

## BUSINESS

### ARBOR OUTLOOK

# To buy or rent a home at the lake



**Margaret McDowell**

*"I got some oceanfront property in Arizona ... From my front porch you can see the sea." — from "Oceanfront Property"—as recorded by George Strait*

Everyone who watches "Lakefront Bargain Hunt" or similar programming is enticed to own a second property. For many, it's the fulfillment of a dream. Who hasn't envisioned themselves sitting on the dock, surrounded by family and grandkids,

enjoying the water?

Meet Billy and June Sunset, fictitious but not atypical retirees, who settled in a Florida beach community five years ago. With their home paid for and with his pension and their Social Security payments, they need little income generated from their investments, which have grown to near \$2 million.

They love the beach and that special quality of light surrounding the sea. But in deep summer, they suffer with the humidity and heat. They dream of a second property on a cool, inviting lake, and soon begin an active search. They visit several homes in Alabama, but finally settle on a lakefront home in north Georgia. The property is

above the "gator line," above the "gnat line," and offers a beautiful water view, a Southern trifecta.

That first summer, they travel to the lake two and three times each month. The grandkids visit once, but are mostly involved with dance recitals and baseball at home. Slowly, over time, the trip to the lake house becomes more laborious. They spend as much time packing and unpacking and driving as they do enjoying the home.

In autumn a rare windstorm sends a tree limb crashing into the house and causes extensive roof damage. Hiring contractors long distance proves problematic. They make trips to check on the repair progress and incur unexpected hotel

expenses each evening.

They are also unprepared for the difficulty and cost of absentee homeowner maintenance. They pay for lawn and pest control service, but never know if it is actually being administered professionally. Meanwhile, bills from taxes, insurance, power, water and cable roll in, whether they are using the house or not.

The next spring they sell the house. After paying realtor fees and closing costs (twice), plus the ongoing expenses of taxes, insurance, maintenance and utilities, they lose about \$100,000. This is in exchange for about 40 days and nights that Billy and June had spent there. They could have enjoyed a lakefront rental

home for the same period for less than \$10,000, free of any headaches.

Second properties work for some investors and retirees. The reality for others, though, is that renting may represent a better choice. Just check in and stay for a few days, then leave the problems of maintaining and paying for the house behind with the key when it's time to come back home.

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