



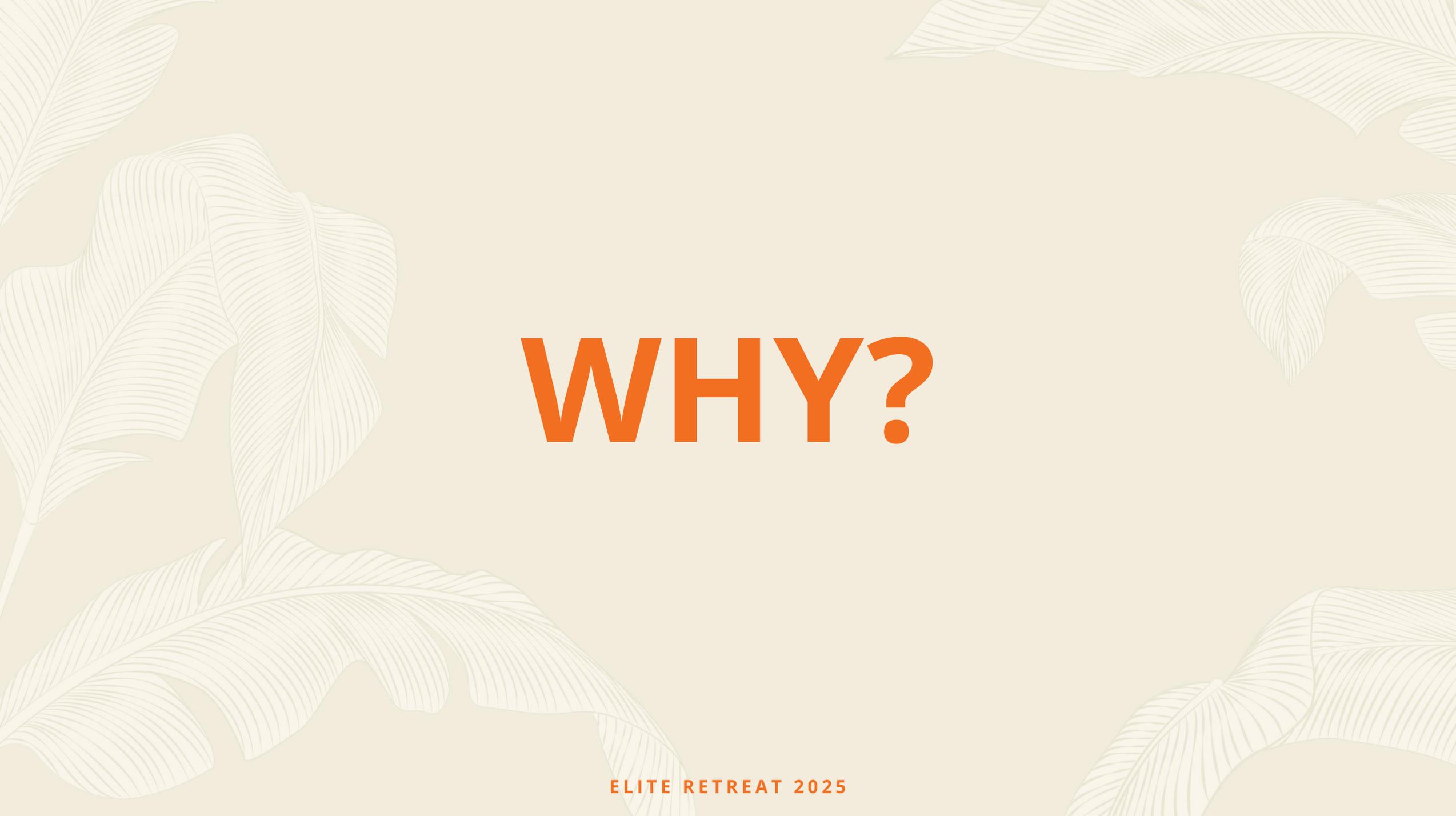


THE RISING OF THE SECOND HOME MARKET

A strategic outlook.
By **Nick Fong**

RONIVAL[™]
REAL ESTATE

ELITE RETREAT 2025

The background features a light beige color with stylized, white line-art illustrations of tropical leaves in the corners. The leaves are detailed with fine lines representing veins and have a slightly wavy, organic shape. The central text is a large, bold, orange-colored word.

WHY?

ELITE RETREAT 2025

Unlocking the potential

The second home market is the intersection of lifestyle aspirations and financial pragmatism.

01. T.A.M

- 6.5 million homes are 2nd homes in the U.S.
- Accounts for 4.6% of total housing inventory.

