

Searching for Sunshine

By ANNA CHANG-YEN | Green Shoot Media

If the thought of a snowstorm sends you scurrying for sunshine, you might choose the life of a snowbird.

Many snowbirds are retirees, though some are simply fortunate enough to have the means to escape the wrath of winter by skipping town for a few months. Spending your winters in a warm climate also can help you transition to a place where you might choose to spend your retirement full-time.

When Trulia analyzed home searches on its website during the winter of 2013-14, the company found that home searches increased 2.6 percent for every 10 degrees the temperature dropped — with searchers showing a 4.4 percent spike in interest in warm-weather locales.

Deciding to buy a home in a warmer climate is a big decision that should not be taken lightly. If you've vacationed in the same warm area for many years and have gotten to know the city and its real estate market well, you may have all the information you need, but resist the temptation to take the plunge after just one short stay.

CONSIDER THE EXPENSES

Spending half the year in a second home comes with a slew of expenses that extend far beyond the mortgage payment. Think about how both homes will be maintained, especially in your absence, as well as the costs of traveling from one home to the other. You'll have a second set of utilities, and you'll need to be sure to properly adjust the thermostat and other utilities to save money while you're away. A second mortgage may come with a



second set of homeowner's association dues to pay for services such as lawn and common area upkeep. The same goes for homeowner's insurance.

You also may incur additional expenses related to securing both properties while you're away, as well as pet boarding if your pets will stay behind when you travel. Additional expenses to consider include the need for a second set of home furnishings, from sofas to pots and pans, as well as those that can seem minor but may add up, such as purchasing extra cosmetics and personal items.

Renting out either home while you're away might seem like a great way to help cover expenses, but you will have to pay fees to a property

management firm to facilitate rentals.

TAX CONSEQUENCES

Your tax situation of a snowbird can quickly become complicated. There are complex rules about claiming residency that may vary by state. You'll need to do quite a bit of research regarding income taxes and residency requirements before buying a second home in another state.

For example, some states tax Social Security earnings, while others do not, so you could find yourself with an unexpectedly high tax bill if you're used to drawing your benefits tax free.

If you want to claim residency in your new state to reap tax benefits, consider whether you will need to prove that you make your home there

REAL ESTATE 101

A Place in the Sun

U.S. News and World Report listed the hottest cities in the U.S. in 2015, dubbing the rankings, "The Best Places for Snowbirds to Retire." Key West, Fla., topped the list, with an average temperature of 78.6 degrees in 2014. Read the entire list at <http://bit.ly/1UvB8sF>.

by showing receipts for products and services such as health care, groceries and clothing. For that matter, will health care be markedly more expensive near your second home? All of these considerations can have a major impact on your final decision regarding where to buy a seasonal home.

RESEARCH YOUR NEW CITY

The things that draw you to your new home obviously seem to make for a good fit, but consider what you may be leaving behind in your winter home. Will you be able to enjoy hobbies such as attending the opera, watching local sports teams, hiking scenic trails or enjoying great camping spots?

One great way to get to know your potential home away from home is to rent first. Look for long-term rentals where you can spend two to three months at a time without the commitment of making a purchase. If you find the area to be a good fit, you might decide to go home shopping — or avoid the commitment altogether by returning to the same rental year after year with the option of moving on when a new location beckons.



Searching for Sunshine

By ANNA CHANG-YEN | Green Shoot Media

If the thought of a snowstorm sends you scurrying for sunshine, you might choose the life of a snowbird.

Many snowbirds are retirees; some are simply fortunate enough to have the means to escape the wrath of winter by skipping town for a few months. Spending your winters in a warm climate also can help you transition to a place where you might choose to spend your retirement full-time.

When Trulia analyzed home searches on its website during the winter of 2013-14, the company found that home searches increased 2.6 percent for every 10 degrees the temperature dropped — with searchers showing a 4.4 percent spike in interest in warm-weather locales.

Deciding to buy a home in a warmer climate is a big decision that should not be taken lightly. If you've vacationed in the same warm area for many years and have gotten to know the city and its real estate market well, you may have all the information you need, but resist the temptation to take the plunge after just one short stay.

CONSIDER THE EXPENSES

Spending half the year in a second home comes with a slew of expenses that extend far beyond the mortgage payment. Think about how both homes will be maintained,

especially in your absence, as well as the costs of traveling from one home to the other. You'll have a second set of utilities, and you'll need to be sure to properly adjust the thermostat and other utilities to save money while you're away. A second mortgage may come with a second set of homeowner's association dues to pay for services such as lawn and common area upkeep. The same goes for homeowner's insurance.

You also may incur additional expenses related to securing both properties while you're away, as well as pet boarding if your pets will stay behind when you travel. Additional expenses to consider include the need for a second set of home furnishings, from sofas to pots and pans, as well as those that can seem minor but may add up, such as purchasing extra cosmetics and personal items.

Renting out either home while you're away might seem like a great way to help cover

expenses, but you will have to pay fees to a property management firm to facilitate rentals.

TAX CONSEQUENCES

Your tax situation of a snowbird can quickly become complicated. There are complex rules about claiming residency that may vary by state. You'll need to do quite a bit of research regarding income taxes and residency requirements before buying a second home in another state.

For example, some states tax Social Security earnings, while others do not, so you could find yourself with an unexpectedly high tax bill if you're used to drawing your benefits tax free.

If you want to claim residency in your new state to reap tax benefits, consider whether you will need to prove that you make your home there by showing receipts for products and services such as health care, groceries and clothing. For that matter, will health care be markedly more expensive

near your second home? All of these considerations can have a major impact on your final decision regarding where to buy a seasonal home.

RESEARCH YOUR NEW CITY

The things that draw you to your new home obviously seem to make for a good fit, but consider what you may be leaving behind in your winter home. Will you be able to enjoy hobbies such as attending the opera, watching local sports teams, hiking scenic trails or enjoying great camping spots?

One great way to get to know your potential home away from home is to rent first. Look for long-term rentals where you can spend two to three months at a time without the commitment of making a purchase. If you find the area to be a good fit, you might decide to go home shopping — or avoid the commitment altogether by returning to the same rental year after year with the option of moving on when a new location beckons.

REAL ESTATE 101



A Place in the Sun

U.S. News and World Report listed the hottest cities in the U.S. in 2015, dubbing the rankings, "The Best Places for Snowbirds to Retire." Key West, Fla., topped the list, with an average temperature of 78.6 degrees in 2014. Read the entire list at <http://bit.ly/1UvB8sF>.



HOMESWISE GLOSSARY

Secondary residence: a structure that a borrower occupies in addition to their principal residence, but less than a majority of the calendar year. A secondary residence does not include a vacation home.

Vacation home: a dwelling used primarily for recreational purposes and enjoyment and that is not a principal or secondary residence.

SOURCE: U.S. Department of Housing and Urban Development

AD SPACE