Four Seasons Realty

Outer Banks INVESTMENT GUIDE

What's great about the TEAM at Four Seasons Realty is that they really care. They take a personal and professional interest in getting to know you and they try to cater to your preferences, rather than sell against their own. Subsequent to buying, the care, contact and service has been even greater. I will never buy another property on the Outer Banks without going through Robert, JoAnn and the Four Seasons Team. They are our real estate Brokers for life!

John and Kristin
Raleigh, NC

Robert and Jo Ann Konstanzer

www.RealEstateOBX.com

Call Robert and Jo Ann Konstanzer at Four Seasons Realty today!

252-207-8611 | 800-859-5713

REALTOR® MULTIPLE LISTING SERVICE MLS™

EQUAL HOUSING OPPORTUNITY

Table of Contents

Cashflow Template Investment Analysis 3

Your Decision Path to Owning on the Outer Banks. 4

Owning Here is Loving Here 4

How to Begin Looking for Real Estate on the Outer Banks 5

Financing Programs as Unique As You Are 6

Choices That Will Affect Your Loan 6

Determining the Right Insurance Coverage For Your Home 6

What Information Will Your Lender Need When You Apply? 7

Additional Items that may be required/applicable as you continue with your process 7

Vacation Rental Act 8

Property Disclosure Statement 9

Q&A on Home Inspections — NC Real Estate Commission. 10

Why Do Buyers/Sellers Need a Real Estate Agent? 12

Working With Real Estate Agents ... NC Real Estate Commission 12

Four Seasons Realty – When It's Personal, It's Important! 14

Questions to Ask A Real Estate Agent 15

It has been our experience that 16

Selecting the Right Builder Can Make The Construction of Your New Home Fun and Easy 17

Maintaining Your Home 18

Annual Service Contracts 18

Considering Remodeling? 19

Corolla, North Carolina 20

Duck, North Carolina 21

Cashflow Template Investment Analysis

Use these interactive fields to calculate the rate of return on your investment property.

Community _____

Location _____

Property Name/Address _____

Estimated Values

Land Value	$			
Improvements *(house value)*	$	÷ 27.5 =	$	
Furnishings	$	÷ 7.0 =	$	
Total Estimated Values	$		$	**Total Depreciation Per Year**

Depreciation Per Year

Estimated Gross Expenses

Enter Tax Rate: $	*(per $100)*	$
Insurance *(fire, flood)*		$
Utilities		$
Maintenance *(landscaping, linens, etc.)*		$
Association Dues		$
Management Fee %		$
Pool/Hot Tub Maintenance		$
Total Gross Expenses		**$**

Estimated Gross Income

No. of Weeks		Rental Rate	
	Weeks Prime Season	$	$
	Weeks In-Season	$	$
	Weeks Pre/Post-Seasons	$	$
	Weeks Off-Season	$	$
	Other Weeks	$	$
	Total Weeks	**Total**	$

Financial Information

Loan to Value *(%)*			
Interest Rate			
Loan Amount	$		
Loan Term *(number of months)*		*(the equivalent of a 30-year loan)*	
Monthly Payment *(P and I)*	$		
Total Annual Payments	$	*principal:* $	*and interest:* $
Plus Net Income	$		
Equals Annual Cash Flow	**$**		
Montly Cash Flow *(before taxes)*	**$**		

Total Gross Income	**$**
Less Total Gross Expenses	**$**
Equals Net Income	**$**

Please Note:** ***This is a projection only. Please consult your tax advisor as to any benefits you may or may not be eligible to take advantage of.

Your Decision Path to Owning on the Outer Banks

1. **Is this the AREA you want to invest in?**

   Corolla/Duck/Southern Shores/Kitty Hawk, Kill Devil Hills, Nags Head/Avon, Hatteras

2. **What is your investment TIME FRAME?**

   Now/Less Than Year/More Than Year?

3. **Do you have the KNOWLEDGE to make an informed decision about investing?**

   Within this Investment Guide and throughout our discussions with you, the Four Seasons Realty Team has the tools and experience to educate you.

4. **Do you have a REALTOR with whom you feel comfortable and who understands what you are trying to accomplish?**

5. **WHO is making the final investment decision:** You, your family, accountant, financial adviser

6. **Have you spoken with a LENDER?**

7. **What is a comfortable INITIAL INVESTMENT?**

8. **What INFORMATION do you feel you need to make a decision?**

9. **At some point in time, you will have to stop gathering information and make a decision.**

   Do you think prices are going/will go up or down on the Outer Banks?

   When do you think is the best time to invest?

10. **What is currently (or, in the past) stopping you from investing?**

Buyers:

By having a team of licensed agents working with you, our brokers are able to focus on working directly with buyers to find the best home to suit their needs!

Sellers:

As a seller, you really are getting a team of agents 'for the price of one' ... someone who cares and is always available to answer questions and provide information on your property ... and, by having a team where each member handles specific areas, our brokers are able to focus on finding qualified prospects for your property!

Owning Here is Loving Here

Robert and Jo Ann Konstanzer

With more than 25 years of combined sales experience, the Four Seasons Realty Team uses a unique team approach with its clients.

"*Whether you are buying or selling on the Outer Banks, it's all about service.*" says Jo Ann Konstanzer, broker-in-charge and owner. "*Our clients benefit from our experience and knowledge of the area, our individual specialties and connections with area builders, lender and rental companies, and from having a team of licensed agents working with you! It's a lasting relationship!*"

How to Begin Looking for Real Estate on the Outer Banks

Step 1. **What do you want this investment to do for you?**

- **a.** Strictly Investment
- **b.** Rental/Family Use
- **c.** Limited Rental
- **d.** Rental/Retirement
- **e.** Non-Rental

Step 2. **What area/community are you interested in? Also, if family use is important, what is important? To the family?** (Security, Beach, Golf, Boating/Swimming/Biking, Health Club, Other)

Step 3. **Do you want to build or invest in an existing home?**

Step 4. **Talk with a lender who can help you earn what you are qualified for.**

Remember: If you plan on renting your home, many lenders will allow you to use 75% of the projected rental income to help you qualify.

Step 5. **Find a realtor who knows the area, one with whom you feel comfortable and one who has investment experience.** Ask realtors about their experience in the area, especially if you want to build**.**

Step 6. **What is a comfortable initial investment?** What could you write a check for right now? (Note: Initial investment for land is 10%, homes 10%-20%)

Robert & Jo Ann's knowledge of the community and market place, and the many fine professionals and friends that they introduced us to, was invaluable. Thank you for helping us make the Right Decision!

Doug & Mona
Florida

Robert and Jo Ann both have been most friendly, helpful and attentive AFTER the sale, a rare quality in today's business environment.

Mike & Janis
Owners

There is an attention to detail that makes buying, building and owning a less stressful experience. You have become our eyes and ears. Thank you for your professionalism.

Brian & Judy
Owners

Financing Programs as Unique As You Are

If you are thinking of investing in a home or homesite on the Outer Banks, you may find yourself asking what types of financing are available, what if you want to build, and what rates might be. Talk with Robert and Jo Ann to learn some helpful tips as you set out to invest in your vacation rental home. They can put you in touch with local lenders.