02. Pandemic-Driven Growth

- 400% growth in transactions in Los Cabos.
- 90% increase in U.S. second-home sales.

03. Cash Dominance

- 34% of U.S. real estate transactions are cash-based.
- 47% in second-home markets: 33% HIGHER!

Fewer Risks & Faster Closings

01. Faster Closings

- No bank approvals needed.
- Shorter Timelines- GET PAID SOONER!

02. FEWER RISKS

- Avoid issues with buyers' financial changes (e.g., new loans, car purchases).
- Banks cannot disqualify

03. Higher Certainty

- Cash buyers reduce the likelihood of deals falling apart.

Expand revenue opportunities

Agents focusing on second-home sales can capture an additional 25-50% revenue by expanding beyond primary home buyers.

Long-Lasting Client Relationships

Build Loyalty That Lasts a Lifetime

01. Stronger Emotional Ties

- Second-home purchases are driven by wants, not needs.
- Buyers associate the positive experience with you as their agent.

02. High Loyalty

- Long-term clients = future sales and referrals.

03. Repeat Business Opportunities

- Listings when they sell or upgrade.
- Referrals to affluent friends and family.

Less Competition, More Growth

Break Away from the Crowd

01. Fewer Agents

- Second-home markets are less saturated than primary markets.

02. Affluent Buyers

- Engage with wealthier, more sophisticated clients.

03. Higher Price Points

- Grow your business by increasing average transaction value.
- Achieve your goals faster with fewer, bigger deals.

More Laid-back Selling

Second-home agents are more laid-back and patient but must be strategic in leveraging their time and building long-term relationships.

THE POTENTIAL

- 01 Massive, growing market opportunity (6.5M homes)
- 02 Cash buyers ensure faster, more reliable deals.
- 03 Build lasting relationships for repeat business.
- 04 Less competition among agents.
- 05 Affluent clients mean higher price points and faster growth.

Why Second Homes Are a Smart Move

During the Pandemic, second home sales increased by over 90% in the U.S.

In our market that number was 400%.

The background features a light beige color with several large, stylized white line-art leaves scattered across it. The leaves have detailed vein patterns and are positioned in the corners and along the sides of the frame.

WHERE?

ELITE RETREAT 2025

United States

- Florida
- Aspen
- Jackson Hole
- Lake Tahoe

Mexico

- Baja California Sur: Los Cabos (Cabo San Lucas & San Jose del Cabo), Todos Santos
- Riviera Maya

Remote, scenic areas like mountains, lakes and beaches saw massive growth.

TOP DESTINATIONS 2020-2023

Emerging Second-Home Markets in 2025 in the U.S.

For 2025, several cities in the South and West of the United States are emerging as hotspots for the second home market. These cities are gaining attention due to their affordability, lifestyle appeal, and growth potential. Here are some of the standout locations:

Southern U.S. Cities

- Miami, Florida
- Orlando, Florida
- Austin, Texas
- El Paso, Texas
- Charleston, South Carolina

Western U.S. Cities

- Phoenix/Scottsdale, Arizona
- Colorado Springs, Colorado
- Boise, Idaho
- Salt Lake City/Park City, Utah
- San Diego, California

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WHAT YOU NEED TO KNOW

2024 A year of stabilization

Last year marked a stabilization in the market, compared to 2021. For example, in Baja California Sur transactions dropped 25-30%, but we're seeing a leveling off, which suggests more predictable market behavior moving forward.

Demographic Shifts

The average age of second home buyers remains 50-60, but there's a growing younger demographic, especially from tech-driven professions on the U.S. West Coast.

Emerging Destinations

In the U.S. & Mexico, new cities are emerging. In Baja Sur, these include La Paz, East Cape and Loreto. Other Mexican cities are San Miguel de Allende & Puerto Vallarta, or states like Nayarit.

New Buying Models

Fractional ownership has increased its appeal by allowing access to luxury properties at a lower cost.

Emotions drive second home purchases

The psychology of a second home buyer is much different from a primary home buyer. They are going to be more emotional because they are buying something that is not a necessity but a want. When you buy something that you want there's memories, life experiences, life moments.

And for us, real estate agents, it opens new business opportunities.

Master Patience Strategies

Second-home sales require patience. The average time from lead registration to closing is two years, in some cases even further.

Expanding into second-home markets

Getting started

1

Identify Emerging areas: look beyond core markets. Consider areas 1-2 hours away where competition is less intense but demand is growing.

2

Build Partnerships: Collaborate with agents lacking technology, databases, or expertise to fast-track entry into new markets.

3

Join a Team: If you're new to second home sales, consider aligning with a brokerage or team that has established trust and expertise in the market to accelerate your growth.

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