



## ESTATE PLANNING: VACATION PROPERTY

---

- CREATE** a succession plan to prevent vacation property from becoming a catalyst for conflict.
- COMMIT** to developing the necessary legal and financial strategies to achieve a peaceful and effective disposition of the real estate.
- TALK** to your heirs about their views and their perceived value of the property.
- DETERMINE** whether any heirs prefer cash to an ownership interest.
- GAUGE** whether the heirs who want to retain the house have the fortitude and resources to pay the tax, maintenance, and capital improvement expenses required. If they do not have the means, you may consider providing an endowment fund or leaving assets specifically for the upkeep of the property by purchasing a life insurance policy.
- DEVELOP** a succession plan that addresses use and scheduling policies, establishes care and maintenance guidelines, and provides a mechanism for heirs who aren't interested in the property.
- RESIST** the temptation to leave the home in equal shares to your children. Real estate law governs vacation homes and has minimal flexibility to address challenges faced by multiple property owners.
- CONSULT** with an expert to determine whether an irrevocable trust or limited liability company (LLC) might be the best vehicle to help you achieve your vacation home succession plan while also protecting the property against your children's potential marital disputes and creditors.
- USE** flexible language in the governing documents, so that the plan can evolve as the family grows.
- DETERMINE** who has authority to make decisions about the property as families grow exponentially over time.