Choices That Will Affect Your Loan

- **Mortgage Term.** Mortgages are generally available at 15-, 20-, or 30 year terms. The longer the term, the lower the monthly payment if the same amount is borrowed. However, you pay more interest overall if you borrow for a longer term.
- **Fixed or adjustable interest rates.** A fixed rate allows you to lock in a low rate for as long as you hold the mortgage and is usually a good choice if interest rates are low. An adjustable-rate mortgage is designed so that interest rates will rise as interest rates increase; however, they usually offer a lower rate in the first years of the mortgage. ARMs also usually have a limit as to how much the interest rate can be increased and how frequently they can be raised. ARMs are a good choice when interest rates are high or when you expect your income to grow significantly in the coming years.
- **Balloon mortgages** offer very low interest rates for a short period of time — often three to seven years. Payments usually cover only the interest, so the principal owed is not reduced. However, this type of loan may be a good choice if you think you will sell your home in a few years.

Questions You May Want To Ask Your Lender

1. What are the most popular mortgage loans you make? Why?
2. Which type of mortgage plan do you think would be best for us? Why?
3. Are your rate, terms, fee and closing costs negotiable?
4. Will I have to buy private mortgage insurance? If so, how much will it cost and how long will it be required? NOTE: Private mortgage insurance is usually required if you make less than a 20 percent down payment, but most lenders will let you discontinue the policy when you've acquired a certain amount of equity by paying down the loan.
5. Who will service the loan? Your bank or another company?
6. What escrow requirements do you have?
7. How long is your loan lock-in period (the time that the quoted interest rate will be honored)? Will I be able to obtain a lower rate if it drops during this period?
8. How long will the loan approval process take?
9. How long will it take to close the loan?
10. Are there any charges or penalties for prepaying the loan?

A Few Words about Title Insurance

1. It protects your ownership right to your home both from fraudulent claims against your ownership and from mistakes made in earlier sales, such a mistake in the spelling of a person's name or an inaccurate description of the property.
2. It's a one-time cost usually based on the price of the property.
3. There are both lender title policies, which protect the lender, and owner title policies, which protect you. The lender will probably require a lender policy.
4. Discounts on premiums are sometimes available if the home has been bought within only a few years since not as much work is required to check the title. Ask the title company if this discount is available.

Determining the Right Insurance Coverage For Your Home

For more than 100 years, Southern Insurance Agency, Inc. has served the people of Northeastern North Carolina and the Outer Banks. As an independent insurance agency we represent a wide variety of financially sound, reputable insurance companies. Our highly educated and experienced staff of professionals is able to provide our clients knowledgeable risk management. Dedication to service, integrity and achievement is our commitment to you. Here is a brief synopsis of coverage available in coastal areas. Contact Southern Insurance to learn what options best suit your needs at **www.southerninsurance.com**.

What Information Will Your Lender Need When You Apply?

Application information

- Home address(es) for the previous two years
- Your Social Security number(s)
- Employment information for the previous two years including employer name, address and phone number
- Income information including salary, overtime, bonuses, commissions, dividends, interest, retirement and any other source of ongoing income
- Liquid assets including bank name, account type, balance and source of down payment
- Other assets including the value of bonds, stocks, life insurance, retirement funds, jewelry, automobiles, etc.
- Liabilities including creditor names and outstanding balances for all debts including notes payable, 410(k) loans, life insurance loans, stock pledges, alimony, child support, co-sign loans, credit union loans and other liabilities
- Real estate owned including property address, market value, outstanding liens, rental income, mortgage payments, taxes, insurance and maintenance dues

Property information

- Purchase contract (for land or existing home)-many times, your agent will provide directly to your lender
- Construction contract for a proposed home
- Listing contract or sales contract for existing home sale
- Planned Unit Development (PUD), condominium or co-op
  - Name of development or project
  - Phone number of the homeowner's association (if available)
- New Construction:
  - Your land or lot was acquired
  - Original cost of land/lot
  - Amount of liens
  - Estimated cost of construction

Additional Items that may be required/applicable as you continue with your process

Income Verification

1. W-2 statement for past year and most recent year-to-date pay stub (less than 30 days old)
2. If you are self-employed:
   - Signed year-to-date profit and loss statement
   - Signed current balance sheet
   - Signed personal and business federal tax returns for the past two years
3. If you are paid on commission, bonus or rely on dividend and/or interest income:
   - Signed federal tax returns for the past two years
4. If you receive Social Security or retirement benefits:
   - Awards letter
5. If you wish to have income from **alimony**, **child support** or **separate maintenance** counted as qualifying income:
   - Documentation of payment amounts and a record of consistent payments — court records, canceled checks, copies of divorce/separation documents, etc.
6. If rental property is among your assets, copies of lease agreements are needed to verify income

Funds for Closing

All deposit account and brokerage account statements for the past two months

Other

A check to pay for credit report, appraisal and flood certification fee.

Jo Ann was very knowledgeable and professional during the transaction of our first home and has stayed involved with us during the construction of our new home. Robert is a CUT ABOVE other Realtors I have worked with. He is positive, energetic and demonstrates an uncommon attention to detail. I would recommend the Four Seasons Team to anyone interested in purchasing on the Outer Banks.

Greg and Tessa
Owners

Vacation Rental Act

Whether you are buying or selling vacation rental property, you need to be aware of your legal responsibilities under the North Carolina Vacation Rental Act, which was passed in August 1999. Both the Buyer and Seller have specific responsibilities under this act which include, but are not limited to, the following:

1. The Buyer of residential property that is in a weekly rental program must honor all existing vacation rental leases, which end no later than 180 daysafter recordation of the sale.

2. Prior to entering into any contract of sale, the Seller shall disclose to the Buyer the time periods that the property is subject to a vacation rental agreement.

   Note: *This is usually done by the addition of a Vacation Rental Addendum, attached to the contract paperwork. The addendum notes the time period (i.e., January through December 31st of the current year), the name, address and phone number of the property manager and also a place for the Buyer to check whether they would like the Seller to continue accepting rentals after the effective date of the contract (note that this does not include reservations already in place, rather the entering into of any additional rental agreements after the contract has been accepted by all parties).*

3. Not later than 10 days after entering into a sales contract, the Seller shall provide the buyer the names and addresses of all tenants and a copy of each rental agreement.

   Note: *Four Seasons Realty sends our Buyer's information directly to the rental management company, along with a form noting that the home is now under contract, and requests that all such information be sent directly to the Buyer.*

4. Not later than 10 days after closing, either the Buyer or his agent must:
   a. Notify each tenant in writing of the property transfer, the Buyer's name and address, and the date the property was transferred;
   b. Advise each tenant whether they have the right to occupy the property subject to the terms of the Vacation Rental Act; and
   c. Advise each tenant whether he or she has the right to receive a refund of payments made.

   Note: *Many times, the rental management company handles all items with the Buyer relative here*

5. Within 30 days of the recordation of the sale, the Seller, the Seller's agent or real estate broker shall transfer all advance rent paid by the tenant and the portion of any fees remaining after lawful deduction to the Buyer and notify the tenant by mail of such transfer and of the Buyer's name and address.

6. For vacation rentals that end more than 180 days after the recording of the property transfer, unless the Buyer has agreed in writing to honor the vacation rental agreement, the Buyer or his real estate broker shall, within 30 days, transfer all advance rent paid and the portion of any fees remaining after lawful deduction to the tenant.

