



HOW TO BUY AN INVESTMENT PROPERTY IN ANOTHER CITY OR COUNTRY

BUYING AN INVESTMENT IN ANOTHER LOCATION IS NOT NEARLY AS DIFFICULT AS IT ONCE WAS. WITH THE RIGHT PLAN, YOU CAN FIND YOURSELF WITH SOME GREAT OPTIONS THAT MIGHT NOT BE AVAILABLE IN YOUR OWN BACKYARD.

THINKING ABOUT BUYING PROPERTY SOMEWHERE ELSE?

There are many reasons to consider buying property in a different town, state, province, even country.

You could be a renter priced out of your local market, but still wanting to get onto the real estate ladder. You might be a wealthy homeowner looking for property in a desirable second home or vacation destination. Or you're planning ahead for retirement, buying now so renters can be paying down your mortgage on your retirement house. Or perhaps you just realize the investment opportunities are better elsewhere than where you live.

Buying real estate outside your area can be both enjoyable and financially smart. The key is approaching it thoughtfully, with a clear plan. Let's go through the high-level details here.

STEP ONE: CLARIFY YOUR GOALS

Before looking at listings, it's important to define what you want the property to do for you.

Ask yourself a few questions:

- Will you use the property regularly or mostly rent it out?
- Do you want a vacation escape, an investment, or a future retirement home?
- How far away should it be? Consider you'll need to visit periodically.
- How much ongoing management are you comfortable handling?

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The answers will influence everything from location to property type.

For instance, a vacation home might prioritize scenery and recreation. An investment property might focus on job growth, population trends, and rental demand. A retirement place might prioritize lifestyle.

STEP TWO: CHOOSE THE RIGHT LOCATION

Location matters even more when you're buying from a distance.

Many buyers start with places they already know and enjoy—destinations they visit regularly or cities where family members live. Familiarity helps you understand the neighborhood, lifestyle, and market.

If you're exploring a new area, working with a local real estate professional is especially valuable. Your own real estate agent can often provide referrals to trusted agents in other markets. A local expert can explain neighborhood differences, rental potential, local regulations, and typical property values.



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Before visiting, though, do more online research. Explore other rentals in the area, so you have an idea what you can rent your property for. Compare values, understand if prices are rising or falling, get a sense of rental demand, etc.

STEP THREE: FIND THE RIGHT PROPERTY

Once you've identified the area, the next step is narrowing down property types.

For out-of-town ownership, many buyers prefer low-maintenance properties such as condos or townhomes. These often include exterior maintenance, landscaping, and sometimes even utilities within the HOA dues, making management less expensive and worrisome.

Single-family homes can also work well, especially in vacation markets or retirement areas, but they typically require more oversight. In those cases, you may want to be sure the rental income can cover the cost of a property manager, often about 10% of rents.

When evaluating properties, think about:

- Rental potential
- Maintenance requirements
- Local rental regulations
- Long-term desirability of the neighborhood

A property that's easy to maintain and attractive to renters will make ownership much simpler.

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STEP FOUR: FINANCING THE PURCHASE

Financing a second property is similar to financing your primary residence, but lenders often require slightly stronger financial qualifications. Even if it's your first home, if you don't plan to live in it, you will likely need to purchase it as if it were a second home.

That often means putting more money down up front and verifying occupancy plans.

As for methods of purchasing, you may be able to use:

- A second-home mortgage
- An investment property loan
- Equity from your current home
- Cash or other investment assets

Mortgage rates and down payment requirements may vary depending on how the property will be used. A lender or mortgage broker can help determine the most suitable option.

STEP FIVE: MAKE SURE THE NUMBERS WORK

If the property will be rented, it's vital to know your numbers. You'll want to make sure the rental income can cover most or all of the expenses.

A SIMPLE RULE OF THUMB IS THIS:

Monthly Rent \geq Mortgage + Taxes + Insurance + HOA +
Maintenance (estimate 5-10%)

For example, if your mortgage payment is \$2,000, you may need to charge as much as \$3,000 to cover all the other costs

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as well. Can the property rent for that amount consistently, easily?

Even if rent doesn't cover everything, some buyers are comfortable paying a portion of the costs in exchange for long-term appreciation and personal use of the property. Just be clear how much you'll be putting out of pocket each month in that case.

A local agent or property manager can often provide realistic rental estimates for the area.

STEP SIX: PLAN FOR MANAGEMENT

Owning property far from home means deciding how it will be managed.

Some owners handle bookings and maintenance themselves, especially with modern rental platforms. Others prefer hiring a local property manager to oversee tenants, maintenance, and rent collection.



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While management services typically cost a percentage of the rental income, they can greatly simplify the experience, especially if the property is far away.

A LIFESTYLE AND INVESTMENT OPPORTUNITY

Owning property in another location can be both rewarding and practical. It may provide a place to relax, a future home for retirement, or a long-term investment that grows over time.

With clear goals, the right professional guidance, and careful financial planning, many buyers find that investing beyond their hometown opens up new opportunities—both financially and personally.

Let me know if you have questions about any of this, or if you're thinking it's time to sell and buy into that second home you've had for a while.

PLEASE SHARE THIS WITH SOMEONE ELSE WHO MIGHT BE THINKING ABOUT AN OUT-OF-AREA INVESTMENT. BETTER YET, SHARE IT WITH SOMEONE WHO'S THINKING OF INVESTING IN THIS AREA FROM ANOTHER LOCATION. I'D BE DELIGHTED TO HELP THEM FIND A GREAT PROPERTY!

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