

It's Splitsville

No, we're not talking about divorce, but about a new way of dividing time between multiple houses.

By Daniel McGinn
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Oct. 23, 2006 issue - For centuries, European royalty has kept country estates to complement their urban castles. In 19th-century America, Gilded Age millionaires built Newport mansions as getaways. And for decades, the wealthy have summured in places like Martha's Vineyard and wintered in Palm Beach, while less-affluent "snowbird" retirees have made annual migrations north and south. But as large numbers of baby boomers have begun buying second homes, trend watchers are starting to see the first signs that something new is going on. Today in vacation-home hotspots like Naples, Fla., you won't need binoculars to spy a new species of homeowner—one that some demographers are calling "splitters."

The term stems from research done last fall by WCI Communities, a big Florida home builder. It found that boomers are buying second homes at younger ages (47, on average) than their parents did and visiting them more frequently (18 times a year, according to the study). More important, they're finding ways to use their second homes for both work and play, which allows them to extend their stays. Some of these dual homeowners are migrating so fluidly between houses that terms like "primary residence" and "vacation home" have given way to a new ideal: separate-but-equal residences. "They've made a life decision not to have a single primary residence," says Bill Jacobs of AnalyticalOne, the firm that did the WCI study. It's a trend limited to an elite group with ultraflexible jobs and enough wealth to afford two homes, but many forecasters expect the movement to grow, especially as more boomers become empty nesters. According to the National Association of Realtors, 7 percent of baby boomers already own a vacation home, and some trend watchers expect that number to exceed 20 percent within a decade. And with for sale signs multiplying in many resort towns, more boomers may take the plunge.

The splitter trend is driven by at least three forces. Technology is the most obvious one. The Internet, BlackBerrys and cell phones allow many professionals to work almost anywhere. The changing nature of jobs is also a factor. Compared with their parents, more boomers are self-employed (eliminating the need to ration vacation days) or work in jobs that require such frequent travel (like sales or consulting) that it hardly matters where they go home on weekends. The third factor is the decline in travel costs. Low-fare airlines like Southwest, along with cost-saving Web sites like Travelocity, are key reasons dual homeowners are going back and forth more often.

It's a lifestyle that Keith and Kim Ferrari have adapted to nicely. Until 2000, the couple's jobs—he did real-estate development and owned medical-device companies, while she worked as an accountant—kept their roots firmly planted at their home south of Nashville, Tenn. But after Keith, 51, sold the medical business and gave an

older son (from his first marriage) day-to-day responsibility for the real-estate business, he and Kim, 38, began traveling frequently between homes in Tennessee and Florida, eventually spending nearly equal time at each. Earlier this year they moved into a two-story Mediterranean-style home in Tiburon, a WCI golf community in Naples. While neither currently works full time, they spend enough hours keeping tabs on business that Kim converted the exercise space into a well-equipped home office. Today they can't really say which house constitutes "home." "In the beginning, Tennessee was home, but now they're both home," Kim says.

It'd be a seamless transition except for a countervailing force: their three young kids, ages 7, 5 and 2. Initially they enrolled their oldest child in preschools in both Tennessee and Florida, but last year they felt obligated to choose a single kindergarten. Now they spend most of the school year in Naples. For aspiring splitters who have young children, school is the biggest constraint, but even couples in this situation seem less clear about which house is dominant. When Luis D'Agostino, 43, decided to build a second home in Tiburon, he and his wife, Guadalupe, figured they'd drive over from their Miami condo for weekends and holidays. But as they watched workers clamber around the roof last week, the couple said they might wind up enrolling their 5-year-old son in a Naples school and use their Miami condo as the getaway. "It could go one way or the other," Luis says.

As older boomers sell off the homes where they've raised families, some forecasters say splitting may prove an attractive option. Instead of downsizing and pocketing profits to help fund retirement, Peter Francese, demographic-trends analyst for Ogilvy & Mather, expects some boomers to buy *two* smaller homes in different regions. "They're perfectly happy to spend a month here and a month there," Francese says. "It's really unprecedented." For a generation that's rewritten the rules for nearly every aspect of life, why should retirement be any different?