You may wish to speak with your agent and/or the rental management company as to how the Vacation Rental Act applies to your personal situation.

Visit
www.ncga.state.nc.us
To view detailed information regarding the *Vacation Rental Act*

Property Disclosure Statement

STATE OF NORTH CAROLINA
RESIDENTIAL PROPERTY DISCLOSURE STATEMENT
INSTRUCTIONS TO PROPERTY OWNERS

Click **www.ncrec.state.nc.us/forms/rec422.pdf** for a complete version.

North Carolina Law-G.S. 47E requires owners of residential real estate (single-family homes and buildings with up to four dwelling units) to furnish purchasers a property disclosure statement.

The form provided by the North Carolina Real Estate Commission is the only one approved for this purpose. A disclosure statement must be furnished in connection with the sale, exchange, option and sale under a lease with option to purchase (unless the tenant is already occupying or intends to occupy the dwelling). A disclosure statement is not required for some transactions, including the first sale of a dwelling which has never been inhabited and transactions of residential property made pursuant to a lease with option to purchase where the lessee occupies or intends to occupy the dwelling.

Sellers should give the purchaser a copy of the Statement containing their signatures and keep a copy signed by the purchaser for the Sellers' records.

Note to purchasers: If the owner does not give you a *Residential Property Disclosure Statement* by the time you make your offer to purchase the property, you may under certain conditions cancel any resulting contract and be entitled to a refund of any deposit monies you may have paid. To cancel the contract, you must personally deliver or mail written notice of your decision to cancel to the owner or the owner's agent within three calendar days following your receipt of the Statement, or three calendar days following the date of the contract, whichever occurs first. However, in no event does the *Disclosure Act* permit you to cancel a contract after settlement of the transaction or (in the case of a sale or exchange) after you have occupied the property, whichever occurs first.

What does this all mean?

Owners must (on the second, itemized page of the disclosure statement) either identify and describe the condition of various parts of their property (such as plumbing, heating, roof, electrical, etc.); or state that they are not aware of any problems in each category; or choose the "no representation" category about the condition of each category. The sellers' signatures and date also appear on page 1 of this form.

If a buyer does not receive the signed statement prior to submitting an Offer to Purchase and Contract, the buyer may terminate or withdraw the offer no later than three days after receipt of the disclosure statement.

No Representation?

How, then, is the buyer protected? The standard Offer to Purchase and Contract makes provisions for inspections, whereas it notes that (unless otherwise stated by the parties in the contract) everything shall be in good working order, not in need of immediate repair, and performing the function for which it was intended.

Home Inspection

Talk with your agent about your home inspection and the findings therein. Should the seller refuse to complete any necessary repairs or provide for their completion (i.e., credit at closing), buyers have the option of terminating the contract and the return of earnest money. Many times, though, the details of the home inspection/requested repairs are worked out between the agents, as instructed by their clients. One key item to be aware of is the notation in the contract that "closing shall constitute acceptance of the property in its then existing condition unless provision is otherwise made in writing."

I have worked with a lot of real estate people, and have to admit, I usually don't like them. Robert, Jo Ann and the Four Seasons Team are clearly exceptions to that rule. You were never pushy, very open about all the product available on the Northern Beaches, and a great help in getting things done. I know the product kind of sells itself (waves, weather, skies), but you do make it easier to lay out the serious money.

Mike
Owner

Q&A on Home Inspections — NC Real Estate Commission

What is a home inspection?

It is an evaluation of the visible and accessible systems and components of a home (plumbing system, roof, etc.) and is intended to give the client (usually a homebuyer) a better understanding of their condition. It is also important to know what a home inspection is not. It is not an appraisal of the property's value; nor should you expect it to address the cost of repairs. It does not guarantee that the home complies with local building codes (which are subject to periodic change) or protect you in the event an item inspected fails in the future.

Note:
Warranties can be purchased to cover many items.] Nor should it be considered a "technically exhaustive" evaluation, but rather an evaluation of the property on the day it is inspected, taking into consideration normal wear and tear.

Can anyone perform a home inspection?

No. Only persons licensed by the North Carolina Home Inspector Licensure Board are permitted to perform home inspections for compensation. To qualify for licensure, they must satisfy certain education and experience requirements and pass a state licensing examination. Their inspections must be conducted in accordance with the Board's Standards of Practice and Code of Ethics.

Why should I have the home inspected?

Most homebuyers lack the knowledge, skill and emotional detachment needed to inspect homes themselves. By using the services of a licensed Home Inspector, they can gain a better understanding of the condition of the property, especially whether any items do not "function as intended" or "adversely affect the habitability of the dwelling" or "warrant further investigation."

In my home purchase I have chosen to sign the standard Offer to Purchase and Contract* form which many real estate and legal professionals use. It states that I have the right to have the home inspected and the right to request that the seller repair identified problems with the home. Will the home inspection identify all of these problems?

Yes and no. Home Inspectors typically evaluate structural components (floors, walls, roofs, chimneys, foundations, etc.), mechanical systems (plumbing, electrical, heating/air conditioning), installed appliances and other major components of the property. The Home Inspector Licensure Board's Standards of Practice do not require Home Inspectors to report on: wood-destroying insects, environmental contamination, pools and spas, detached structures and certain other items listed in the Offer to Purchase and Contract form. Always ask the Home Inspector if he covers all the things which are important to you. If not, it is your responsibility to arrange for an inspection of these items by the appropriate professionals. For a description of the services to be provided by the Home Inspector (and their cost), you should read carefully the written contract which the Home Inspector must give you and which you must sign before the Home Inspection can be performed.

How do I request a home inspection, and who will pay for it?

You can arrange for the home inspection or ask your real estate agent to assist you. Unless you otherwise agree, you will be responsible for payment of the home inspection and any subsequent inspections. If the inspection is to be performed after you have signed the purchase contract, be sure to schedule the inspection as soon as possible to allow adequate time for any repairs to be performed.

Should I be present when the home inspection is performed?

Whenever possible, you should be present. The inspector can review with you the results of the inspection and point out any problems found. Usually the inspection of the home can be completed in two to three hours (the time can vary depending upon the size and age of the dwelling).

The Home Inspector must give you a written report of the home inspection within three business days after the inspection is performed, unless otherwise stated in your contract with the Home Inspector). The home inspection report is your property. The Home Inspector may only give it to you and may not share it with other persons without your permission.

Four Seasons Realty Recommends Licensed Professionals to Perform:

4. Home Inspections
5. Pest Inspections
6. Pool/Spa Inspections (when these are not winterized)
7. Septic Inspections and/or Evaluations
8. Specialized Inspections Based on Home Inspector's Report

***Note:** Your Home Inspector may make observations relative to items 2-4

**Jointly approved and copyrighted by the North Carolina Association of REALTORS® and the North Carolina Bar Association.*

The Four Seasons team members are consummate professionals who know the Outer Banks real estate market inside and out. More importantly, they genuinely believe in putting the client first and always go the extra mile, whether it involves arranging pre-closing inspections or procuring much-needed post-closing services. With Four Seasons Realty, help is only a phone call away. Whether you live in far away places like Connecticut or just around the corner, it is a real comfort to know that people like Robert and Jo Ann and their team are always there for you.

Keith and Sheila
Owners

Are all inspection reports the same?

