open twelve months out of the year? Traveling in the winter will usually take longer due to the snow on the roads. As well, many mountain passes that can reduce travel time are closed in the winter. Is there an airport close by? Are there commercial flights? Are the flights seasonal? Many resort communities will subsidize the airlines with reserves

to incentivize the carrier to add the route and protect the airline's downside if the flights have low capacity. Are there alternative airports within a couple of hours as additional options? Can you charter or fly your private plane? Is it easy for your family, friends, and clients to get to?

Do you have a dog? Flying with a dog can be a hassle, and can be expensive. Some cold-weather routes may not take dogs if there is a chance the plane may be waiting on the runway and the dog is in the freezing cargo hold. Some people have found a loophole, and there are legitimate (and less-than-legitimate) "service dogs" and "companion dogs" rules that allow you to board the plane with your canine. Of course, if you have a private plane, dog travel is easy. Driving with a dog or dogs may not be easy, but it can be easier than flying commercial.

How often will you use your mountain home? Many families live in a big city but are now "summering" in the mountains to get out of the heat in Texas, Oklahoma, Louisiana, etc. The breadwinner commutes in and out of the mountain town and works remotely online. The kids sign up for little league baseball, dance, or other mountain activities that may not be options at home like mountain biking, rock climbing, paddling, fly fishing, etc. Many families have also found that a mountain town may be safer than their primary residence neighborhood in the big city suburbs, and that their kids enjoy the additional freedoms.

2. Amenities Important to You (and Your Spouse, and Your Family)

Do you think you will spend more time in your mountain town in the winter or summer? What do you like to do during those seasons, and what do you think you would like to learn

to do? If skiing is part of the allure, does the mountain offer you the terrain you enjoy skiing, or do you think you (and your family and friends) will tire of the lack of challenging ski runs, or be dissatisfied with long lift lines? Your skills will likely improve, so consider the more advanced terrain you may not be comfortable skiing today but will be excited to ski in the future. Ditto for your spouse and family.

Most people are drawn to a mountain town because they want to get away from the hustle bustle of their jobs, traffic, and people. Some popular mountain towns may be similarly crowded but in a different way: people on trails, at secluded lakes, fly fishing in rivers, parking in town, or getting into restaurants. Some glitzy mountain towns fill up with the Hollywood jet set, and the social page is filled with those looking to be seen. There are many mountain towns and resorts “just two hours from Denver” off I-70.

The reality is that I-70 is jam-packed with cars getting to and from the resorts, especially on the weekends. There are some spectacular facilities, amenities and terrain at some of these resorts, and they can handle world-class ski races and mega events. Many people are okay with the long lift lines and enjoy the electricity of the hustle and bustle of lots of people. Other mountain towns are more laid back with shorter lift lines and fewer people, and while there may be many affluent and even famous people, glitz and glamour are not the focus. There are also some neat mountain towns that have a small ski area that primarily serves the local community. These can be diamonds in the rough, because they offer a much lower price point for real estate, and may allow you to get more home than you thought you could afford. Realize that operating a ski area is expensive, and even well managed

resorts are dependent on real estate sales as a component of their annual income. If skiing is important to you, it's important to understand that the real estate economy in the town affects the ski area. There are many examples of ski areas that have shut down, leaving ski homes sitting adjacent to a ski lift that may never start spinning again.

The nice thing about buying a vacation home in the mountains vs. the beach is that there is a change of seasons. This makes it fun to visit and spend more time experiencing all the activities, events and adventures the full year has to offer. Owning a mountain home is sort of like having two homes; there are big differences in the activities and events when visiting your "ski home" in the winter, and then your "mountain home" in the summer.

3. The Cost of Real Estate in Your Mountain Dream Town

You may want to live in a nice home in downtown Vail or Aspen, but at approximately \$2,000+ per square foot, these properties are out of reach for most people. The same home in a different mountain town will have a different price simply because of the location, the infrastructure and development in place, and the maturity of the market, and the demographics. For example, Crested Butte, where I live, is not a mega resort, and is not teeming with the rich and the famous. It's as beautiful as any other mountain town, but it is more affordable than many. What that means is that if you pick up a home from one mountain town and put it in another mountain town, the price could be triple or quadruple, so determining which mountain town is best for you will greatly affect how much house you can afford. You should consider how big of a home you need, including how

many bedrooms, bathrooms, and whether a single family home or condo/town home would work best. The cost of real estate includes the initial acquisition cost, any remodel work you will do, and the furniture and furnishings you will purchase. (Most existing mountain homes are sold furnished, but some or all of the furniture may need updating.)

You should also look at the fixed annual expenses associated with owning the home. These costs include property taxes, utilities, insurance, homeowner association dues, and snow removal (plowing the driveway, shoveling the deck, walkways, and shoveling the roof one to three times per year depending on the roof pitch and amount of snowfall). Variable expenses can include appliances that need repair or replacement, weekly hot tub service, landscaping, window washing, etc. It is usually a good idea to have a security system with freeze detectors, and water detectors tied to a main water shut-off valve (this may not prevent minor water damage in the event of a plumbing leak or pipe breaking, but should prevent major damage).

Most second homeowners have a property manager who will watch over their home when they are not there. Property managers can be your eyes and ears in your home when you are away, and will do what you ask them to do. At a minimum, they will check on your second home once a week, coordinate scheduled maintenance and service providers (hot tub cleaning, snow removal, appliance repairs, etc.), and they may also provide concierge-type services like delivering a vehicle to the airport, or buying groceries for you prior to your arrival. In addition, they will inform you of the things that need to be done that you might not be aware of. If

you're from a warm climate, you might not consider that cold temperatures can result in frozen and burst pipes, an expensive inconvenience that is part of the commonsense knowledge of people who live in colder parts of the country.

