



Home » Real Estate

REAL ESTATE RUMBLINGS

## Vacation home sales surge as buyers seek fun and a good investment

BY RALPH BIVINS 7.7.15 | 10:43 am

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Rental income is an important factor in buying a vacation home, says Jon Gray of HomeAway, an online marketplace that connects renters with vacation homes like this one on Lake Austin. *Luxury Homes From*

**S**ales of vacation home sales are surging across the nation as Americans seek out their own place for a family retreat, a regular vacation spot or a place to ski, sail, fish or hike.

Vacation home sales were up a whopping 57 percent in 2014 over the sales of 2013, according to a national report by the National Association of Realtors.

"Vacation home sales are skyrocketing," says Dallas-based journalist Candy Evans, a CultureMap contributor and founder of CandysDirt.com and [Secondshelters.com](#). "Vacation home sales have shown astounding growth. I get 50 emails a day from developers with new projects that are coming up."

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Evans, who moderated a vacation homes panel in Miami at the [National Association of Real Estate Editors Conference](#), says the surge is driven by "The One Percent" – affluent households who have done well in the stock market in recent years.

"The wealthy got even wealthier since the recession of 2008," says John Klemish, broker in-charge at the upscale [Greenbrier Sporting Club](#) resort in West Virginia.

The buyers at the ultra-luxe Greenbrier often pay all cash and the typical buyer there has at least three or four other houses, says Klemish.

The massive Baby Boomer generation is supporting the surge in the vacation home market as they acquire vacation homes now and plan to convert them to their primary residences after retiring.

The top choice for vacation home buyers is the beach, according to the National Association of Realtors Vacation Home Buyers Survey.

Last year, 40 percent of vacation buyers purchased in a beach area, 19 percent purchased in the country and 17 percent purchased a vacation home in the mountains. The average buyer purchases a vacation home that is 200 miles away from his/her primary residence.

Foreign buyers are also supporting the vacation home boom. Owning real estate in a country with a stable economy can be an appealing haven to affluent people from other parts of the world.

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"We've seen a huge desire for real estate from flight capital," says Phillip Day, an executive with the IMI vacation realty company in Greenville, S.C. "We see a lot of people from Europe and South America."

The ability to get rental income by renting out a vacation home is attractive, says Jon Gray, chief revenue officer at Austin-based [HomeAway](#), an online marketplace that connects renters with vacation home owners.

The owner of a vacation home gains \$28,000 a year, on average, by renting out their vacation home, Gray says. Many vacation home buyers can cover half, or even three-fourths of their mortgage payments with rental income, says Gray, a panelist at last

week's NAREE conference.

Orlando Realtor Chris Cain, author of "Your Made in the USA Vacation Home" says the investment aspect of vacation home buying is huge. And it is appealing to a cross-section of buyers, not just the ultra-rich.

"If your primary residence is the best investment of your life," says Cain, "why not buy a vacation home, too?"

Ralph Bivins, former president of the National Association of Real Estate Editors, is founding editor of [Realty News Report](#).

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