

## Chapter 1

# The Lowdown on Buying and Owning a Second Home

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### *In This Chapter*

- ▶ Preparing to join millions of other second-home owners
  - ▶ Buying, selling, and investing in real estate
  - ▶ Managing your second home from a distance
  - ▶ Living in your second home after retirement
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**W**elcome to the world of second-home ownership! If you're considering buying a second home, you've come to the right place. Here, you can discover how wonderful it is to have a second home to run away to, how gratifying it is to rent your place for extra income (if you choose to do so), and how comforting it is to know that you'll retire there at some point in your life if you so choose.

A large number of people — many of whom have been disenchanted with low stock market gains over the past few years — have turned to investing in second homes. This strategy is twofold: Grab a nice slice of paradise while also putting money in a place where, thanks to the wonders of housing appreciation, it will (ideally) grow steadily over time.

Owning a second home can be a fun adventure, but it isn't free of some ups and downs. This chapter gives you an overview of what you can expect when you buy and own a second home. I explain why people buy second homes and discuss the second-home market. I also show you the good, the bad, and the ugly of owning a second home (and, yes, there's always a little of each), and I help you avoid making mistakes when searching for the perfect second home. Finally, I help you get into the "real estate investor" mind-set, and I explain the roles that you the home buyer, your trusted real estate agent, and those unknown home *sellers* play in the process.

## *Identifying Why People Buy a Second Home*

People purchase second homes for various reasons, and you're likely to relate to at least one of them. Perhaps you want to be able to get away at the drop of a hat and know that you have somewhere to go that isn't a hotel room, a rented condominium, or your in-laws' sleeper sofa.

Second homes are commonly located in vacation-oriented areas and can be a great escape for you, as well as for your friends and family who are invited to make use of the place and its facilities and amenities (if, of course, things like a pool and tennis courts came along with the purchase). Or perhaps you simply want a fairly safe investment and plan to rent the property to make some extra bucks.

This section gives you a brief rundown of some of the main reasons why people buy second homes. Keep in mind that this section is simply a quick glance. Check out Chapter 3 for more discussion on the pros and cons of buying and owning a second home.

### *A vacation getaway*

Who loves taking a vacation? Raise your hand. Of course, you have your hand up, right? Vacations allow you to take time off from work to escape the daily grind and relax and unwind. You can decompress from the stress of work, spend time with your family, and enjoy your surroundings.

Many people buy second homes so they have a reason to take a few days off to get away and visit it! If you can make the time, a vacation spot is ready and waiting for you. Especially for hardworking people who tend to burn the candle at both ends (doesn't that sound like you?), a second home is a great place for some downtime. Think about it: If you know that you have an empty, available beach home a mere five hours away, won't you be more apt to go there, visit, and just relax? I know I would!

### *A place for family and friends to visit*

Whether you bring friends and family along on vacation, or let them use your digs on their own, friends and relatives will love the fact that you have a pad for them to use away from home — and that you're such a generous sort that you don't mind them enjoying it.



Many people enjoy using their second homes as a gathering spot for friends and family. No matter if you're at the second home with your kith and kin socializing for a getaway weekend or holiday, or some of your extended family is using your home for their own little getaway, a second home is a great way to bring your loved ones together. This book offers plenty of tips and advice on how to deal with these types of guests. For example, should you charge them rent (check out Chapter 11)? And how do you ask them to follow the house rules (check out Chapter 20)?

## *An investment (in the form of rent money)*

Some people purchase second homes for investment purposes. Rather than spend their vacations there, they rent the property with the intention of making some money. In doing so, they begin to build equity in yet another home, thus forming the foundation for a retirement nest egg that at some point can be sold to a third party or willed to an heir.



By renting your place for more than 14 days per year, you not only can collect rent checks, but you can also gain tax advantages that owners who opt not to rent simply don't have. (Refer to Chapter 14 for the specific IRS rules and regulations for renting your second home.)

