

# Investing in a second home in Texas: is it a good idea?



Alt text: Investing in a second home in Texas should be an informed decision.

Regardless of the reason for obtaining a second home, making a smart investment must be your top priority. However, buying or not buying is not the only topic you should ponder on. Using your second home as a vacation spot or rental property is yet another question asking for careful consideration. **Investing in a second home, in general, needs to be an informed decision.** The only way to do so is to educate yourself about the possible pitfalls, but also benefits of the endeavor.

## Investing in a second home in Texas

According to the *National Association of Home Builders (NAHB)*, Texas is in the top 5 most popular states in the U.S. for second homes. Why is it so? **Texas offers a wide variety of homes that suit everybody's taste.** Beachfront estates, rustic countryside houses, stately homes in the golf community or the lush nature preserves; they fit any lifestyle and buyer's need. Moreover, these properties are easily accessible and affordable, so their steady popularity doesn't come as a surprise.

However, it would be prudent to refrain from impulsive buying and blindly following current trends. What works for most people may not be fit for you. Ask yourself the following questions and we'll quickly explain why these points matter

- Have you assessed your needs and long-term goals?
- Do you know the area from a non-tourist perspective?
- Have you considered hiring a local real estate agent?

- Did you decide which type of home is the best for you?
- Have you looked into tax benefits you might be entitled to in Texas?

If you have answered any of these questions with a *no*, read on. And, while you're on the lookout for the right real estate, note that a [home search checklist](#) is a valuable asset. It will summarize your impressions, save you time, and allow you to easily compare favored Texas properties.



Alt text: A single-family house is a good investment for retirement.

## Assess your needs for a second home first and foremost

Before [relocating your belongings to a new home](#), there are steps you need to follow to ensure a smooth home-buying process. Namely, you need to thoroughly evaluate your needs and long-term goals. If you buy a home 10 to 15 years before retirement, you will likely pay off your loan comfortably. Buying a second home as a *retirement destination* only makes sense if it's close enough to health care services and necessary every-day amenities. If you're buying a *weekend getaway or vacation home*, it should be close enough to your primary residence. Otherwise, the round trip will soon become a burden. Besides, ownership of a second, mostly vacant home, will financially narrow your travel options to other locations. And finally, if you plan to *rent out the second property*, you need to ascertain it is close to amenities favored by tourists, otherwise, brace yourself for a failed investment.

## When you're not a tourist anymore but a resident

You likely fell in love with the location you're visiting during holidays, but how well do you know the area from the perspective of a full-time resident? The area may suit the needs of short-stay arrangements but if you intend to make it your permanent home one day, change your point of view before purchase. **You will gain the best insight if you talk to the locals and visit the location off-season.** Don't just imagine yourself living there year-long; get a first-hand experience and find out which things you took for granted.

If the off-season way of life hasn't deterred you, start looking for moving options. Choosing a Texas moving company such as [Small World Moving TX](#) is a logical choice, because, who

knows the area better than experienced local movers? Additionally, considering you're not getting any younger, check if home's accessibility is satisfying before you bring in your belongings.



Alt text: Apartment is a good option if you plan to rent your second home.

## Hire a local experienced real estate agent to assist you

Professional expert help doesn't have an alternative. Take time to select and [choose an agent](#) who will take care of the home buying process responsibly on your behalf. Their knowledge and network of associates will help you generate the highest returns and minimize risks. Moreover, they are the most familiar with the local real estate market and, thus, a perfect partner.

**A reputable real estate agent will also advise you in detail about the type of home that perfectly suits your needs.** Namely, if you are choosing between a condo and a single-family home, there are a few circumstances you should factor in. One of them is the amount of time you will spend there. Downsizing comes with old age and condo is a more convenient option. While maintenance costs go in favor of a condo, guaranteed privacy is definitely on the side of a single-family house.

## Property tax exemptions and policies in Texas

You are probably already aware that **there's no state property tax in Texas**. Property tax in the Lone Star State is assessed and administered locally. **The State offers diverse partial or total exemptions by either removing a percentage or entire property from taxation.** Some of the available exemptions are offered to persons age 65 or older, disabled persons, veterans, and residence homesteads. To qualify for homestead exemption, an owner should use the property as his/her principal residence and state that there's no exemption claim on another residence homestead within or outside of the State. If things so far sound good and when the time for the move comes, simply follow [general packing guidelines](#) and you're all set. You can always check for tax exemption details on the Texas comptroller website.



Alt text: Owning a condo reduces maintenance costs compared to a house.

## **Conclusion**

Investing in a second home in Texas can be a successful endeavor only if every aspect of the process is thought through. A detailed and clear long-term financial plan is only one of the prerequisites. Don't hesitate to ask for the professional assistance of a real estate expert. Also, every single piece of advice is golden, as purchasing a second home is a once-in-a-lifetime investment for a majority of people. The best you can do is to get prepared for this long-term responsibility and everything it entails.