

Reflections Beyond the Lake Before Buying a Rural Vacation Home

With summer not too far off in the future, perhaps you're dreaming of sitting by a lake at your very own cottage (or whatever you fancy calling it in your neck of the woods – a vacation home, cabin, chalet, camp, etc.).

If buying a secondary, rural property is top of mind, check that you can be **pre-approved for a second mortgage**. Once pre-approved, create a **budget for all the associated costs** aside from the mortgage (e.g., insurance, hydropower, seasonal maintenance, property tax, etc.).

Also, check if the **water is safe to drink**. Factor in buying water, if not. If the water supply is from a well, you will want to include the cost of regular testing.

Consider if the costs of a cottage will take away from saving toward other future financial plans (e.g., children's education, retirement, or debt repayment).

Weigh non-monetary considerations, such as how easy it is to access during all seasons. Are there stairs leading to the water to be concerned about? If you want to retire there, are essentials a short drive away?



If you plan on renting it, consider **rentability**. Safe drinking water, Wi-Fi, and proximity to essentials will allow you to charge a higher rent. If you are looking into short-term rentals, remember to check that this is allowed in your area.

Finally, to avoid being blindsided, **review the local laws**, such as if you have exclusive rights to your shoreline.



Neighbourhood Amenities That Boost Home Value

Whether you are buying or selling, a key factor in the value of your home and quality of life are the neighbourhood amenities. The walkability to some of these amenities contributes to what is called a "Walk Score." Each point in a Walk Score is worth up to \$3,000 in home value in a typical city. Home value is affected by the walkability to amenities, such as:

Basic essentials — Proximity to well-rated schools, quality healthcare, and grocery stores make life more convenient.

Parks and community centres — Provide a place where residents can relax, socialize, exercise, and participate in programs, which can be particularly appealing to families and community-oriented individuals.

Shops and restaurants — Appealing for quality of life and helps to make a neighbourhood feel lively.

Public transit — Offers convenience in getting around, and the option to save significant money by not owning a vehicle.

Also, when you are buying and selling, other factors to consider include:

Mature trees — Given that these take decades to grow, and they provide shade and cleaner air, can lower energy bills, and improve your mental and physical health, it's no wonder they can increase property value up to 15 percent.

Future development projects — Such as for schools, healthcare, transit, or recreation contribute to a property's long-term appreciation potential.

Forecasting for Extreme Weather When Buying

When shopping for a new home it's common to think about price, location, school districts, commute time, and so on. But have you thought about adding extreme weather to your list of considerations?

- Some disaster-prone areas like Florida and California have seen big-name insurance companies withdraw altogether because of the rapid increase in claims. Be sure to confirm that insurance options are available in the area you are exploring.
- Check with your insurance provider to find out if there have been any major claims on the property over the past 5 years.
- For flood-prone areas, budget for additional flood insurance.
- For areas particularly burdened by extreme heat, budget for the extra cost of AC. Is the property equipped with ceiling fans? Is the yard fully treed to provide shade over the home?
- While trees are helpful in extreme heat, for places prone to wildfires, check that there is no fuel 3 to 5 feet (1 to 2 metres) from the house, and conifer trees and firewood are at least 35 feet (10 metres) from the house.
- For locations prone to hurricanes and tornadoes, ensure that there are no old or tall trees close to the house, should they fall during a storm.

So, when shopping for a new place to live, consider how protected



the property you are looking to buy is against the biggest risks in your region, and how living there could affect your budget.