

## Buying a Vacation Home

The idea of a vacation home couldn't be more alluring. You avoid the hassle and expense of renting a room and you can make the space your own. At the same time, you are giving yourself a ready-made excuse to visit some favorite hideaway to forget about the stress and struggles of everyday life.

Sounds smart and enjoyable, right? But adding a second property isn't the best option for everyone. Here are a few things to consider before buying a vacation home:

### WILL YOU GO?

This may sound like common sense, but it's one of the most critical questions to ask. Vacation homes mean second mortgages, second sets of furnishings, second sets of utilities and insurance, and other additional upkeep responsi-



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### REAL ESTATE 101

#### Deciding The Future of The Family Vacation Home

How you pass on your family vacation home can greatly influence if it remains a special, positive place for future generations. Learn key considerations to discuss with your advisors in this article prepared by the experts at PNC at [pnc.co/3F8NXbR](https://pnc.co/3F8NXbR).

bilities. That's a lot of financial responsibility, but particularly so if the property sits unused. If you sit at home, something purchased for leisure becomes an unnecessary burden. So before buying a second property — even if it's for sale at a good price in an area you love — make sure you'll actually go. In some cases, that's as simple as researching cheap airfare. Finding a regular flight at a great price helps smooth the

way for more regular returns.

#### THE UPSIDE

It's a home away from home, meaning your pets are never a problem, your belongings are safe and you never have to worry about booking a hotel again. You can decorate in the perfect vacation style, so it's always a welcome space. They make travel lighter too, because you have so many things already in place that would take up

space in your luggage. Buy fun clothes meant to echo your vacation setting, and they'll always be there to greet you upon returning. Vacation homes also make good financial sense, if you intend to generate income by renting to short-term visitors or perhaps selling the property down the road.

#### THE DOWNSIDE

Study your expenses closely, in particular if you are still

carrying a primary mortgage. There will be monthly bills, of course, but also property taxes to contend with. Oceanfront properties can incur rising insurance rates because of increased storm activity. If you choose to become a landlord, there will be additional costs involved with renting out your vacation home. You'll need someone to regularly clean the space, and a property manager to handle the day-to-day operation in your absence. Even with those things in place, damage or theft can occur, and that will create additional, unplanned expenses.

#### CONSIDER SHARING

Buying a vacation home doesn't have to be a "yes" or "no" proposition. There is a third way: Owning a piece of property through a timeshare agreement. You get all of the benefits of special getaways typically found in premium tourist destinations with lots of nearby amenities like shopping, recreation, entertainment and dining — but at a reduced rate. Owners are allowed to occupy the unit for specific periods during the year. They can also be sublet to other vacationers, if you don't plan to visit during that window. Remember, however, that when you're not there, others will be.



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### HOMEWISSE GLOSSARY

**FHA futures:** Down payment assistance for a loan where the buyer can borrow up to 6% of the loan amount to be used towards closing costs and down payment.

SOURCE: MLS.com

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