### **Just the stats, please: Why people buy second homes**

According to the National Association of Realtors (NAR), sales of second homes, in the form of vacation homes and investment homes, set records in 2005. In fact, the combined total of second-home sales accounted for 4 out of 10 residential transactions.

The NAR reports that 27.7 percent of all homes purchased in 2005 were for *investment*, and another 12.2 percent were purchased for use as *vacation homes*. Altogether, 3.34 million second homes were sold in 2005, up 16.0 percent over 2004 — more than 9,000 second homes were bought and sold every day of the year!

The NAR determined the reasons vacation-home buyers wanted a second home:

- ✓ 41 percent purchased their dwellings to use for vacations.
  - ✓ 31 percent purchased a place to use as a family retreat.
  - ✓ 28 percent bought to diversify their investment portfolio.
- For investment-home buyers:
- ✓ 55 percent said rental income was the primary factor for buying.
  - ✓ 35 percent wanted to diversify their investments.

Part III of this book covers everything you need to know about renting your home, including finding renters, hiring a property manager, remodeling your home, maintaining your home, and paying the appropriate taxes on a rental property.

## *A space to peacefully retire to*

Knowing that you actually own a delightful place on a gorgeous beach in Maui, and that it's just sitting there waiting for you to come and live there full time, may be reason enough for you to purchase a second home. In fact, many people buy second homes with retirement in mind.

Whether you plan to retire in 5 years or 25 years, you can purchase a second home and use it as an incentive to work hard and look forward to the golden years when you can relax. If you do purchase a second home for retirement, it doesn't have to sit empty until you're ready to move in permanently. You can use it as a vacation destination for yourself or friends, or you can rent it. Even if you have to rent it seasonally or full time in the interim, the home is still there (and still appreciating in value) while you put in those additional years of work and plan for the day when you can retire and enjoy it *fully* — and *full time*. (Refer to Part IV for more in-depth info about retiring to your home.)

## *Understanding the Second-Home Market*

Remember when having more than one house was a really big deal? Yes, there was a time when owning a second home was considered a luxury only afforded by the affluent, with everyone else content to stay in hotels or rented spaces while on vacation.

The perception of second-home owners being King Midas has changed dramatically over the last few years. Low mortgage interest rates and an often uncertain and fluctuating stock market have pushed more people to consider real estate as an investment, rather than a necessity, or even a luxury. But do you wonder if you fit in the second-home market? If you want to see how you compare with these second-home buyers, this section can help you understand the second-home market a bit better.

## Who is the second-home buyer?

The second-home buyer can be the person who is looking for a monthly escape of her own in a neighboring town or hundreds of miles away. The second-home buyer can be the shrewd investor who wants to add a few rental properties to his retirement portfolio. The second-home buyer can be the wealthy family that has always wanted to own their own chalet on the countryside in France. Knowing who's buying second homes is useful in that you can easily tell if you fit into one of these categories, and this knowledge (combined with other considerations, such as what type of homes they're buying and what amenities and features they're looking for; check out Chapter 3) can help you decide if a second home is right for you.



### An agent picks his clients' brains

One Chicago real estate agent I know does a good 5 to 10 percent of his annual business with second-home buyers eager to purchase property in the city's downtown Streeterville neighborhood. That's where theaters, opera houses, restaurants, and Navy Pier are flanked by one- and two-bedroom condos priced in the \$200,000 to \$300,000 range.

Before the agent takes them out to look at properties, though, he first probes into the buyers' wants and needs by asking questions like:

- ✔ What will you use the property for?
- ✔ What amenities or features are you looking for?
- ✔ How long do you plan to own this property?
- ✔ Would you be willing to upgrade it to maximize its value?
- ✔ Would you rather spend more money on a finished condo unit, or would you prefer buying something that you can work on?

Why all the questions?

