

ICICLE CREEK
Real Estate

Windermere Real Estate NCW



BUYER'S GUIDE

A Look Inside the Homebuying Process

LEAVENWORTH | PLAIN | LAKE WENATCHEE

CONGRATULATIONS!

You've made the first big step from *thinking* about buying property in Leavenworth to *starting to look* for the perfect place for you and your family. We love Leavenworth and know you will too. Sunny days, snowy winters, mountain views, outdoor recreation... what's not to love?

This guide is filled with all sorts of handy info that we hope makes the buying process easier for you.

Of course, not everything fits in this nice little booklet. When you have questions or concerns, don't be afraid to ask us. You can call us, email us, text us — whatever is easiest for you.

Our website is also set up to be a resource for you. It's not just about searching for properties; it also has articles about the most recent trends in Leavenworth real estate and info about local neighborhoods.

We're excited to be working with you and hope you are equally thrilled. Buying real estate is a grand adventure and we look forward to being your guides and partners.

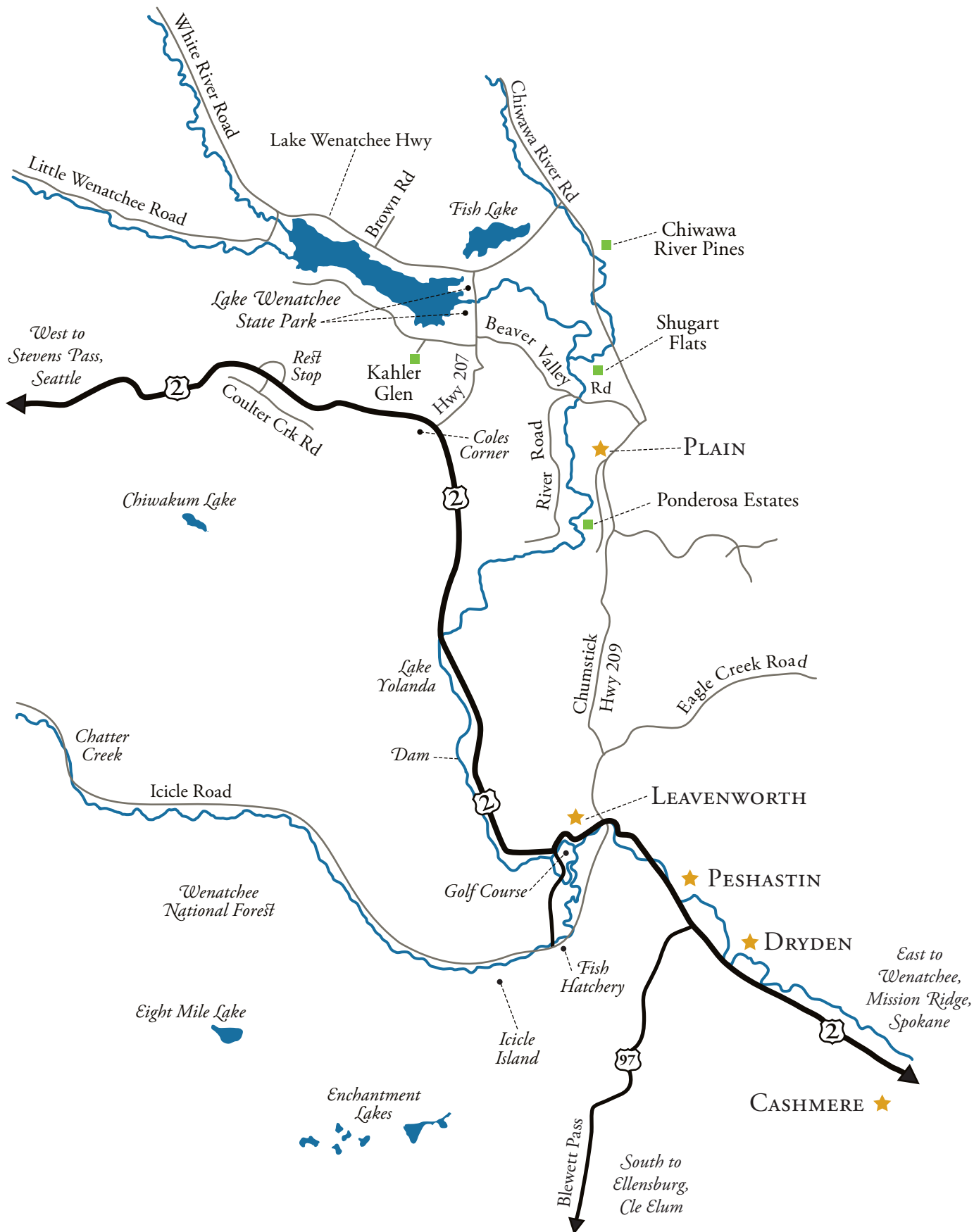
— *Geordie & Allyson*

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LEAVENWORTH & VICINITY MAP

Lake Wenatchee | Plain | Leavenworth | Peshastin | Cashmere



NEIGHBORHOOD REVIEW

Leavenworth and Lake Wenatchee don't have neighborhoods in the strict sense you may be accustomed to. Some are planned developments, but others are merely a collection of houses along a river bank or up a small canyon; there's a little bit of something for everyone here.

↪ Chumstick Highway

