

“Second Market Homes—Anything But Secondary!”

The Second Home Market: Or, What do Buyers purchase that is *not* a primary residence?

- ✓ Vacation homes
- ✓ Second (or third) homes
- ✓ Retirement homes
- ✓ Investments
- ✓ “Kiddie Condos”
- ✓ Pied à Terre

How Big is This Market?

- ✓ Facts and Stats 16% Vacation homes in 2015; Investment properties were 19% of the market
- ✓ Average sales price: Vacation homes \$192,000
- ✓ Average sales price: Investment \$143,500

What’s the percentage in Michigan?

- ✓ 14% Vacation
- ✓ 19% Investment

Nationwide:

- ✓ Single family homes are 66% of vacation homes; 62% of investment purchases are single family homes
- ✓ 9% are town/row houses for vacation; 8% of investments are town/row houses
- ✓ Condos: 23% vacation; 27% investment

Demographics:

- ✓ Half of second home buyers are under age 45; 50% of investors are under age 45
- ✓ Median income: Vacation buyers: \$85,600; Investors, \$111,400 [Nationwide median household income is \$51,017]

Size and Place:

- ✓ Majority of purchases fell into the 1,000 to 2,500 square foot range for both vacation and investments; the average size for vacation homes was 1,720 square feet; for investment, 1,690 square feet
- ✓ 52% of vacation homes were <250 miles from the person's primary residence ; 68% of investment properties were <50 miles from the person's primary residence

Why do They Buy?

- ✓ Vacation home buyers 'reasons:
 - Vacation
 - Family retreat
 - Future residence
- ✓ Investment home buyers 'reasons:
 - Rent to others
 - Good investment

Vacation Home Buyers: It's All About Their Hobbies/Interests

- ✓ Fishing
- ✓ Hunting
- ✓ Hiking
- ✓ Canoeing/Kayaking
- ✓ Bicycling
- ✓ Sailing
- ✓ Motor boats/ water skis
- ✓ Beach activities
- ✓ Skiing
- ✓ Snowmobiling
- ✓ Bird Watching
- ✓ Other activities

Special Circumstances:

- ✓ "Kiddie Condos" (not necessarily condos)
- ✓ Pied à terre

Identifying and Selling to This Niche

- ✓ Analyze your local market
- ✓ Determine activity
- ✓ Become involved
- ✓ Use social media to find buyers by interests, demographics