

Move-Up vs. Second Home: Which One Is Right For You?



The pandemic has changed the way many of us live, work, and attend school—and those changes have impacted our priorities when it comes to choosing a home.

In a recent survey, 66% of respondents said they would consider moving if they no longer had to commute as often. Some of the top reasons were to gain a dedicated office (31%), a larger home (30%), and more rooms overall (29%).¹ And now that virtual school has become a reality for many families, that need for additional space has only intensified.

If you're feeling cramped in your current home, you've probably considered a move. But what type of property would suit you best? Would you benefit more from a larger, move-up home with adequate space—or a second home that offers a convenient escape? Let's explore each option to help you determine which is right for you.

WHY CHOOSE A MOVE-UP HOME?

If you're struggling with a lack of functional space in your current home, a larger move-up home is a great choice that can improve your everyday life. And with mortgage rates at their lowest level in history, you may be surprised how much home you can afford to buy without increasing your monthly payment.^{2,3}

One major benefit of choosing a move-up home is that you can typically afford a nicer place if you spend your entire budget on one property. However, if you're longing for that vacation vibe, a second home may be a better choice for you.

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WHY CHOOSE A SECOND HOME?

Home sales are surging in many resort and bedroom communities as city dwellers search for a place to escape the crowds and quarantine in comfort.⁴ And with air travel on hold for many families, some are channeling their vacation budgets into vacation homes that can be utilized throughout the year.

One advantage of choosing a second home is that you can offset a portion of the costs—and in some cases turn a profit—by renting it out on a platform like Airbnb or Vrbo. However, be sure to consult with a real estate or rental management professional to get a realistic sense of the property's true income potential.

WHICH ONE IS RIGHT FOR ME?

You may read this and think: I'd like both a move-up home AND a second home! But if you're dealing with a limited budget (aren't we all?), you'll probably need to make a choice. These three tactics can help you decide which option is right for you.

1.

Determine Your Time and Financial Budget

You may meet the bank's qualifications to purchase a property, but do you have the time and money to maintain it? This is an important question, no matter what type of home you choose—but especially if you're considering a second residence.

2.

Rank Your Priorities

Make a wish list of the characteristics you'd like in your new home. Then rank each item from most to least important. This exercise can help you determine your "must-have" features—and which ones you may need to sacrifice or delay.

3.

Explore Your Options

Contact us to schedule a free consultation. We'll discuss your options and help you assess the pros and cons of each, given your unique circumstances. We can also send you property listings for both types of homes so you can envision each scenario.

LET'S GET MOVING

Sources: 1. Zillow 2. MarketWatch 3. Toronto Star 4. Kiplinger

Whether you're ready to make a move or need help weighing your options, we'd love to help. We can determine your current home's value and show you local properties that fit within your budget. Or, if your heart is set on a second home in another market, we can refer you to an expert agent in your dream locale. Contact us today to schedule a free consultation!

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