

## Vacation-Home Sales Make a Surprise Comeback

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The housing slump may be far from over, but vacation homes are suddenly hot again.

Vacation-home sales rose 7.9 percent in 2009 from a year earlier, to 553,000 units, according to the National Association of Realtors (NAR) in its 2010 Investment and Vacation Home Buyers Survey.

"It's a lessening of the fear factor," NAR spokesman Walter Molony said. "After three years of decline, we saw the activity picking up for the first time in November."

Most people are buying vacation property for personal use, not as an investment. Investment sales actually plunged 15.9 percent last year, to 940,000.

"The typical vacation-home buyer is making a lifestyle choice, with nine out of 10 saying they intend to use the property for vacations or as a family retreat," NAR Chief Economist Lawrence Yun said, according to a press release.

Much of the buying was by people in their 30s and 40s who were earning more income. The typical vacation-home buyer in 2009 was 46 years old and had a median household income of \$87,500.

Retirement plans may also be a factor. Some 26 percent of vacation-home buyers intend to use the property as a primary residence in the future.

The median transaction price of a vacation home was \$169,000 in 2009, compared with \$150,000 in 2008.

"The higher vacation home price may reflect increased sales in higher priced markets, particularly in areas of Florida and California where prices became highly attractive for buyers over the past year," Yun said.

Half of vacation homes purchased last year were in the South, 21 percent in the West, 17 percent in the Midwest and 12 percent in the Northeast. Seven out of 10 were detached single-family homes.

Vacation-home buyers plan to keep their property for a median of 16 years while investment buyers plan to hold their property for a median of 12 years.

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