

## **Frequently Asked Questions**

### ***Why does the Valley Home Store (TVHS) exist?***

TVHS evolved from the office created to administer the Miller Ranch Guidelines and re-sales of the 282 Miller Ranch units built by ASW in partnership with Eagle County. This workforce housing neighborhood involved a significant public effort and land investment, so it makes sense that the County would continue to have an interest to insure the ongoing affordability and overall quality level of the project. Brokers at TVHS do not charge a transaction broker commission. To pay its expenses, including its licensed brokers, TVHS charges a 2 percent administrative fee for administering the sale of Miller Ranch units, coordinating listing inspections, calculating maximum resale prices.

### ***Why did the name change to the Valley Home Store?***

The 2006 Urban Land Institute housing study kicked off a valley-wide discussion on the need for affordable housing. Those efforts were facilitated by the Blue Ribbon Housing Committee and a sub group called the Housing Action Team. One of the outcomes of that process was a suggestion that there should be a "one stop shopping" for all the various deed restricted housing programs up and down the valley. While the Town of Vail has managed various programs within town boundaries for nearly 20 years, three new deed-restricted affordable housing programs have started within Eagle County since the year 2000. Following the Blue Ribbon process, communities from Avon to Gypsum were starting, or talking about starting their own programs. While promising for the quantity of deed-restricted, workforce-housing stock, this proliferation of different programs was confusing for first time home buyers. To meet community need for consolidation and expertise in this emerging market, the Eagle County Miller Ranch housing office rebranded itself as The Valley Home Store. Since then administration of both the Town of Eagle and Eagle Ranch's deed restricted programs have been folded into The Valley Home Store, and it has assisted in marketing the Stratton Flats development following county investment in that property.

### ***Will TVHS be competing for real estate listings on the open market?***

No. TVHS Realtors will work entirely within the "closed market" of deed-restricted housing. The properties on which we will focus in some cases prohibit the use of outside real estate agents (Miller Ranch).

### ***What if an owner of a deed-restricted home wants to sell and then buy an open market home?***

The transaction of the deed-restricted home would be managed by the TVHS in-house agent, while for the purchase the free-market property, buyers would choose their *own* realtor. (TVHS

would not participate in that transaction.) TVHS will collaborate with the realtor to facilitate closing on the deed restricted sale and free-market purchase in a workable manner.

***TVHS has Realtors on staff. Isn't that competing with other real estate companies?***

No. TVHS employs licensed realtors to assure that the "closed market" transactions are handled both legally and professionally as transaction brokers within the boundaries of the Colorado Real Estate Commission.

***Why can't the real estate brokerage be outsourced to private real estate firms?***

While it might be possible, there are several reasons that point to an in-house solution as being better. The question could also be asked, how would privatizing these transactions this benefit the public goal of providing quality affordable workforce housing?

Consider that:

- Deed restriction transactions have unique characteristics such as special qualifications, lottery/wait list processes and often unique financing needs that are atypical of normal open-market transactions.
- Deed-restriction transactions are designed to be very low profit with 2% service fees and no commission, reducing the cost for middle-income buyers and sellers.
- Quality control and management (such as approval of eligible buyers) is more efficiently accomplished through a central source.
- Problems or conflicts may occur in using outsourced real estate companies in terms of fairness, pricing and competing interests.
- Because deed restricted transactions are all that THVS facilitates, consistency of service is assured, as is consolidation of information for the buyers and sellers.

***Will TVHS offer co-op commissions and/or referral fees on its properties?***

On initial sales yes; on resales, depending on market demand. Commission to outside brokers is paid on most new projects.

***Wouldn't a seller or buyer be better represented by a private real estate agent?***

Re-sales usually have a lengthy waiting list of buyers who have historically been pre-qualified to meet eligibility criteria defined in the program guidelines by an administrator employed by a public agency, making marketing these properties is largely unnecessary. That administrator is also generally required by the deed restriction to determine the maximum resale value since appreciation is pre-defined through most programs, so it makes sense for that administrator to also act as the transaction broker. Most of the kind of negotiations that may be involved between a buyer and seller on a free market property are already defined by the program, so the model of having two adversarial agents representing each side is largely superfluous, merely adding an additional cost.

***Would a private agent be more focused on getting maximum value for my unit?***

The marginal commission increase to a private agent from a higher offer does not generally offer sufficient incentive to a private broker to obtain a higher purchase price.

***Isn't this taking a segment of the marketplace away from private sector Realtors?***

Most years, deed restricted sales make up a very tiny segment of the market, both in terms of sales volume and value. While some Realtors do work with clients in deed-restricted transactions, these properties will generally not be incorporated into TVHS (e.g., Town of Vail, Town of Avon, Brett Ranch, and Riverwalk units). TVHS also collaborates with open market Realtors concerning the sale or administration of the Eagle Ranch Housing Corporation programs.