This highway connects the towns of Leavenworth and Plain, WA. There are many homes along the highway with differing lot sizes and acreage. The homes are a mix of manufactured and stick-built homes. Side canyons off the Chumstick include Eagle Creek, Sunitch Canyon, and Merry Canyon. Note that the railroad runs along the first 8 miles of the Chumstick; this is one of the main routes over the Cascades and ten to fifteen trains in a 24 hour period would be normal.

■ Ponderosa Estates

The Ponderosa Estates development near Plain was created in 1968. Typical lot sizes are between .25 and .35 acres, and there are approximately 500 wooded lots in the development. Annual association dues provide for domestic water, winter plowing, the community clubhouse and pool and Wenatchee River access. This area is a mix of manufactured and stick built homes. A few dozen homes are located along the Wenatchee River. This neighborhood currently allows nightly rentals.

■ Shugart Flats

This area is approximately four miles from Plain off the Chiwawa Loop Road. Typical lots are a minimum of 1 acre. The center of this area is an open flat plain with the lots around the fringes being more wooded. A few of the homes are located along the Chiwawa River.

■ Chiwawa River Pines

This area is located between Plain and Fish Lake along the Chiwawa Loop Road. Typical homes are stick built on .5- to 1-acre lots with some lots along the Chiwawa River. This area is a favorite among snowmobilers and dirt bike riders because of the easy access to the Forest Service trail system. Nightly and weekly rentals are not allowed in the community.

■ Kahler Glen Golf & Ski Resort

Located on the south side of Lake Wenatchee, just past the State Park. This area features an 18-hole golf course in summer and extensive cross-country ski trails in winter which connect with state park trails. Kahler Glen has both condominiums and single family homes.