According to the agent, buying a second, in-town home in Chicago is about convenience as much as it is about property appreciation. His second-home customers include folks ranging from investors looking for a city getaway, to parents who are purchasing homes for their college-age children attending school in the area. Most of his clients come to him through word-of-mouth referrals from bankers and lawyers, as well as through his firm's excellent relocation department. (For more on working with a real estate agent, flip to Chapter 6.)

And most of my friend's clients are also thinking about exit strategies before they even sign on the dotted line. According to the agent, he often finds himself answering one simple question time after time: "If I needed to sell right away, how quickly could I do so?"

In 2005, the profile for a typical second-home buyer who uses the home for vacations was as follows:

- ✔ He was 52 years old.
- ✔ She had an annual income of \$82,800.
- ✔ He purchased a property that was a median of 197 miles from his primary residence. Also, 47 percent of these homes were less than 100 miles away, and 43 percent were 500 miles or more.

In 2005, the profile of the typical second-home buyer who uses the home as an investment was as follows:

- ✔ She was 49 years old.
- ✔ He had an income of \$81,400.
- ✔ She bought a home that was relatively close by — a median of 15 miles from her primary residence.

More than three-fourths of people who bought second homes for vacations have no interest in renting their property, and 21 percent said it would become a primary residence on retirement, compared with only 2 percent of people who purchased a second home as an investment. Furthermore, 14 percent of investment buyers and 6 percent of vacation-home buyers purchased a property that their son or daughter could occupy while in school.

Where do you fit in? People of all ages and walks of life purchase second homes. If you're paying your bills and enjoying life, and can afford the out-of-pocket expenses — down payment, closing costs, and other outlays associated with buying a home — the odds are you can purchase and use a second home — as a vacation home, a full-time rental, a future retirement home, or a place where you and your family can spend every weekend if you want to.

## Location is everything

The National Association of Realtors asked second-home buyers which characteristics they sought out and valued most about their property.

Here's what they said about location. (Check out Chapter 4 for more on why location is important when buying a second home.)

- ✔ 40 percent said close to an ocean, river, or lake
- ✔ 34 percent said close to family members
- ✔ 27 percent said close to preferred recreational activities
- ✔ 27 percent said close to their primary residence
- ✔ 26 percent said close to mountains
- ✔ 24 percent said close to a preferred vacation area
- ✔ 17 percent said close to a job or school

And you don't have to spend millions of dollars to get into your second home of choice. Many of today's buyers are spending reasonable amounts of money to buy second homes. The median price of a vacation home in 2005 was \$204,100, up 7.4 percent from \$190,000 in 2004. The typical investment property cost \$183,500 in 2005, up 24.0 percent from \$148,000 in 2004.

## *Where are people buying second homes?*

Knowing where the second home hot spots are can help you pinpoint the best place for yours, particularly if you don't already have a specific city, state, or county in mind. By keeping an eye on where others are flocking to, you can get a great sense of where the best values, amenities, and attractions are without having to get on an airplane and see for yourself.

People are purchasing second homes in various regions of the United States. According to the National Association of Realtors (NAR), in 2005, here's how the second-home-sales buying pattern shakes out (in order of popularity):

- ✔ **The Midwest:** 33 percent
- ✔ **The South:** 30 percent
- ✔ **The West:** 20 percent
- ✔ **The Northeast:** 17 percent

When you're ready to pick the place where you want to purchase your second home, Chapters 4 and 18 have some useful advice you can apply to your search. Some people are also buying homes abroad. Check out Chapter 9 for more about buying a second home overseas.

## *Getting in on the Second-Home Boom: Are You Ready?*

Turning your dream of owning two homes into a reality requires careful consideration, despite the allure of low mortgage interest rates and that extra cash lying around waiting to be invested.



As you decide whether a second home is right for you, take a few moments and consider the following pointers and reminders:

- ✔ **Thoroughly review your ability to pay for a second home.** Asking yourself if you can afford a second home is particularly important if you're already carrying a mortgage on your first home and you don't plan to generate rental income from your second home. Check out Chapter 2 for more info about whether you can afford a second home.