No. While the Home Inspector Licensure Board has established a minimum requirement for report- writing, reports can vary greatly. They can range from a "checklist" of the systems and components to a full narrative evaluation or any combination of the two. Home Inspectors are required to give you a written "Summary" of their inspection identifying any system or component that does not function as intended, or adversely affects the habitability of the dwelling, or appears to warrant further investigation by a specialist. The summary does not necessarily include all items that have been found to be defective or deficient. Therefore, do not read only the summary. Carefully read and understand the entire home inspection report.

What should I do if I feel something has been missed on the inspection?

Before any repairs are made (except emergency repairs), call the inspector or inspection company to discuss the problem. Many times a "trip charge" can be saved by explaining the problem to the inspector who can answer the question over the telephone. This also gives the inspector a chance to promptly handle any problems that may have been overlooked in the inspection.

If, following the home inspection, the seller repairs an item found in the home inspection, may I have the Home Inspector perform a "re-inspection"?

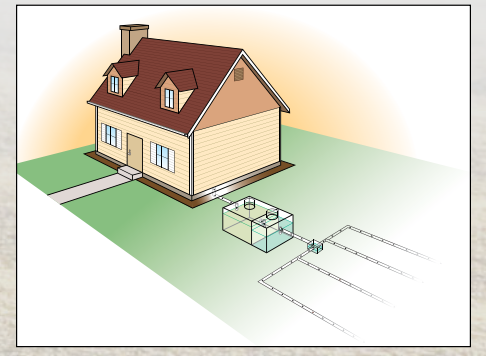
Yes. Some repairs may not be as straightforward as they might seem. The inspector may be able to help you evaluate the repair, but you should be aware that the re-inspection is not a warranty of the repairs that have been made. Some Home Inspectors charge a fee for re-inspections.

North Carolina Home Inspector Licensure Board
322 Chapanoke Road, Suite 200, Raleigh, NC 27603
(919) 662-4480
www.ncrec.state.nc.us/publications-bulletins/inspections.html

How Septic Systems Work – There are two main parts to the basic septic system:

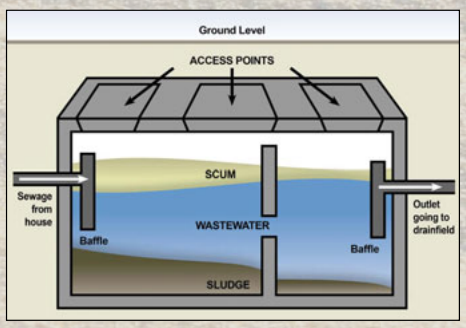
The Drain field

When wastewater leaves a septic tank too soon, solids can be carried with it to the drain field. Drain fields provide additional treatment for the wastewater by allowing it to trickle from a series of perforated pipes, through a layer of gravel, and down through the soil. The soil acts as a natural filter and contains organisms that help treat the waste. Solids damage the drain field by clogging the small holes in the drain field pipes and the surrounding gravel, and excess water strains the system unnecessarily. Septic system maintenance is often compared to automobile maintenance because only a little effort on a regular basis can save a lot of money and significantly prolong the life of the system. Sound septic system operation and maintenance practices include conserving water, being careful that nothing harmful is disposed of through the system, and having the system inspected annually and pumped regularly.



The Septic Tank

Household wastewater first flows into the septic tank where it should stay for at least a day. In the tank, heavy solids in the wastewater settle to the bottom forming a layer of sludge, and grease and light solids float to the top forming a layer of scum (refer to the graphic on this page). The sludge and scum remain in the tank where naturally occurring bacteria work to break them down. The bacteria cannot completely break down all of the sludge and scum, however, and this is why septic tanks need to be pumped periodically. The separated wastewater in the middle layer of the tank is pushed out into the drain field as more wastewater enters the septic tank from the house. If too much water is flushed into the septic tank in a short period of time, the wastewater flows out of the tank before it has had time to separate. This can happen on days when water use is unusually high (laundry day, for example), or more often if the septic tank is too small for the needs of the household.



Why Do Buyers/Sellers Need a Real Estate Agent?

From *Realtor Magazine*

1. A real estate transaction is complicated. In most cases, buying or selling a home requires disclosure forms, inspection reports, mortgage documents, insurance policies, deeds, and multi-page government-mandated settlement statements. A knowledgeable guide through this complexity can help you avoid delays or costly mistakes.

2. Selling or buying a home is time consuming.

3. Real estate has its own language. If you don't know a CMA from a PUD, you can understand why it's important to work with someone who speaks that language.

4. REALTORS® have done it before. Most people buy and sell only a few homes in a lifetime, usually with quite a few years in between each purchase. And even if you've done it before, laws and regulations change. That's why having an expert on your side is critical.

5. REALTORS® provide objectivity. Since a home often symbolizes family, rest, and security, not just four walls and roof, home selling or buying is often a very emotional undertaking. And for most people, a home is the biggest purchase they'll every make. Having a concerned, but objective, third party helps you keep focused on both the business and emotional issues most important to you.

*Four Seasons Realty did such a wonderful job helping with the first house I purchased on the Outer Banks that I used them for my second Outer Banks purchase. The Four Seasons Realty Team has been of immeasurable assistance with both of my properties — long after the sales were completed — and have been **my most reliable resource in getting things done**. Most realty companies disappear once the sale is complete, but Four Seasons Realty is just getting started AND remains an ongoing resource.*

John
Owner

Working With Real Estate Agents ... NC Real Estate Commission

Note:
This excerpt includes portions of the entire NC Real Estate Publication, Working With Real Estate Agents. Please be sure to read that publication from your agent in its entirety or visit **www.ncrec.state.nc.us** *to view a copy online.*

View online at **http://www.ncrec.state.nc.us/pdf/brochures/workingwagents.pdf**.

When buying or selling real estate, you may find it helpful to have a real estate agent assist you. Real estate agents can provide many useful services and work with you in different ways. In some real estate transactions, the agents work for the seller. In others, the seller and buyer may each have agents. And sometimes the same agent works for both buyer and seller. It is important for you to know whether an agent is working for you as your agent or simply working with you while acting as an agent of the other party.

This brochure addresses the various types of working relationships that may be available to you. It should help you decide which relationship you want to have with a real estate agent. It will also give you useful information about the various services real estate agents can provide buyers and sellers, and it will help explain how real estate agents are paid.

Sellers

Seller's Agent – If you are selling real estate, you may want to "list" your property for sale with a real estate firm. If so, you will sign a "listing agreement" authorizing the firm and its agents to represent you in your dealings with buyers as your seller's agent. You may also be asked to allow agents from other firms to help find a buyer for your property.

Be sure to read and understand the listing agreement before you sign it. Your agent must give you a copy of the listing agreement after you sign it.

Duties to Seller: The listing firm and its agents must

- promote your best interests
- be loyal to you
- follow your lawful instructions
- provide you with all material facts that could influence your decisions
- use reasonable skill, care and diligence, and
- account for all monies they handle for you. Once you have signed the listing agreement, the firm and its agents may not give any confidential information about you to prospective buyers or their agents

without your permission so long as they represent you. But until you sign the listing agreement, you should avoid telling the listing agent anything you would not want a buyer to know.

