

## Buying a Second Home in Retirement: What to Consider Before You Commit



Retirement often brings dreams of a second home—maybe near the beach, in the mountains, or close to the grandkids. But before you start scrolling listings or calling real estate agents, there's a lot more to think through than just location and price. Buying a second home in retirement can be a dream come true—or a costly mistake. Before you take the plunge, here are a few key considerations to help you decide if it's the right move.

### 1 Location, Location, Location

For second homes, people usually choose locations that support their hobbies and interests. But even though they may sound fun and exciting, it can be challenging if you don't have easy access to other things you'll need. Golf, skiing, great restaurants, friends, shopping, whatever your interests and needs are, make sure your potential second home supports them.

Remote homes might sound fun and exciting, but if basic errands or dinners out require a two-hour drive, that serenity can turn into isolation or frustration. You should also consider access to healthcare services; urgent cares, emergency rooms, pharmacies, to make sure your health needs can be met nearby, especially as they may evolve over time.

Understand the climate, seasonal extremes, and how they'll affect both your enjoyment and your wallet. Desert heat, mountain snow, or coastal humidity all bring maintenance challenges—think rust, pests, freezing pipes, or pool heating.

Don't forget to factor in travel logistics and costs, how easy is it to for your family and friends to get there? Are flights expensive? Can friends and family afford to visit, especially during peak holiday seasons? These practicalities can shape how often you, and others, use the home.

Unsure about an area? Think about renting for a bit to get a better feel for the area. If you're considering a condo or apartment this may be good to get a feel of what it's like living in a more shared space if that isn't something you've done in the past.

### 2 Property Type

Condos may offer less maintenance and easy access to amenities; however, it can also mean less privacy. When living in apartments and condos, you can't pick your neighbors, and you can't pick how close they are to you. You may have neighbors who smoke, listen to loud music, have company over often, or are just generally noisy living a few feet away from you.

Single-family homes may offer more space and privacy, but they can also require more responsibility and upkeep. Unless you're buying a house in perfect condition, there may be projects or renovations necessary that you have to either handle on your own or hire someone to do for you.

For those who have a certain vision or want to create a home that will fit specific needs, building may be an option to consider.

If you build, you can add the features that you want rather than remodeling down the line. Adaptable storage, wider doorways and hallways and open floor plans are ideal for older adults but not necessarily standard in every home. Building does require more time, money and decision-making than renting or buying, but if you're interested in starting from the ground up, it may be the right solution for you.

### **3 Choose the Right Real Estate Agents**

These days, it seems like everyone knows someone who's a real estate agent, and while it might be tempting to go with someone you know, it's important to find an agent who truly understands the area you want to move to.

Interview real estate agents in the area in which you're looking to buy or rent to find someone who understands your needs, the area, and the type of buying strategy you're comfortable with. Local experts can help you navigate nuances that an out-of-area agent might miss, such as upcoming listings before they hit the market, knowledge of the area's amenities, neighborhoods, and accessibility.

A good agent isn't just a property matchmaker but someone who can connect you with trusted local service providers such as contractors, handymen, landscapers, and property managers if applicable. When you're new to an area, this can be especially helpful.

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### **5 Unexpected Costs and HOA Rules**

Buying a second home is more than just the cost of the house. Homeowners insurance can be more expensive for a second property, especially in areas at high risk for natural disasters.

Some of the more desirable locations are prone to floods and windstorms where additional insurance may be needed. Condo communities sometimes see increases to HOA fees after a natural disaster, even if your specific unit wasn't directly impacted. In Florida, one couple living in a condo community saw their insurance rates double after a hurricane—in addition to a \$7,200 special-assessment fee to pay for building upgrades. Their HOA fees went up by 25%, causing them and many others to list their condo for sale.<sup>1</sup>

If your second home is in a 55+ community or governed by a homeowner's association (HOA), be sure to read the fine print. Many HOAs have rules around guest access to pools, street parking, noise restrictions. Overnight stays can quickly shift from "no big deal" to "major headache" when family visits. If you're not living full-time in your second home, you may need a property manager for when you're away. Make a pro/con list and evaluate how those rules fit into your lifestyle.





## 6 Financial Planning

With any big purchase, talk with your financial professional—not just about the cost of buying or financing the home, but about ongoing maintenance, taxes, utilities, insurance, and travel. Even if you plan to handle maintenance yourself, consider whether you'll be living there full-time (likely not), and budget accordingly for hiring help, especially as you age. You should also discuss with your financial professional how buying a second home fits into your overall financial plan, including long-term goals, retirement, and investment strategy.

## 7 Buy for You, Not for Everyone Else

It's easy to envision big family holidays and frequent guests, but it's important to be realistic. Don't overbuy in hopes of accommodating visitors who may only come occasionally.

If you dream of having all your kids and grandkids at your second home but it's two flights and a four-hour car ride to get there, you may be disappointed with the inconsistency of visits. Talk to your loved ones about how far and often they think they're able to travel to visit you at this home if it's important to you and your decision.

On the flip side, if your home is in a desirable location, and you're hoping for peace and quiet, you may have to be prepared for a flood of guests. You could quickly find yourself operating a bed-and-breakfast and feeling overwhelmed.

### To Summarize

A second home in retirement can offer joy, escape, and new memories—but only if it's aligned with your lifestyle, health, finances, and long-term plans. Do the homework now to avoid surprises later. The goal is to enjoy your golden years, not spend them managing a second full-time job disguised as a house.

### Next Step:

Talk to your financial professional about how a second home fits into your financial plan



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Julie engages and educates financial professionals and their clients about emerging opportunities in financial services. These opportunities range from practice management and team dynamics to anticipating and preparing for long-term demographic and lifestyle changes. Julie is also the co-host of the Hartford Funds Human-centric Investing Podcast, which features conversations with thought leaders from inside and outside the financial services industry.

<sup>1</sup> Why Florida's Condo Owners Are So Desperate to Sell, Wall Street Journal, 4/25

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