- ✔ **While figuring out your financials, keep in mind the investment potential of the new home.** If your second home is in a coastal area where property appreciation is consistent and high (say, in the 15 to 25 percent range annually or every couple of years), for example, the financial returns may be significant. Also your home's rental potential can increase its value. If you so desire, rent can start pouring in during those months when you're not using the place. (See Chapter 11 to read more about renting a second home.)
- ✔ **Understand the main financial differences of buying a second home compared to your first home.** Most second-home loans require down payments of 15 to 20 percent, and some mortgage companies require higher down payments on second homes, compared to first homes. I've heard of lenders demanding up to 50 percent of the total sales price. How much you'll be asked to come up with depends in large part on your credit rating. (Check out Chapter 8 for more info on financing differences and credit scores.)
- ✔ **Know that after the sale closes, you need to be able to afford the monthly mortgage payment, utilities, and any additional upkeep or related fees.** Remember, owning and maintaining a property isn't cheap. You must maintain the property. (Check out Chapter 13 for more on the upkeep of a second home.)
- ✔ **Factor in tax obligations.** Have a financial advisor or accountant clearly explain the tax considerations you'll incur well ahead of your closing day. If you decide to rent the unit when you're not using it, you need to know how all that additional taxable income will affect your financial picture. (See Chapter 14 for more info on sending Uncle Sam his due.)
- ✔ **Look for a home and area that boasts the kinds of amenities that will make you and yours happy and comfortable.** Are there certain activities that you can't live without, even when you're on vacation? (Did I just hear someone shriek the word "golf"?) The key is to make sure you know which amenities you want *before* you buy, and only look for those homes that have the features or that provide easy access to them. For example, you may desire a house with a pool and basement game room, and your spouse may want nearby shopping malls.
- ✔ **Think about your social and family lifestyle.** If having friends and family — a built-in community — close by is important, consider areas that you have frequented over the years.
- ✔ **Choose a climate that matches your needs.** My favorite season is summer. My friend Steve's is, too. If you're planning on using your second home year-round, be sure that the location experiences the weather you enjoy throughout the year. (See Chapter 4.)



- ✔ **Figure out the ideal travel distance, by car or plane, to your second home.** How often do you plan on visiting your second home? If, for example, you detest flying, choose somewhere within a few hours' drive. If, on the other hand, driving is your nemesis, then go for something very close to home or far enough away to justify the cost of a plane trip. (Check out Chapter 4.)
- ✔ **Think about your second home's long-term use.** Will you be renting it? Then make it easy on yourself and pick a place that's popular for vacationers and renters. Will you retire to the home? Then make sure the home and its surroundings feature all the amenities and extras that you need to be comfortable and content.

## *Finding and Purchasing a Second Home: On Your Own or with an Agent*

Do you want to buy a second home for your family to use on vacations? Are you considering expanding your investment portfolio with a second home? No matter the reason, if you want to purchase a second home, you first have to know where to find one. Where do you start? You have two choices when it comes to buying a second home:

- ✔ **Shop around on your own, decide on a home, and handle the details of the purchase by yourself.** Handling the deal on your own may not be easy, but if you've been through real estate transactions before, and if you know what to expect, then you know it's doable. The upside is that you're in control. The downside is that it's a huge amount of work. See Chapter 5 for details on how to go about buying a second home on your own.
- ✔ **Use a real estate agent to help you buy your second home.** Because agents typically collect commissions from the seller side of the transaction, you have nothing to lose when you hire an agent to help you purchase your home. The pluses include having a pro and all the knowledge and resources she brings to the table. The negatives include not having total control and having to depend on the agent to find what you're looking for. See Chapter 6 for the nitty-gritty on how to select and work with an agent.