Services and Compensation: To help you sell your property, the listing firm and its agents will offer to perform a number of services for you. These may include:

- helping you price your property
- advertising and marketing your property
- giving you all required property disclosure forms for you to complete
- negotiating for you the best possible price and terms
- reviewing all written offers with you and
- otherwise promoting your interests.

For representing you and helping you sell your property, you will pay the listing firm a sales commission or fee. The listing agreement must state the amount or method for determining the commission or fee and whether you will allow the firm to share its commission with agents representing the buyer.

Dual Agent – You may even permit the listing firm and its agents to represent you and a buyer at the same time. This "dual agency relationship" is most likely to happen if an agent with your listing firm is working as a buyer's agent with someone who wants to purchase your property. If this occurs and you have not already agreed to a dual agency relationship in your listing agreement, your listing agent will ask you to amend your listing agreement to permit the agent to act as agent for both you and the buyer.

It may be difficult for a dual agent to advance the interests of both the buyer and seller. Nevertheless, a dual agent must treat buyers and sellers fairly and equally. Although the dual agent owes them the same duties, buyers and sellers can prohibit dual agents from divulging certain confidential information about them to the other party.

Some firms also offer a form of dual agency called "designated agency" where one agent in the firm represents the seller and another agent represents the buyer. This option (when available) may allow each "designated agent" to more fully represent each party.

If you choose the "dual agency" option, remember that since a dual agent's loyalty is divided between parties with competing interests, it is especially important that you have a clear understanding of

- what your relationship is with the dual agent, and
- what the agent will be doing for you in the transaction.

Buyers

When buying real estate, you may have several choices as to how you want a real estate firm and its agents to work with you. For example, you may want them to represent only you (as a buyer's agent). You may be willing for them to represent both you and the seller at the same time (as a dual agent). Or you may agree to let them represent only the seller (seller agent or subagent). Some agents will offer you a choice of these services. Others may not.

Upon first substantial contact with a real estate agent, whether buying or selling, you should be provided with a full version of the publication to the left, along with a page to sign after having reviewed the types of agency with your real estate professional."Working with the Four Seasons Team was an awesome experience. From the time our beach house was put on the market, though the closing, the close, personal touch you provided made the transaction painless!

Mike and Meg
Owners

Buyer's Agent

Duties to Buyer: If the real estate firm and its agents represent you, they must

- promote your best interests
- be loyal to you
- follow your lawful instructions
- provide you with all material facts that could influence your decisions
- use reasonable skill, care and diligence, and
- account for all monies they handle for you.

Once you have agreed (either orally or in writing) for the firm and its agents to be your buyer's agent, they may not give any confidential information about you to sellers or their agents without your permission so long as they represent you. But until you make this agreement with your buyer's agent, you should avoid telling the agent anything you would not want a seller to know.

Unwritten Agreements: To make sure that you and the real estate firm have a clear understanding of what your relationship will be and what the firm will do for you, you may want to have a written agreement. However, some firms may be willing to represent and assist you for a time as a buyer's agent without a written agreement. But if you decide to make an offer to purchase a particular property,

the agent must obtain a written agency agreement before writing the offer. If you do not sign it, the agent can no longer represent and assist you and is no longer required to keep information about you confidential.

Be sure to read and understand any agency agreement before you sign it. Once you sign it, the agent must give you a copy of it.

Services and Compensation: Whether you have a written or unwritten agreement, a buyer's agent will perform a number of services for you. These may include helping you

- find a suitable property
- arrange financing
- learn more about the property and
- other-wise promote your best interests.

If you have a written agency agreement, the agent can also help you prepare and submit a written offer to the seller.

A buyer's agent can be compensated in different ways. For example, you can pay the agent out of your own pocket. Or the agent may seek compensation from the seller or listing agent first, but require you to pay if the listing agent refuses. Whatever the case, be sure your compensation arrangement with your buyer's agent is spelled out in a buyer agency agreement before you make an offer to purchase property and that you carefully read and understand the compensation provision.

Dual Agent – You may permit an agent or firm to represent you and the seller at the same time. This "dual agency relationship" is most likely to happen if you become interested in a property listed with your buyer's agent or the agent's firm. If this occurs and you have not already agreed to a dual agency relationship in your (written or oral) buyer agency agreement, your buyer's agent will ask you to amend the buyer agency agreement or sign a separate agreement or document permitting him or her to act as agent for both you and the seller. It may be difficult for a dual agent to advance the interests of both the buyer and seller. Nevertheless, a dual agent must treat buyers and sellers fairly and equally. Although the dual agent owes them the same duties, buyers and sellers can prohibit dual agents from divulging certain confidential information about them to the other party.

Some firms also offer a form of dual agency called "designated agency" where one agent in the firm represents the seller and another agent represents the buyer. This option (when available) may allow each "designated agent" to more fully represent each party.

If you choose the "dual agency" option, remember that since a dual agent's loyalty is divided between parties with competing interests, it is especially important that you have a clear understanding of

- what your relationship is with the dual agent and
- what the agent will be doing for you in the transaction. This can best be accomplished by putting the agreement in writing at the earliest possible time.

Four Seasons Realty – When It's Personal, It's Important!

At Four Seasons Realty, our business philosophy is, IT'S ALL ABOUT YOU — before, during, after and throughout Your Sale or Purchase on the Outer Banks!

Our Brokers have personally (on the Outer Banks):

- Bought and Sold Property
- Purchased a Home for Tear-Down Purposes and Built a New Home on the Property
- Built a New Home on Waterfront Property
- Remodeled/Added-On to an Existing Home
- Bought/Own Several Rental (Long Term and Vacation Rental) Homes

We can provide you with valuable insight on how each of these types of investments work (both from personal and professional experience). We can not only direct to you quality service providers (builders, interior decorators, property management companies), but assist you in contacting, making appointments and meeting (along with you) with many of these professionals as you plan for your home. In 25 years of professional (and even more years of personal) experience, we can offer you concrete information on the Outer Banks market and also which option best suits your wants, needs and desires.

Are Sales Dollars Important to You?

- Jo Ann Konstanzer, Four Seasons Realty, Ranks # 1 for all properties bought/sold from Southern Shores North (all Northern Beaches)
- Jo Ann Konstanzer, Four Seasons Realty, Ranks # 1 for all Outer Banks Properties bought/sold on the Outer Banks

(Information obtained from the Outer Banks MLS – from 2003 forward)

What does this mean for you?

Experience and repetition are the best ways to constantly improve the quality of service. Our goal is stay informed

and educated about the Outer Banks market (when pricing homes accurately for Sellers and when making offers with Buyers as to what a home is worth) and to always strive to improve the quality of service we offer our clients.

Are Personal Relationships Important to You?

They are to us.

- We hold annual owners' events and gatherings (from all Outer Banks communities).
- We have provided places to stay (including our own homes) for owners needing to arrange a last minute trip to meet with a builder or other home need.
- Approximately 50% of our business comes from ongoing relationships with our clients.
- We visit clients out of the area.

Do You Believe in Getting What You Pay For?

So do we.

- We check on our clients' homes whenever needed and for whatever reasons and provide services much as we would with our own homes.
- We believe that our relationships are ongoing (personally and professionally) and enjoy spending time with our client friends during annual visits.
- We are committed to following up on all services we have provided or have recommended to ensure that you are satisfied. We are your Outer Banks advocate!

