

Wanna Buy a Second Home?

Vacation homes can bring big rewards, but don't jump into the purchase lightly.

by Stacy Karel
Community contributor

Speaking from experience, owning a vacation home can be a rewarding experience—both personally and financially. Most people can relate to visiting a vacation home owned by family members or visiting friends. It is that longing for a place that you want your children to remember...a place to spend summers, holidays and family time.

Living in the suburbs and/or the city may have you longing for an experience that involves nature, fresh air, water and the freedom to roam. Whatever your reason for wanting a vacation home, here are a few thoughts to consider:

- Location, location, location. If you plan to buy a vacation home, your best bet is to choose a community not-to-far-away that you have to fly. More than 80 percent of second-home buy-

ers choose a vacation home within two hours driving distance of their primary home. This distance allows buyers to visit their homes more frequently, which is a big plus. Buying property in far off isolated locations can limit resale potential, as well.

- Know whether the vacation home can be rented.

Even if there's no intent to rent the home, buy one in a community that allows rental. Having a vacation home in a community that has rental potential provides flexibility if plans change. In the last down market, many homeowners were able to rent their vacation homes, allowing them to recoup a large portion of their carrying costs while they waited for the market to come back. Renting out a vacation home can bring tax advantages, so consult a tax advisor.

- Properly budget the cost of ownership. When shopping for a vacation home, make sure to budget for association dues, utilities, taxes and insurance. Also the cost of capital improvements needed and unexpected repairs should be considered. Consider if this cost will significantly impact the desire for other vacation plans.

—Stacy Karel is a real estate broker with @properties in the Bucktown office. You can search the MLS on her website at CONDOChicago.com, join her Facebook page [Facebook.com/CONDOChicago](https://www.facebook.com/CONDOChicago) and if you are curious about the market where you live, visit AtPropertiesMarketReport.com.

BY THE NUMBERS Vacation home facts from the National Association of Realtors

INCOME

100K

Median household income of buyers

AGE

49

Median age of vacation home buyers

RACE

78

Percentage of buyers who are caucasian

JOBS

2

Most buyers have two incomes

HOLD ONTO THAT HOME for at least five years

That vacation surely is something you want to enjoy now, but experts say that buyers should figure to hold onto the property for at least five years.

Real Estate is not a liquid investment, so if the market declines a buyer shouldn't expect to cash out quickly. It is better to have a long time horizon so a buyer can ride out the ups and downs of the real estate market. It will also ensure that a family can create memories and get to know all the adventures that may surround their vacation community.

—Stacy Karel



Experts suggest selecting a vacation home that is within a two-hour drive of the buyer's primary home.

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