## What Kind of Second Home to Avoid

If you're seriously considering buying a second home, you can't just buy the first home you see. Make sure you're not buying a property that you'll later ask yourself why the heck you bought it. If you're working with a real estate agent, rely on her expertise to help you find the home that's right for you. If you're not using a real estate agent, make sure you know what you're buying. (For example, an inspector can help you if you notice a structural problem with a home; see Chapter 7 for more info.)



The following list points out a few types of houses you may want to stay away from:

- ✔ A home that doesn't meet your specific needs, or that of your family.
- ✔ A house that's located in an area of the country that you don't particularly care for (or even loathe with the heat of a thousand suns).
- ✔ A dwelling located in an area where the amenities you really want are few and far between.
- ✔ A home that's obviously overpriced (comparatively speaking) in a declining market. (This is a sure sign that you could lose money on your investment.)
- ✔ A house that you want to buy *right now* because you really like the way it looks. Doing so is called *buying on emotion*, and no second-home owner should get sucked into this situation. You'll live to regret it. I've seen it happen.
- ✔ An abode that needs entirely too much work to get into shape for comfortable living. This type of home is considered a *fixer-upper*.
- ✔ A home that's not located in an area where others want to visit. This is especially important if you plan on renting it on a seasonal or annual basis.
- ✔ A house that's too far away for you to get to on a regular basis, say, once a month, or once every other month — unless, of course, you're buying overseas and are aware of the fact that it will be far away regardless of where you buy.

This list is a good starting point. Feel free to add to it, based on your own circumstances. By selecting a home that meets your needs, as well as one that's a good investment, you'll be much happier with your choice.

## *Are You Saying I'm a Real Estate Investor with Only Two Houses? Yes!*

Real estate is a game of sorts and, as a primary homeowner, you're already playing it. And, like every game, real estate buying and selling has rules, winners, losers, and a multitude of ways to play. When you become a second-home buyer, you officially move into the "investor" category of game player. Why? Because you now have a bit more skin in the game. Plus, you've shown that you have a true interest in putting your money into real estate — even if it's just for the sake of having a fun vacation every month, which is fine.

This section gives you a quick overview of each person's role in the real estate game, and how you can put their expertise and experience to work in making your real estate transaction successful and smooth, as well as how to score the best deal possible. Keep in mind that these concepts are discussed at length elsewhere in the book, too. Check out Chapter 6 for more on who does what, and to whom, and for whom!

### *The seller's game*

The seller probably has the easiest job: Get the highest possible price for her home in the shortest amount of time. Period.

To make this happen,

- ✔ **She sets an asking price that's higher than what she thinks she'll get.** Very few prices these days are really and truly firm.
- ✔ **She negotiates hard on all points.** You can expect one of three things to happen if you insist on knocking off a significant amount from her price because of a faulty dishwasher or a carpet you feel needs to be replaced.
  - She'll give you an outright, "No, thanks."
  - She'll be willing to discuss a compromise.
  - She won't even dignify your offer with a response.
- ✔ **She refuses to settle until she knows she's getting a good deal for her home.** Sellers rarely agree to a sale if they feel they're not getting what they deserve.

Of course, the *motivated seller*, a subspecies of the seller, is slightly different. How? She's much more flexible on all aspects of the sale, and for one good reason: She's eager to sell. For whatever reason, she can't allow the house to sit on the market for weeks or even months. This type of situation can be a real opportunity for the serious buyer.

But if a seller is *not* in a hurry, and she knows what the house is worth and has decided that that's the amount she wants, no matter what, then it'll take the First Cavalry to move her. (For more insights into negotiating with a seller, see Chapter 5.)

## *The buyer's game*

The buyer — and for purposes of this book (except for Chapter 16, where you're the seller), that's *you* — is out to pay the lowest possible price for the home that meets his needs in as many ways as possible. He's looking for location (location, location), size, amenities, and, of course, price.

For you to score your ideal second home, consider working with an agent to negotiate pricing and terms on the home of your choice. Or you may choose to handle the hands-on dickering yourself. Check out Chapter 5, if that's the case. Like the seller, you won't settle until you feel like you're getting exactly what you want and for the price you want to pay.