Questions to Ask A Real Estate Agent

When you begin searching for a home or for an agent to sell your home, you obviously want the most qualified person to work with you, but is that all that matters? Below are some of the questions you may wish to ask your real estate professional and what you should consider looking for:

1. How long have you been in residential real estate sales? Is it your full-time job? Although experience is no guarantee of skill, real estate is mostly learned on the job
2. Are you a REALTOR? Members of the National Association of Realtors are to subscribe to a stringent code of ethics that suggests a high level of service and integrity.
3. How many homes did you sell last year? How many homes did your company sell?
4. How did your sales compare to the overall market in your area?
5. How close to the initial asking prices of the homes you sold were final sales prices? This shows that your Realtor knows the market, whether working with Buyers or Sellers, as to whether homes offered at a certain price were a good value or whether they knew the market well enough to price a home effectively, negotiating in an informed manner on a client's behalf.
6. What sort of techniques will you use to help me find a home or help me sell my home? Look for an agent that has aggressive approaches to do so, not someone whose sole effort is to put a sign in the yard and hope for the best (other agents to bring offers), nor someone who searches the market one time to give you what is currently available (the Outer Banks real estate market changes daily).

"I want to thank you for all of the terrific services your company provided during contract negotiations, the construction of our home in Duck and the follow-up after closing. Jo Ann helped us negotiate a very favorable sales contract with little stress on our part. As construction proceeded, she also helped negotiate modifications to the contract that fairly compensated the builder and kept costs down for us. ... Jo Ann's negotiating skills saved us thousands of dollars ... I am extremely impressed with your attention to detail and dedication to the customer."

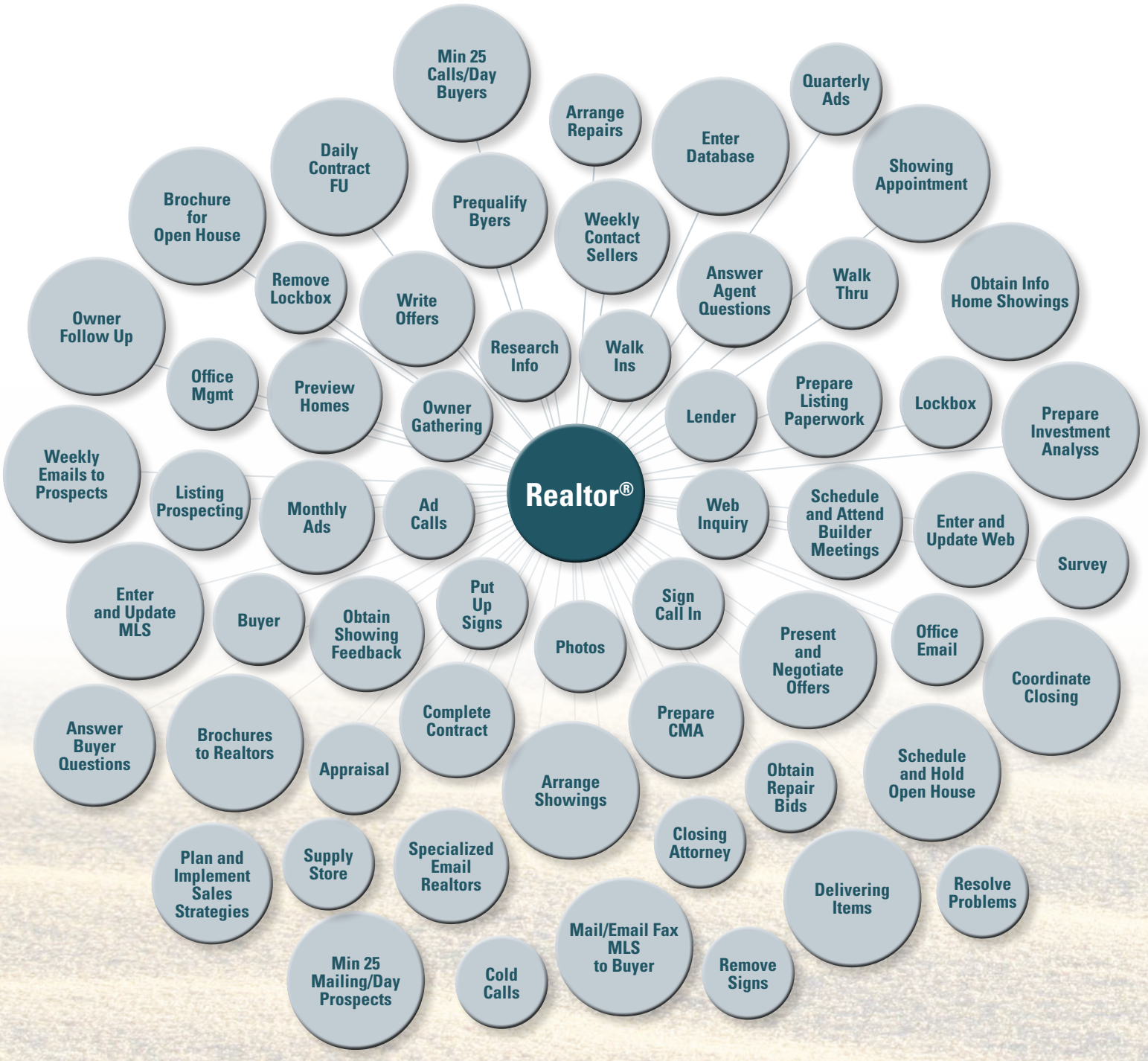
Raoul and Dee
Owners

7. Will you take the time to explain agency relationships to me? Will you represent both parties in a sale? It is important to understand where the agent's obligations lie.
8. Can/will you recommend service providers who can assist in providing services to me (such as obtaining a mortgage, providing for inspections or repairs)?
9. What is your business philosophy? You want to make sure that this response matches closely with your own goals, such as a fast sale, optimal service, etc.
10. How will you keep me informed of the progress of my transaction, how frequently and using what media? Again, this will help you assess what meets with your own goals.
11. Are you willing to give me the names/numbers of three of your clients? Do you often work repeatedly with the same client and do you frequently receive referrals from past clients?

It has been our experience that ...

Buyers want their ideal home — for the best value, in the shortest period of time, and with the least number of hassles. Sellers want a fast sale, at the best value, and with the least number of hassles.

Single Agents simply have a difficult time getting it all done for their clients while providing quality customer service!



A Systematic Team Approach is a necessity in today's real estate market and Four Seasons Realty is not better equipped than ever to build and use that team to deliver these benefits to our clients.

Selecting the Right Builder Can Make The Construction of Your New Home Fun and Easy

It would be impossible not to notice the staggering economic growth that has occurred over the last decade. This growth has resulted in the construction of numerous investment and retirement homes throughout the Outer Banks. Many people are securing their retirement homes now by renting them until they are ready to retire. The majority of these homes are being built by long distance, absentee homeowners. Toensure success during this process, there are established steps that should be followed without fail.

> *I would LOVE to give you a reference, you are terrific. Even to a high strung New Yorker like me.*
>
> **John and Cathi**
> ***Owners***

Almost any builder can provide three great references. The builder you choose should have an established record so ask for at least 50. From the 50 references call at least five. Look for builders that have built for the same person more than once; this speaks for itself. Your salesperson should be able to make a recommendation based on personal experiences. A salesperson's referral base comes from satisfied clients who trust and respect their guidance. The builder's banker can provide an additional reference. Knowledge about how builders manage their financial business is crucial to establishing confidence in their ability to succeed.