● Lake Wenatchee

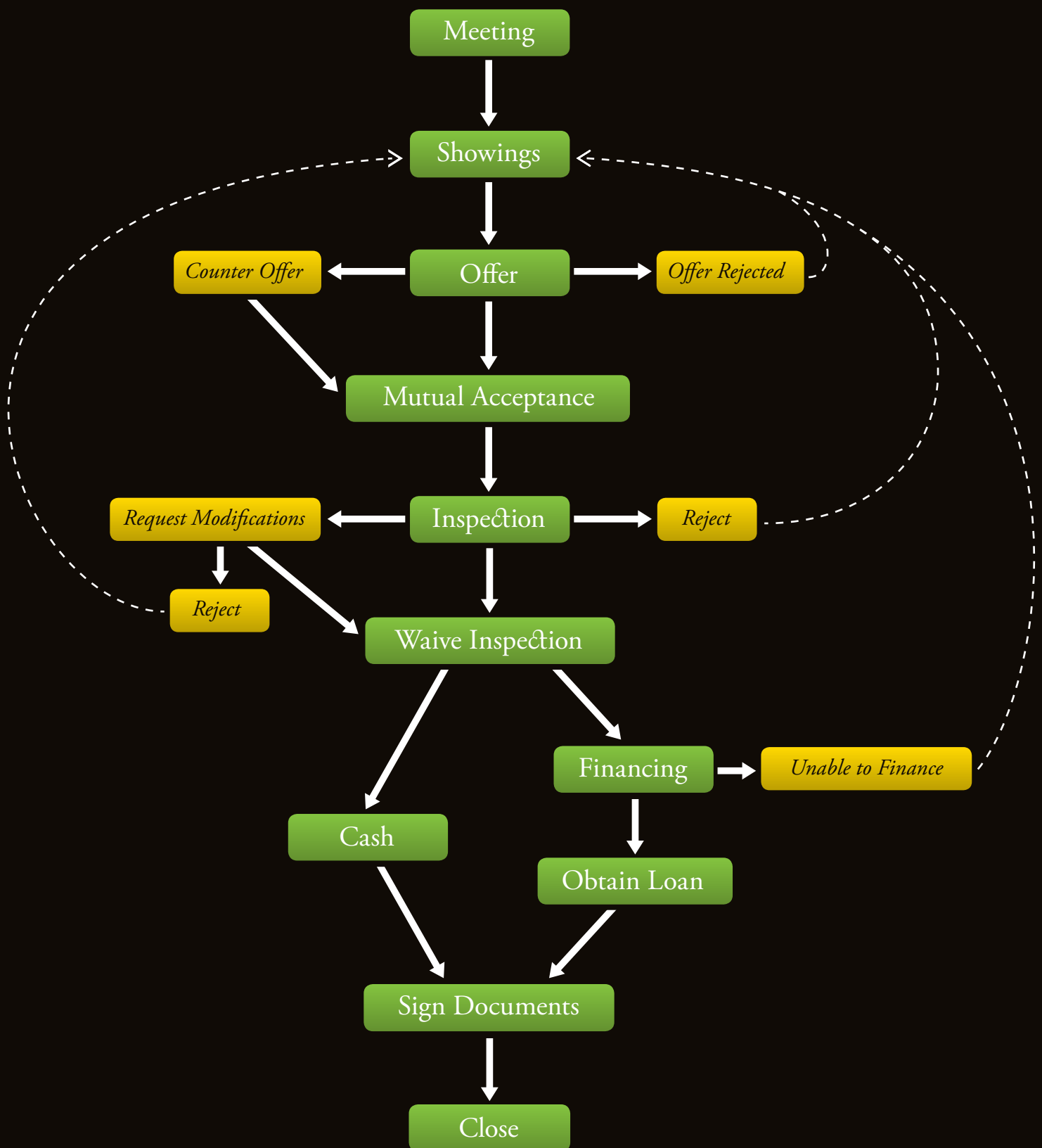
Homes run the length of both the north and south shores of the lake. The north shore has a more gradual slope to the lake and receives more sunlight while the south side has steeper slopes and less sun, especially in winter. Both motorized and non-motorized boating are popular on the lake. Public county right-of-ways can be found on both sides of the lake down to the shore.

● Fish Lake

This smaller lake to the northeast of Lake Wenatchee is home to three communities. There are two on the south shore: Alpine Tracts, which has a community dock and boat launch, and Idlewild, where some owners not on the lake have an easement to use a boat launch. On the north shore of the lake is Cascade Hideaways, which has no community lake access. Forest Service ATV and snowmobile trails are easily accessed. Water skiing and speed boats are discouraged due to the size of the lake and high fishing traffic.

BUYING PROCESS

flow chart



BUYING PROCESS

walkthrough

Like most things, purchasing a new home has a process. Here is an overview of how it works.



1. The First Meeting

Meeting face-to-face is when we really get to know one another. During this counseling session, we will ask a series of questions that will help us find out your likes, dislikes, needs and wants. This is also a great opportunity for you to ask questions. This process usually takes one to two hours.



2. Showings

Next we can head out and look at properties. If you indicated ahead of time which properties you were interested in, we will have made appointments to view these properties. If there are properties we find during our meeting that you would like to see we will make every attempt to set up an appointment. However, be aware that we may not be able to view those properties since some listings require advanced notice.



3. The Offer

Once you have found the property that fits, we will craft an offer to fit your needs. The main body of the offer is The Purchase and Sales Agreement, to which we can add addendums. Typical addendums are an Inspection Addendum, Financing Addendum, Septic Addendum, and Insurance Addendum. We will then present your offer to the seller and their agent.