There are also *motivated buyers*. These buyers *need* to purchase something and, thus, sometimes agree to a higher price than they're happy with in order to get the house they want, with what they want in it, in a location they're excited about. There may be lots of reasons for the urgency, but it boils down to an opportunity for the seller who holds the house the buyer is interested in.

## *The agent's game*

The real estate agent's place is somewhere in between the buyer and the seller. His job is to shepherd the sale to the closing table . . . no matter what it takes to do so, all within the ethical guidelines, of course. (Real estate agents are obliged to follow their national real estate organization's Code of Ethics.)

Agents typically represent either the buyer or the seller and always work closely with the co-broker representing the other side of the deal. If there's no co-broker, then your agent deals directly with the seller. Everyone's goal? To come to terms on the second-home sale.

Because the agent works on commission, and also because he doesn't get paid until the deal closes, it's in his best interest to see that the deal reaches the closing table and that all parties are satisfied and cooperating by doing their part in creating a happy experience for all. (Chapter 6 has all the details of the agent's role and how you can work with him.)

If you're not using an agent, the process is still very much the same: Negotiate the price and conditions, sign the contract, get the necessary inspections and appraisals done, get the financing in order, and get the transaction to the closing table.

## *After You Purchase: Putting Together a Support Team*

Second-home ownership is on the rise, so how hard can it be? You put your money down and voilà, it's your home, right? Depending on how you plan to use the home, you move some stuff in and plan for your next vacation, or you find some renters. Well, it's not quite as simple as that.

Buying and owning a second home adds a level of complexity to all aspects of your life, especially when your second home is several hundred miles away from your primary residence. If something happens, you can't exactly drop everything and stop by to check on the place. This section explains how you can deal with crises when they pop up.



If you don't have a support team, you'll be largely left to your own devices when any type of emergency or issue comes up. If you live 20 minutes down the interstate, then you can probably handle it on your own. But if your home is more than an hour or so away, then follow the advice in Chapter 13 and form a solid support team for yourself and your home.

### *For the day-to-day responsibilities*

By forming strong, friendly bonds with property managers, real estate agents, and your neighbors, as well as with any friends or family who live close to your second home, you'll have a much easier time managing your abode from afar with all the day-to-day issues and responsibilities. Without this network, you're on your own.

Your support team can help maintain the home and handle any issues, regardless of how far you are from your second home. Your team's responsibilities may include cutting the grass, trimming the hedges, cleaning the gutters, and handling any other regular maintenance and upkeep.

If you're planning on renting your place, you can hire someone to help you with all the paperwork and upkeep. For example, a property manager can handle the marketing of the property to potential renters, keep an eye on the place when you're not in town, and hire subcontractors to handle odd jobs like plumbing problems and routine care like lawn maintenance. (Check out Chapters 11 and 13 for more on working with a property manager.)

## *Dealing with the late-night emergency call*

Phones don't generally ring in the middle of the night for no good reason. When you live eight hours away from your second home and you get a call in the dead of night from someone living in or near your home, you can bet dollars to doughnuts something serious has taken place. This is when your support team can swing into action (it can also come to your rescue for emergencies during daylight hours, too).

## **Laying down the ground rules for people who use your home**

If after you purchase your second home you decide to let friends and family use it, you want to ensure that you protect your investment.

A friend of mine owns a few vacation homes, none of which are rented out but all of which are used on a regular basis by his friends and family members. Like many of the owners I have rented from, he leaves a sheet of rules, instructions, and info on the refrigerator in the home. This list cuts down on the number of frantic calls he receives (telling him, for example, that the televisions won't turn on) and the amount of cleanup that he has to do after they depart.

The following set of House Rules — shamelessly pulled off my friend's second home's refrigerator and reprinted almost verbatim — paints a clear picture as to how guests should be instructed to treat a home like it's their own. (This list was developed after several infractions took place, and it's mostly directed at the owner's children and friends.) You'll want to do the same thing at your second home. Feel free to photocopy the rules or draft similar rules for your own guests.

