



# Secondary Properties

So, you are looking to purchase a second property! Congratulations! This is a great opportunity for you to expand your financial portfolio and ensure stability for the future. However, before you launch into this purchase there are a few things you should know, depending on which type of second property you are looking to purchase.

## Vacation Property

While vacation properties are not always the perfect investment, they are popular options for people who want to get away from it all and build memories in! If you're motivated to head down that road, buying a vacation property is essentially like purchasing a second home. If you are considering buying a unit within a hotel as a vacation spot (known as "fractional ownership"), it is important to note that if there is any mention of using your vacation home to provide rental income it will be treated like an investment property.

## Secondary Property

Most people are trained to stay out of debt and don't tend to consider using the equity in their home to buy an investment property, but they haven't realized the art of leveraging. If you're using equity from your primary residence to buy a secondary property, keep in mind that the interest you're using is tax deductible. Consider that you're buying an appreciating asset, and if you put a real estate portfolio

and a stock portfolio side-by-side, they don't compare.

## Who is a good candidate?

You might be surprised to learn that you don't need to make six figures to get in the game. Essentially, you just have to be someone who wants to be a little smarter with their down payment. Before taking on a secondary property remember that the minimum down payment is 5% of the purchase price -unless you are intending to rent, in which case it is 20% down.

*If you're looking to get started with a second property, don't hesitate to reach out to a Dominion Lending Centres mortgage expert today to discuss your goals and find the best fit!*

