
Vacation Homes: Sacred Family Property

Insights from Charles Collier, Harvard's Senior Philanthropic Adviser



Charles Collier MTS '73

The beach house. The cabin in the mountains. The cottage on the lake. Vacation homes often become an integral part of a family's identity. Away from the stresses of everyday life, family members enjoy quality time with one another and forge some of their most important memories. For many families, their roots are in their vacation homes. Such attachments make effective planning for the future of the properties so critical and complex.

"My vacation house in New Hampshire faces Mt. Monadnock and, for me and my sons, this is sacred space," says Charles Collier MTS '73, Harvard's senior philanthropic adviser, and author of the book *Wealth in Families*.

As the older generation looks to pass down a family property to their children, the critical challenge has nothing to do with taxes, according to Collier. "There are many ways your attorney can transfer the home in a discounted way. What is harder for families to navigate is the governance of the property," he says.

Difficult questions that arise include: Who gets ownership? How do key weekends like Labor Day and July 4th get parceled? By what process do repairs get made? Making collaborative decisions can be difficult when complicating situations inevitably arise, as when adult children live far apart from one another, have different financial situations, or have blended/divorced families of their own.

Before a property is transferred, the family must be prepared to work together to solve key issues. "Parents ought to engage their adult children in a conversation addressing their goals and concerns about owning and preserving the property," says Collier. "That way, the family as a whole can begin to think about how they are going to make decisions and work together to own the property."

Collier recommends beginning with a family meeting in which family members, including parents, children, and their spouses, describe their vision for the future of the property.

The goal of the initial meeting is not to make decisions, but to learn what is important to everyone. Then the family can identify the challenges in working together, and determine the major relationship, financial, and estate planning hurdles they will likely encounter.

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"I have seen too many families who have done a shrewd job of transferring a property without being prepared to work together on important issues that are the keys to a successful outcome," says Collier. "By sharing ideas and problem-solving collectively before the property is transferred, families can effectively move forward into the next phase of the life of their special home."

Collier recommends *Saving the Family Cottage* by Stuart J. Hollander (Pleasant City Press, LLC, Suttons Bay, Michigan, 2007) as an excellent resource.