Will you be renting the home when you are not using it? Many people are able to generate some rental income that helps them justify a larger home up front and cover the fixed cost of ownership. However, renting your home will come with some conflicts as to when you will use it, and when you will put it out for rental. The peak rental weeks may also be the times you will want to vacation in your home. Check with local ordinances, as some towns have implemented a ban on vacation rental by owner in certain areas.

Will you be teaming up with a family member or another couple to buy a home together? This may be a way to put your toe in the water and buy the home both of you want but neither can afford or justify individually. Think long and hard about this decision and talk it over with your spouse (do as I say, not as I did), and with the other couple. Even the best of friends may not survive the dynamics of being owners and partners together.

A partnership can be problematic on the back end. If you are in a partnership with one or more couples, and one partner wants out, and the other partners do not want to, or cannot afford to buy the first partner out, there can be conflict. Be sure your partnership agreement addresses this situation.

4. The Cost of Living in Your Mountain Dream Town

Just as the cost of real estate varies, so does the cost of living in different mountain towns. Some rural towns where tourism is not part of the economic engine will have a much lower

cost of living, but they also may offer many fewer amenities, choices for restaurants, or activities and events that cater to visitors and that are fun for second homeowners. If you only hike or mountain bike, don't go out to eat, and only attend free concerts, your expenses will be minimal. But going out to eat and drink, attending performing arts events, rounds of golf, fly fishing with a guide, buying ski passes, ski lessons, buying or renting ski equipment, getting new snow tires, etc. are all examples of the "stuff" that adds up.

Think of all the things you and your spouse and family like to do, and realize that the more you are at your mountain home, the more you will likely do those fun things, many of which cost money. You may have many similar living expenses if you were on vacation somewhere else, or even at your primary residence in your hometown, so there may not be a significant difference.

What Are You Really Buying? (A lifestyle)

Why do people buy a second home, especially when there are hotel rooms available, and condos or houses for rent? Because most people have "been there, done that" for many years, but want to put a stake in the ground and get more plugged-in to the mountain lifestyle. Yes, there is the potential for the value of the property to appreciate, but if your number one priority is to buy an appreciating asset, then call your portfolio manager or financial advisor, as there are lots of other places to invest your money. A vacation home in the mountains may be a good long-term asset to hold as homes can increase in value, and the physical asset is what is being purchased, but it is primarily a means to the end. What you are really buying is a lifestyle and a journey. There is something special about being an owner rather than a visitor in a cool mountain town. Life is about the memories you create, the

people you meet, and the relationships you form. Being a part of a mountain town community and participating in local activities, events and adventures, and becoming part of the fabric of the community, can be fun and very rewarding.

The mountain lifestyle means something different to every person. In general, it is a more laid-back feel than the big city. The conversations you will have at the end of the day will be about the great adventures and fun times you had, and what excursion is on the schedule for tomorrow. The pace is slower in a mountain town, and it is not unusual to sit on a bench in town next to a stranger and find yourself in a wonderful conversation. Mountain towns attract a diverse demographic, and the socio-economic and political views of some may differ from yours. There is also diversity in the many seasonal recreational activities, as well as interesting performing arts in mountain towns. When you start to look at the calendar of events, you will be surprised at how many are available. Most of the things you will find yourself doing are not options in your primary residence locale (or those of your family and guests).

Having a second home provides a great opportunity to get to know other second homeowners and the permanent members of the community. It can be a fun investment of time and effort to get out there and meet people. Being a member of a club can be a good way to meet others at events, on the tennis court, golf course or slopeside. Most mountain towns have many non-profit organizations that host social events that are always looking for volunteers or board members, and this can be a very good way to both give back and expand your social sphere. Check the local paper or look online for when these groups meet or are hosting an event. The age-old adage is true: You will get out of it what you put into it.

Your second home is also home base for your mountain adventures. As a second homeowner and frequent visitor to your new mountain home, you will start to explore more areas and do more. I think it is safe to say that 95 percent of all visitors to a ski town in the winter will be alpine skiing via the resort's lift-served terrain. While few will have the knowledge, time, gear, or inclination to go Nordic skiing (classic or skate), snowshoeing, fat tire biking on the snow, climbing with an alpine touring (AT) ski set-up, ice fishing, snowmobiling, or many other fun pursuits that are available, owning a mountain home will allow you to explore the unique options available.

The same scenario exists in the summer (but the list is longer), and you will find mountain streams with native cutthroat trout you did not know existed, and hiking trails off the beaten path that lead to beautiful mountain lakes, waterfalls or meadows filled with high alpine wild flowers. It can be a special moment to spot a herd of elk moving up high in the mountains during the summer, or a mother moose and her calf grazing in a wetland drainage.

Finally, one of the neatest things about having a mountain home is that it gives you the opportunity to share it with family, friends and clients. Many empty-nesters buy a second home in the mountains so their kids will have a fun place to come visit. In the early years, the kids may bring their friends, then perhaps a significant other, spouse, and then grandchildren. With the hustle and bustle of the world out there, most people don't stay as connected with their families as much as they would like, and your invitation to family members can be a great way to reconnect in the mountains. If you or your spouse's job includes business development or entertaining clients, having a second home is a great way to step out of the business setting to build deeper relationships with key

clients. It can also be a great opportunity to use your mountain town as an off-site meeting locale that allows everyone to enjoy fun winter or summer activities.