

Top 5 Tips to Consider Before Buying a Vacation Home

Andrew Lieb

1. Affordability

You should condition yourself to the added expense of paying for an increase in your lifestyle. Think about what you can afford in terms of taxes (village and town), electric, gas, water, garbage removal, gardening, mortgage payments and insurance. Also, put away money for reserve, because houses break.

2. Bonus Rights

Do you want beach rights? What about horses? Is a marina important to you? It's imperative that you identify what you are looking for before going out on your search. Then, go back to affordability and determine what the cost of this advantage is and if you can afford it. Next, see your attorney and ensure that you have the rights that you think you have. Does the town permit horses on your property? Are there clearing limits? Do you have a right-of-way to the bay through your neighbor's yard?

3. Rental Option

If you want to rent out the property for part of the year, you'd better check the municipal code to see if it's permissible. Some localities have minimum rental periods, others require a permit and still others have maximum unrelated occupant restrictions. Don't just act--do your due diligence first, as tickets for violations are expensive and you can even face jail time in some areas.

4. Certificate of Occupancy

That pool house is really a shed. Those bedrooms are an unfinished basement. The deck is a grass field. A certificate of occupancy (CO) is a certification from the town/village that a structure on real property was built pursuant to the municipal code and the construction as permitted by law. If there is no CO, the structure needs to go. This is the most common reason a deal dies and the buyers walk. Always confirm that the structure is properly built before going to contract.

5. Title Report

This is perhaps the most important item in shopping for a home. It tells you that the sellers actually own the property, it specifies the liens against the property, it shows you what structures are on the property legally, it tells you the property tax amount and if there are amounts currently owed, and much more. Talk about leverage in negotiating--a title report is a must for purchasers, and if you are getting a mortgage from an institutional lender, it's required. So you might as well order a search during negotiations to get the best price.

Adapted from this [Dan's Paper's](#) post