

Buying A Vacation Home

Find yourself returning to a favorite spot? Maybe it's time to buy.

We're creatures of habit in our work and private lives, and that can carry over into our vacation habits, as well. If you find yourself booking return trip after return trip to a certain getaway, you may be ready to invest in something more permanent there.

A GROWING TREND

Vacation home sales are on the rise. In fact, these purchases were up more than 57% year over year in 2021, according to the National Association of Realtors. (For a comparison, the association says existing home sales were up 20 percent over the same time frame.) Pandemic-era restrictions led to a broad reinvestment in the time we spent in our homes. More people are also working remotely, so they're looking for a chance of scenery. Then there are those who just know what they like when it comes to getting away from it all. Whatever your motivation, be aware of certain pros and cons when buying a vacation home.



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REAL ESTATE 101

Improve Your Credit

If your credit score is low because of bad credit card debt, consider talking to a credit counselor about a debt management plan. These counselors can sometimes negotiate lower interest rates or payments. As delinquent accounts become current again, your scores will rise too. Experian has more tips at bit.ly/3A5j6h1.

PROS OF PURCHASING
Vacation homes are more

than a place to unwind. They're also investment

properties. Whether you intend to one day sell them,

or use them as an occasional rental property in the meantime, a vacation home can quickly become a valued asset in your financial portfolio. They'll become even more valuable if your second home is near the beach, key attractions or mountains. In the meantime, you'll also save on your annual vacation. You may be able to drive, rather than fly — and there won't be overpriced hotel expenses when you arrive. Since this space belongs to you, you can get comfortable for as long as you'd like.

CONS OF PURCHASING

Obviously, you're going to have another mortgage now. You'll also have to budget for utilities (though they should be far less when you're not there), insurance and property taxes just as you would with any primary residence. Those costs may impact other parts of your everyday life, depending on your financial situation. Security will be a concern, especially if you are away from the home for long stretches of time. You should also consider the fact that the novelty of this vacation spot may fade. If so, a second home might not be right for you.



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HOMEWISSE GLOSSARY

Assignee: The person responsible if the rights and responsibilities for a property are transferred to a new person. **SOURCE:** MLS.com

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