In North Carolina, there are three levels to becoming a licensed contractor. There is a limited license contractor; an intermediate licensed contractor; and, an unlimited licensed contractor. The most financially stable of the three is the unlimited licensed contractor, which requires a working capital in excess of $100,000.

Once a builder has struck your interest, be sure to take the time to tour some of the homes they have built. See for yourself if the quality lives up to your expectations.

In addition to meeting certain financial criteria, a builder should offer every service essential to assist in this potentially long distance process. Will this company provide a design service? There should be a qualified designer who will evaluate your property for placement of the home ensuring all potential views. Each home built should convey the homeowner's wants, needs and desires.

> *The Four Seasons Team holds your hand throughout the process ... Nobody could do it better ... The Four Seasons Team does things for you that you don't even know need to be done!*
>
> **Carl and Mary**
> ***Owners***

Once your design is rendered, assistance in obtaining the construction loan can be a valuable asset. Your builder should have experience in putting you in touch with qualified people.

Once construction begins, communication between designer, banker and builder becomes a united effort to produce your dream home.

A company that has an interior designer on staff during the process adds to the ease of building long distance. Guidance with cabinet choice, carpets and tile design are crucial. Furniture placement with proper electrical planning eases you through the process.

The most important job the builder has is in choosing qualified subcontractors to initiate the construction of your home. It is important to know who these people are and how long they have been working with your builder. Have these subcontractors been chosen because of the quality of their work or have they been chosen because of low bids? If a builder has a long history with the people working with him, it is good testimony of a combined commitment to build a quality home.

> *Robert and Jo Ann have been every investor's dream — not only do they follow up, come through when difficulties arise, but continue to help you find other properties for your portfolio. They and the Four Seasons Realty Team are more than just acquaintances, they have become friends and partners.*
>
> **Walter**
> ***Owner***

A successful construction company will provide a warranty to ensure the home is maintained properly, even while the homeowner is not available to monitor this personally.

If these questions are answered with confidence, the homeowner should be able at this point to put the builder in charge of one of the most important decisions they will ever make.

Maintaining Your Home

Many property management companies offer maintenance programs, either built in to the rental management fee or offered as a flat fee. Among the services your property management company may include/offer are:

- Weekly property inspection. After your guests check out, inspectors will check the overall condition of your property to ensure that your home was left in good condition, that items are in working order and that there was no damage to your home.
- Changing various filters, light bulbs and fire-alarm batteries
- Arrange and coordinate services by licensed professionals for HVAC items, plumbing, electrical, pool/spa maintenance and other related services.

When speaking with a property management company, you may wish to inquire which services are provided with a basic program, and which of the following are offered as optional, such as:

- Weekly Linen Service
- Winterization/DeWinterization
- Spring Cleaning/Carpet Cleaning Services
- Appliance Maintenance
- Pool and Hot Tub Services
- Annual Update/Checklist of Items that may need replaced or upgraded
- Painting and Carpentry Services
- Exterior Cleaning (Pressure Washing)

Robert and Jo Ann easily transformed a hesitant first experience in home building into a thoroughly enjoyable event and outcome. They constantly looked after our investment as if it were their own. They continue to provide thoughtful assistance to us as remote owners and to our renters in our absence ... AS if we were there ourselves. Great Service!

Mark and Linda
Owners

Annual Service Contracts

If you do not rent your home or if your rental management company does not handle some of these services, you may wish to speak to licensed contractors about their recommendations for annual maintenance.Many times, these items may be covered under an existing warranty, or you may be able to purchase an extended warranty. Whatever the case, it is worthwhile to look into annual service contracts for items such as:

- HVAC
- Plumbing (Including Winterization/ DeWinterization)
- Pool and Hot Tub Company (Inspection, Treatment and Winterization/DeWinterization)
- Landscaping (Regular and Annual Maintenance)
- Pest Treatment Company (Prevention)
- Fireplace
- Septic System (Depending on the size, use, etc. , may need pumped every 1-5 years)

Don't know who to contact? Your Four Seasons Realty Team is a great resource. Not only do we live in the area (and have most likely used many of these professionals for our own homes, but we have experience working with many of these professionals throughout the home inspection process.

Just a Thought: What's it worth to you? Remember the Licensed Home Inspector who evaluated your home when you purchased? It may be worthwhile to consider having your home re-inspected every couple of years.

Money-Saving Home Maintenance Tips:

- Replace Air Filters
- Weather-Strip Doors and Windows
- Seal Bathroom Tile Grout
- Clean (Preventative Mildew Cleaner) and Seal Decks
- Seal Roof Flashings
- Drain and Flush Hot Water Heater

Considering Remodeling?

As you consider investing in an Outer Banks home, or perhaps already own one or more, remodeling can offer several benefits to both year-round homeowners and rental home owners alike. But before you make your decision to remodel, weigh all of your options, gather information from reliable sources, and have a well thought out plan — *before* you begin.

Market value, rental income/income/potential and comfort are all factors to consider.

Is your home a permanent residence or for your use only?

Then you will probably have different criteria when planning to remodel, such as updating kitchens and bathrooms, which are among the projects generating the highest returns to homeowners. Among the first projects year-round residents tackle are replacement of siding, roofs and/or windows. Or perhaps you rented your home at one time, but have now decided to keep it for your own use? Then you may wish to update some of its features or add something more personal.

Is your home a vacation/rental home?

Then most likely, your considerations to remodel will include how the project can positively impact your rental income or potential. Major additions that increase a home's rental income include additional sleeping capacity (the addition of a master bedroom increases weekly rental income), adding a bathroom, the conversion/addition of a room for recreational purposes (pool table, games, large screen TV) and swimming pool/hot tub additions. Generally, adding a private pool is the least expensive addition with which to increase rental income.

Are you considering remodeling before you sell your home?

Then you will first want to seek the advice of your Four Seasons Realty Team! Knowing what your home is worth and the value of comparable homes in your area are will be the first steps in deciding what, if any, remodeling projects will be worth your time and money.

Remodeling and Insurance

- Did you know that well over half of all homeowners fail to upgrade their coverage with major additions/improvements to their home?
- Speak with your insurance agent to be sure you have adequate insurance ... another way to protect your investment!

Sources of Information

- **Your Realtor** — Does your Realtor own investment homes? Has he/she built or remodeled his/her own Outer Banks property? Does your Realtor have experience in working with clients who have purchased/remodeled an existing home? Can he/she answer questions based on current market conditions and rental rates/income? These are all good questions to ask and will also provide you with a wealth of information for your remodeling planning.
- **Your Property Management Company** — Many rental companies will, upon request, go through your current home, and make recommendations on what can be upgraded or added to increase your rental income and the home's livability.
- **Your Builder** — Who can give your accurate information about what is required/allowed per community and/or town (ordinances, requirements, etc), give you a better idea of what is involved the construction process, and outline a realistic time frame for completion. If you haven't built a home on the Outer Banks, your Realtor should be able to arrange for you to speak with several reputable builders.

