



**NATIONAL  
ASSOCIATION OF  
REALTORS®  
PROFILE OF SECOND-  
HOME OWNERS  
MARYLAND REPORT**

Prepared by:

Thomas M. Beers  
Research Economist  
NATIONAL ASSOCIATION OF REALTORS®

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The same favorable housing market conditions that have induced many Americans to purchase their first home have enticed many who already own a home to purchase second or third homes. Whether used as a vacation home, an investment vehicle or both, second homes have become increasingly popular and have helped fuel the growth in the housing market. In 2001, nearly 6 percent of all homes purchased were second homes. According to the most recent data from the U.S. Bureau of the Census, there were a total of 3.6 million seasonal homes in the third quarter of 2002, up from 3.1 million in 1990 and only 1.7 million in 1980. Other Census data show there are 9.2 million homes held by owners in addition to their primary residences.

While the path to first-time homeownership is typically similar from one buyer to the next, second homes are acquired in many different ways. Some second homes are inherited or shared with family members. Others originally were purchased as primary residences and then later became “second” homes when the household upgraded their primary residence. A great portion of second homes, however, are purchased for and used as vacation homes or investment properties.

The motivations for owning a second home vary from the desire for a vacation getaway to need to diversify one’s investment portfolio, but the demand for real estate in addition to a primary residence is an important area of the real estate market of the 21<sup>st</sup> Century. Understanding the similarities and differences between primary residences and second homes is important to real estate professionals who assist consumers with looking for a getaway home or investors looking for a worthwhile investment.

In October 2002, the NATIONAL ASSOCIATION OF REALTORS® and Escapehomes.com jointly developed the concept for a second-home owners survey and refined the questionnaire. Escapehomes.com is a leading online company specializing in resort property and second homes. A joint mail and email survey was sent to 5,440 second-home owners who lived primarily in the state of Maryland. The mail survey provided 346 usable responses; the email survey added 20 responses for a total of 366 responses. Of those respondents, 306 had second homes at the time of the survey. Information was also collected on buyers that owners who had purchased a second home in Maryland--148 respondents had a second home in Maryland, 28 of whom had a primary residence in a different state.

The names and addresses were obtained from Affordable Samples, Inc., and the email addresses came from Experian Marketing Solutions, Inc. These two firms maintain extensive databases of homeowners who reported that they currently own two or more homes. Unless otherwise noted, the median is the primary statistical measure used throughout this report. Due to rounding, percentage distributions may not add to 100 percent.

The tabulations that accompany this report are in a raw format. When analyzing the results of questions with “yes/no” or similar response categories, the “Percent” column should be used. For tables that provide multiple response categories, the “Valid Percent” column should be used. For any of multiple-choice questions that involve dollar amounts, distances, or any other numerical answers, medians have been calculated. NAR typically uses medians to analyze these types of data, whenever possible.

## **PROFILE OF SECOND HOME OWNERS WITH A PRIMARY HOME IN MARYLAND**

### **1: Characteristics of Second-Home Owners**

- The typical second-home owner is 60 years old, has a household income of \$93,100 and bought their second home in 1992
- Roughly 83% of second-home owners are married and 79% have no children who live at home

### **2: Motivation for Second-Home Ownership**

- 74% bought a vacation home, 23% bought an investment home, and 4% bought land
- 31% of all second home owners think of their home as a family retreat
- 12% bought a second home for income; 10% to diversify investments

### **3: Characteristics of Vacation Homes**

- Median time spent in vacation homes per year is 6 weeks
- 69% do not rent their vacation home
- 75% wanted to be near an ocean, river or lake
- 42% wanted to be near a particular vacation spot
- Popular activities: watersports, boating, hunting/fishing, and golf
- Median distance from primary home is 173 miles
- Roughly half are cabins, cottages or other detached SF homes
- Median value of \$150K (Median value of primary home is \$250,000)
- 73% in recreation/resort areas, as opposed to urban/suburban/rural

### **4: Characteristics of Investment Properties**

- Typical investment owner spends 4 nights in their house and rents it out for 19 weeks
- 2/3 of investment home owners buy within 200 miles of their primary home
- 24% located in the suburbs, 39% in recreation/resort areas
- Median value \$137,500 (Median value of primary home is \$250,000)
- 47% are detached SF homes

### **5: Acquiring a Second Home**

- 43% used a RE agent during their search (#1 answer), 26% used friend/neighbor
- 37% first found their second home through a Real Estate Agent; 23% through a friend/neighbor/relative
- 55% purchased thru RE agent; 25% FSBO; 16% builder
- 49% used mortgage to purchase; 48% used savings

### **6: Role of Real Estate Professionals**

1. Number 1 task desired of agent was “help finding the right property”
2. Buyers also wanted help with pricing, negotiations and paperwork
3. Buyers often chose an agent because of the agent’s internet site, a referral, or because the agent was a resort area specialist

7: **Looking Forward: Third Homes?**

- 32% of owners say a 3<sup>rd</sup> home is possibility for them in the next 2 years
- 84 %of second home owners consider their second home to be a good investment
- 24% say that the recent stock market slump has made them more likely to buy another home, 14 said they were less likely, 62% were unchanged

**PROFILE OF SECOND HOME OWNERS WITH A SECOND HOME IN MARYLAND**

- The typical owner with a second home in Maryland is 60 years old, has a household income of \$90,500 and bought their second home in 1991
- 70% bought a vacation home, 29% bought an investment home, and 1% bought land
- Majority of second home owners in Maryland also had their primary residence in the state, many Pennsylvanians bought second homes in Maryland
- The median value of second homes in Maryland is \$170,000, the median value of these owners' primary homes is \$208,000
- The typical owner has a primary residence 133 miles away from their second home in Maryland
- 44% first found out about their second home through an agent, 20% through a friend
- 65% purchased their second-home through an agent, 22% FSBO, 11% through a builder
- 70% bought a second home in a resort area, 12% in a rural area
- 94% say their second-home is a good investment, 3% say it is not