

## Cottage Transitions Checklist

The following is a suggested list of items to document annually regarding your family vacation property. Staying on top of these items helps make ownership transitions smoother.

- List the ownerships structure at seasons end along with current thinking of future ownership. Are these thoughts documented in current owners will?
- Prepare a chart of all family members listed by age at year end. Then add two columns for their ages 5 years from now and ten years from now. This helps bring context to planning when considering who would be interested in cottage, as it varies during different stages of your family's lifetime.
- Estimate the value of cottage/vacation property. A formal valuation can be done every five years or so, but annually get an estimate from local realtor familiar with recent sales in your area.
- Document potential capital expenditures needed at the cottage for repairs or additions. Organize by estimates based on urgency e.g. New roof shingles within 5 years, new septic tank within 2 years, new oven next year.
- Prepare a list of all contracts related to cottage including insurance, lawn & tree maintenance, snow removal, septic system, alarm/security, newspaper/mail services, dock installations etc.
- Record the number of nights you stayed at property during the season (this may surprise some) and the number of nights that various family members (friends) stayed. Ask family members for some guidance on potential use the following season (usage patterns can change dramatically with children's ages so an annual review with a future outlook is important)
- Make note of number of property sales in your vicinity during the season – allows for awareness of any trends in transitioning of ownership in your area. New owners may not share the same vision for cottage life as you (motor boats vs. canoes, card nights vs. late night parties) and owners selling in higher frequency then past begs question "what do they know?"
- Collect the "minutes" or annual report from municipal government that represents your area to stay on top of any new bi-laws, including road improvements or expansion, garbage collections, electricity and sewage process charges etc.
- Contact your accountant and ask for any updates or newsletters regarding tax treatment rules for cottage and vacation properties including any changes to trust rules if planning on gifting property into a trust for kids