Corolla, North Carolina

Pine Island – ocean access with parking; pools; tennis; bike path; basketball courts; playground; racket club with indoor courts for nominal fee; volleyball courts; bike/jogging path; private airplane landing strip for pick-up and drop-off.

The Currituck Club – golf community on the sound with ocean access; pool; tennis; basketball courts; bike and jogging path; clubhouse; playground; trolley service to ocean (Memorial Day to Labor Day); discounted golf privileges

Ocean Sands – ocean access; stocked lake; tennis courts located in sections D and H for use of guests staying in sections D-Q; Sea Loft Village in section F has pool access

Ocean Lake – ocean access; stocked lake (catch and release, license required); pool; tennis

Crown Point – ocean access; pool; tennis; close to boutique hopping, movies and restaurants

Whalehead – ocean access; ocean side parking

Corolla Light – ocean and sound access; indoor and outdoor pools; lighted bike and jogging path; racquetball courts; indoor (small fee) and outdoor tennis courts; sports center with fitness room, aerobics room, sauna rooms, game room, 12-person spa and tennis pro shop; basketball courts; shuffleboard courts; volleyball courts; playgrounds; activity programs for adults and children; trolley; walk to shops and lighthouse

Corolla Village – ocean access; restoration area in illage with shops

Estates of Ocean Hill – ocean access

Villages at Ocean Hill – ocean access; pools tennis; basketball courts; playground; stocked lake

Ocean Beach, Sea Gull, Swan Beach, North Swan Beach and Carova Beach – 4x4 access; no paved roads; wide beaches

Duck, North Carolina

Bias Shores – ocean to sound; pool; tennis

Tuchahoe – ocean and sound access with parking; pool; tennis; sound pier with gazebo

Amy/Sea Acrea – ocean side

Duck Blind Villas – pool

Four Seasons – ocean and sound access; indoor and outdoor pool; soundfront pier; tennis; volleyball; playground; trolley

Sea Pines – ocean access with parking; pool; tennis; walk to village shops and restaurants

Ocean Dunes – short walk to village shops and restaurants

Poteskeet – short walk to village shops and restaurants

Duck Landing – ocean access wtih parking; indoor pool; tennis; clubhouse; short walk to village shops and restaurants

Schooner Ridge – ocean access with parking; oceanfront pool; indoor pool; tennis; clubhouse with racquet ball courts, video gameroom and workroom; short walk to village shops and restaurants

Poteskeet Village – short walk to village shops and restaurants

Saltair – short walk to village shops and restaurants

Duck Ridge Shores – short walk to fillage shops and restaurants

Colony By the Sea – outdoor pool; tennis; short walk to village shops and restaurants

Old Duck Beach – short walk to village shops and restaurants

Ships Watch – solar heated pool; heated outdoor Jacuzzi; tennis; ocean access with parking; sound front pier; playground; basketball court; windsurfer launch area; concierge services; organized children's activities; short walk to village

Sandy Ridge – pool; adjacent to large parcel of undeveloped land; short walk to village

Osprey – ocean and sound access; pool; non-motorized watercraft sound access; adjacent to undeveloped land

Show Geese South and Dunes – ocean and sound access

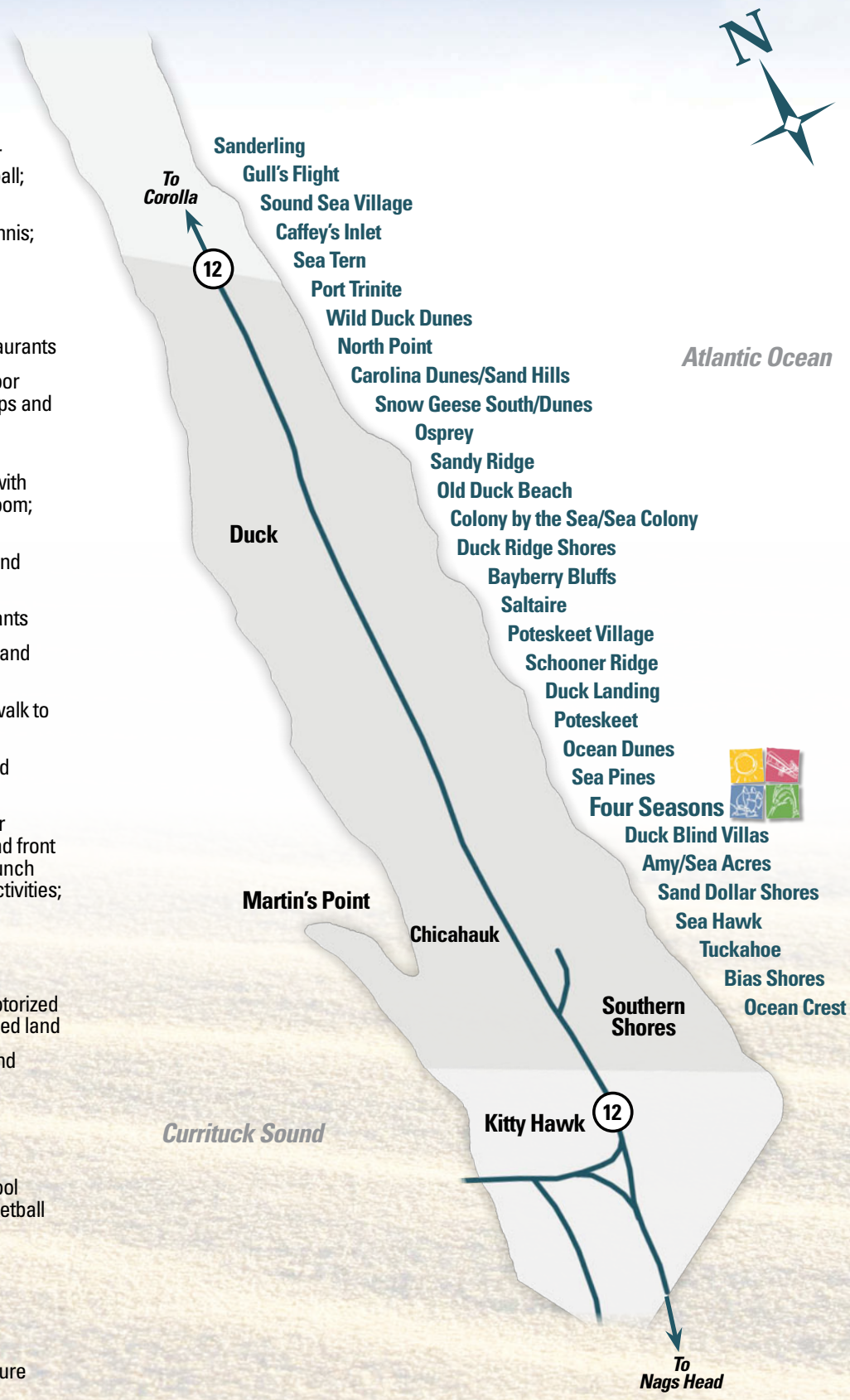
Sand Hills – ocean access

Carolina Dunes – ocean and sound access

Northpoint – ocean and sound access; indoor pool (open March-Dec.); tennis; soundfront pier; basketball court

Sea Tern – ocean access

Caffey's Inlet – ocean and sound access

Sound Sea Village – ocean and sound access

Sanderling – ocean and sound access; pool; nature trail; tennis and indoor pool available for fee