4. Seller's Options

After the seller receives our offer, they have a certain amount of time to respond. They can respond in one of three ways. They can accept the offer, they can give us a counter offer, or they can reject the offer. Very seldom do offers get rejected outright, usually the seller picks one of the first two options. If the seller chooses to counter our offer, we in turn have the same three options the seller initially had. The negotiation process may take up to a week depending on the number of counter offers.



5. Mutual Acceptance

Once the deal is agreed upon by both parties, we move into what is known as *mutual acceptance*. Most contingencies start at this date.

continued...

BUYING PROCESS

walkthrough
CONTINUED



6. Inspection Addendum

The normal inspection time is between 10 and 14 days. During this time you will hire an inspector to take a close look at the home. He will inspect the outside condition of the siding, foundation, roof, windows, and decks. Inside he will check the attic, basement, electrical panel, outlets, plumbing, and kitchen appliances. If the inspector is a licensed pest inspector, he can also do a pest report. This includes identifying current and past pest infestations and conditions conducive to pests.

Once we have the report, if there are any issues you would like the seller to fix or give a monetary credit for, we will write an addendum making those requests. This is the second negotiation period. The seller has time to respond to our requests and may counter with different terms. Once we have come to agreement, the inspection addendum is waived and we move to closing.

We recommend that you hire a professional inspector rather than a friend who is a builder or in construction. When it comes time to ask the seller to fix certain things, a third party professional carries more weight.



7. Financing Addendum

This addendum spells out the type of loan you wish to take out. In broad terms it states the amount of money you plan to put down, the term of the loan and the percentage rate. We recommend seeing a lender before looking at property and submitting a pre-approval letter with the offer. This makes our offer stronger and lets the seller know you are serious.



8. Title & Escrow

Escrow is the third party member who holds the earnest money and prepares documents for closing. Title does a title search on the property and issues title insurance for both you and the seller. The seller buys title insurance for you, and you buy title insurance for your lender.



9. Signing vs Closing

The day you sign title and loan documents is *not* the same day as closing. Typically you will sign documents three to four days before closing. The escrow company will then send the loan documents to the bank for review. Once they receive the documents back from the bank and the day of closing arrives, they will send the information to the county to record. Once the escrow company has a recording number from the county, the property is officially “closed.”

FREQUENTLY ANSWERED QUESTIONS

Is there recycling in Leavenworth?

This is a contentious issue. Curbside, single-tote recycling is available outside of the city limits by Waste Management. Inside the city of Leavenworth, citizens need to drop off items at the Dryden Transfer Station since the closure of the North Road Recycling Site in 2009.

Is there natural gas available for heat or cooking?

No. Electricity is very affordable here because of the dams on the Columbia River, and electric heat is ubiquitous. Propane is common for both fireplaces and gas ranges.

How cheap is the electricity?

Thanks to local hydropower sourced from the Columbia River, electricity in Leavenworth is approximately $\frac{1}{3}$ the cost of that in Seattle. Below is a chart comparing rates per kilowatt hour for the two regions.

| | 1000 kWh | 2000 kWh | 3000 kWh |
|----------------------------|-----------------|-----------------|-----------------|
| Chelan County | \$30.10 | \$58.50 | \$88.40 |
| Seattle Residential | \$82.20 | \$176.30 | \$270.29 |

Rates based on information from Chelan PUD and Seattle City Lights websites, 01/2010

What schools do kids go to?

The Cascade School District is comprised of five schools: three elementary, one middle, and one high school. Beaver Valley Elementary (K-4) is located in Plain and serves the Plain/Lake Wenatchee area, while Leavenworth-based Peshastin/Dryden Elementary (PK-2) and Osborn Elementary (3-5) serve the rest of the upper valley. Icicle River Middle School and Cascade High School are both in Leavenworth.

Can I see a doctor in Leavenworth, or do I have to go to Wenatchee?

Cascade Medical Center in downtown Leavenworth has a 24-hour emergency care facility as well as a family practice clinic. The clinic has seven doctors and one nurse practitioner. In addition, there is one optometrist, two dentists, and three chiropractors in town.

Twenty miles away in the neighboring city of Wenatchee, there are numerous doctors and dentists, as well as two hospitals, Central Washington Hospital and Wenatchee Valley Medical Center.