### House Rules

Note: This stuff is listed in no particular order of importance. I hope you enjoy your stay at my vacation home. In return for my generosity, I expect visitors to treat my home like they treat their own (better, if they're homes aren't clean and neat), report any damage or problems as soon as possible, and leave the place as clean (preferably CLEANER) as it was when they arrived.

1. Park your car \_\_\_\_\_
2. Questions that may come up while you are here can be directed to me. Home phone number is \_\_\_\_\_ and my cell phone is \_\_\_\_\_
3. Feel free to use the telephone for local and near-zone calls or to call me if you have questions. Please don't make other long-distance calls from my telephone. Note: The local telephone book is stored \_\_\_\_\_
4. Cleaning supplies (vacuum cleaner, dusting rags, glass cleaner, and so on) are located in \_\_\_\_\_
5. Feel free to watch TV and note that we have all the movie channels. Enjoy those channels if you wish, but don't order Pay-Per-View movies because they are billed separately.
6. I have wireless broadband available if you care to access the Internet wirelessly on your own notebook computer (not sure you have the hardware to do it, but it's available if you do). The wireless signal is very strong throughout the entire condo.
7. Don't open the garage door. It's locked, and I prefer to keep it locked.
8. If you find any mail in the mailbox, please leave it on the counter when you leave.
9. Upon leaving, check that all windows are properly closed and that all doors are closed and locked. Also, please remove any perishable food stored in the refrigerator.
10. Take any trash out.
11. In case you get locked out, don't panic. The next door neighbor has a spare key to our unit. Her phone number is \_\_\_\_\_
12. Leave me a note on the dining room table and tell me which beds were used. I will change the sheets at a later date. But, please do make the beds so that the rooms look neat and orderly upon my arrival.
13. Regarding towels, you have two choices: bring your own or use mine. If you use mine, that is okay, but drape the wet ones over the sliding tub enclosure and pile up the used dry ones on the counter by the sink, so I will know which ones are dirty. Same holds true for the three kitchen towels. There are more clean towels in the bedroom dressers, and more kitchen towels in one of the drawers to the right of the kitchen sink. There are more sheets in the bedside tables.



You may receive a late-night call for any number of reasons:

- ✓ **Maintenance issues:** A pipe broke, or the air conditioning won't kick on.
- ✓ **Security concerns:** The alarm company received a break-in signal.
- ✓ **Personal injuries on your property:** Some guy fell on your lawn and broke his arm.
- ✓ **Weather-related disasters:** A tree crashed through your roof, or your basement has 3 feet of water in it.
- ✓ **Unforeseen calamities:** A car jumped your lawn and is now in your living room.
- ✓ **Major property damage:** A fire seriously damaged your garage.



Having someone you can trust living near your second home is especially important if your primary home is a great distance away. A good way to deal with these issues is to think about them in advance and determine what steps you'll take when an emergency happens. If you plan to rely on a neighbor, friend, or relative to help you handle crises, give them a heads-up that if you get a late-night call, you may be waking them up, too. Chapter 13 can help you figure out whom to call and how to handle emergencies.

## *Retiring to (And Protecting) Your Second Home*

When the time comes to retire to your second home, you want to take a few steps to shore it up and make sure that it's ready for full-time living. (Check out Chapter 16 for more advice and info on moving into your second home.) Here are some things that you can do:

- ✓ Have a security system installed and turned on to protect yourself and your belongings.
- ✓ Inspect all windows and door locks to make sure they're operable and can be properly secured.
- ✓ Check outdoor facilities (such as screen doors) for their ability to close and lock properly.
- ✓ Get adequate insurance coverage for the home (if you don't have it already) and its contents (particularly if you're going to fill up the home with all of your earthly belongings).

By protecting your home, you can feel more secure. Enjoy retirement and your home. You deserved it.