VACATION RENTAL INFORMATION

If you are thinking of buying a vacation home and plan to rent it out when you aren't using it, here are some things to think about:

Zoning

In the city limits of Leavenworth nightly rentals are only legal in commercially zoned areas. There are a few houses in the commercial zones, but mostly this means buying a condo. It's not the cabin that most folks dream of, but it is easier to rent and to maintain.

Covenants

Neighborhoods and condo associations have rules too. Not all neighborhoods allow vacation rentals; find out before you buy.

Management

To make money you need to advertise, book, and clean your property. Most absentee owners pay a management company to handle this and fees often run 40-50% of the lodging cost. Without the advertising and booking services, your rental will sit empty. There is plenty of competition for rental properties, a website alone won't do the trick.

Some local agencies include...

- Comfy Cabins, *ComfyCabins.com*
- Destination Leavenworth, *DestinationLeavenworth.com*
- Sun Spots, *SunSpots.info*
- Vacation Rental by Owner, *VRBO.com*

Personal Use

Do you plan to use your property? On the weekends? Holidays? That's when the paying customers want to use it too. Weekdays will be the best time for personal use. An additional consideration is the cleaning fee. Your management company will probably charge you a cleaning fee after you visit.

Making Money

Renting your vacation home can be helpful in reducing the cost of the mortgage. You probably won't pay for the property with rental fees, but it can make a difference.

Insurance

Your current homeowners insurance probably won't cover you, your new house, or your guests if you rent it out as a vacation rental. Specific insurance is available, but not all agents carry it. Ask us if you would like to be referred to an insurance professional who specializes in this field.

In purchasing a vacation property, you need to make a decision: is this an income producing property or a vacation property for me and my family? It is sometimes hard to be both.

AGENCY LAW

We take our roles and responsibilities as real estate professionals seriously. As such, we are bound by the Law of Real Estate Agency in Washington State. Here are just some of our responsibilities:

18.86.030. Duties of a Licensee.

Regardless of whether the licensee is an agent, a licensee owes to all parties to whom the licensee renders real estate brokerage services the following duties, which may not be waived:

To exercise reasonable skill and care;

To deal honestly and in good faith;

To present all written offers, written notices and other written communications to and from either party in a timely manner, regardless of whether the property is subject to an existing contract for sale or the buyer is already a party to an existing contract to purchase;

To disclose all existing material facts known by the licensee and not apparent or readily ascertainable to a party; provided that this subsection shall not be construed to imply any duty to investigate matters that the licensee has not agreed to investigate;

To account in a timely manner for all money and property received from or on behalf of either party;

To provide a pamphlet on the law of real estate agency in the form prescribed in RCW 18.86.120 to all parties to whom the licensee renders real estate brokerage services, before the party signs an agency agreement with the licensee, signs an offer in a real estate transaction handled by the licensee, consents to dual agency, or waives any rights, under RCW 18.86.020(1)(e), 18.86.040(1)(e), 18.86.050(1)(e), or 18.86.060(2)(e) or (f) whichever occurs earliest; and

To disclose in writing to all parties to whom the licensee renders real estate brokerage services, before the party signs an offer in a real estate transaction handled by the licensee, whether the licensee represents the buyer, the seller, both parties, or neither party. The disclosure shall be set forth in a separate paragraph entitled "Agency Disclosure" in the agreement between the buyer and seller or in a separate written document entitled "Agency Disclosure."

Unless otherwise agreed, a licensee owes no duty to conduct an independent inspection of the property or to conduct an independent investigation of either party's financial condition, and owes no duty to independently verify the accuracy or completeness of any statement made by either party or by any source reasonably believed by the licensee to be reliable.

In addition to the duties to all parties, there are certain duties we owe specifically to our buyers:

18.86.050. Buyer's Agent: Duties.

a. To be loyal to the buyer by taking no action that is adverse or detrimental to the buyer's interest in a transaction;

b. To timely disclose to the buyer any conflicts of interest;

c. To advise the buyer to seek expert advice on matters relating to the transaction that are beyond the agent's expertise;

d. Not to disclose any confidential information from or about the buyer, except under subpoena or court order, even after termination of the agency relationship; and

e. Unless otherwise agreed to in writing after the buyer's agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a property for the buyer; except that a buyer's agent is not obligated to:

1. Seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or
2. Show properties as to which there is no written agreement to pay compensation to the buyer's agent.

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