HB Wealth

Preserving Family Harmony in Shared Vacation Home Ownership

By: HB Wealth, featuring insights from Abbey Flaum, J.D., LL.M., Wealth Strategist, Chad Norfolk, CFP®, Senior Wealth Advisor, Kelly Nowottnick, J.D., Senior Wealth Advisor, Amy Owen, J.D., LL.M. Esq., CFP®, Wealth Strategist & Senior Wealth Advisor

For high-net-worth families, a vacation home is more than a property; it's a legacy. Here's how to protect it.

A family vacation home can be one of the most meaningful investments a family makes. Beyond its financial value, it is often the backdrop for cherished memories and a gathering place for multiple generations. Yet the same property that unites a family can also divide it if the emotional and financial complexities surrounding its ownership are left unaddressed.

If, after examining all the advantages and disadvantages of continued family ownership of a vacation home, a family decides to pursue such family ownership, they should proactively plan so that their vacation home may remain a source of joy for generations.

Creating a Shared Vision for Your Family Vacation Home

We believe every successful plan starts with a clear understanding of why the property exists and how it should serve the family. Families who articulate a common purpose for the home — whether it's to host summer gatherings, create an intergenerational retreat, or preserve a family legacy — are already ahead.

"We typically start by building a financial model … it removes emotion and helps set the table from the start," explains Chad Norfolk, Senior Wealth Advisor. "For many families, especially first-generation wealth, the vacation home is the first visible sign of wealth to the next generation. We use that as an opportunity to open communication and teach skills for the next generation."

From there, families can develop a simple "charter" that captures principles such as togetherness, responsibility for upkeep, flexibility in use, and sustainability for future generations.

Choosing an Ownership Structure: LLC vs. Trust vs. Joint Tenancy

Good intentions aren't enough; legal and governance structures may help to preserve harmony when emotions run high. Joint tenancy or tenancy in common may be simple, but they rarely work for harmonious multi-generational real estate ownership.

"When it comes to a vacation home meant to serve a family for several generations, joint ownership is generally the wrong avenue to pursue," says Abbey Flaum, Wealth Strategist.

Instead, many families find that a limited liability company (LLC) or a trust offers a better path, as both provide a detailed governance document setting forth rules for scheduling, repairs, rentals, and decision-making. These structures aren't foolproof in providing for conflict avoidance, but they commonly serve as the most helpful structures for families looking to preserve multi-generational ownership of a home.

Ownership Structure Comparison

Structure	**Pros**	**Cons**	**Best For**
Joint Tenancy	Simple setup, equal ownership	Not ideal for succession, limited flexibility	Short-term or single-generation ownership
LLC	Flexible governance, clear rules, scalable	Requires set-up and maintenance	Families wanting control and structure
Trust	Avoids probate, liability protection	Requires a trustee and legal setup	Long-term legacy planning

Managing Vacation Home Usage and Access Rights

Even with a solid structure, disagreements may stem from a property's use. Who is entitled to prime holiday weeks? May the home host outside guests or events? Will the next generation have the same access rights?

Amy Owen, Senior Wealth Advisor & Wealth Strategist, recalls one family whose father deeded the house to his three children while still living there. "They coordinated through a Google Calendar and respected each other's first-come, first-served treatment, but we all saw trouble ahead. and encouraged them to create an operating agreement and outline their plans for the house."

A thoughtful agreement should address scheduling, priority periods, guest policies, and the process for making decisions when the family cannot agree. Regular check-ins, as well as annual or biannual meetings, may help ensure the arrangement continues to work as family dynamics evolve.

Technology platforms can go beyond simple calendars; they may host governing documents, track expenses, and automate scheduling to promote transparency.

Funding Strategies for Long-Term Vacation Home Ownership

Clear funding arrangements are just as critical as usage rules; without them, even well-meaning family members may become resentful.

"The only way to guarantee you're going to keep a shared family home for generations is to make sure there's enough money to pay for it so that no one person ever has to dip into their own pocket," Amy advises.
Families often create a dedicated maintenance fund or couple life insurance with the vacation home's ownership structure to provide an endowment-like stream of funding.

Kelly Nowottnick, Senior Wealth Advisor, explains, "That trust can be the member of an LLC that owns the beach house, providing the kitty that could last in perpetuity or at least until the home is sold."

This approach may reduce the risk of resentment or capital calls, allowing everyone to enjoy the property without financial stress.

Succession Planning and Exit Strategies for Shared Vacation Homes

As families expand, not every member will want — or be able — to remain an owner. Planning ahead for succession and exit prevents a gift or privilege from turning into a burden.

Agreements should specify who can inherit or purchase interests, how valuations are determined, and how liquidity will be provided for buyouts.

"When you own a vacation home with others, especially others in your family, you are in a business. Treat it like a business and plan accordingly," Kelly emphasizes.

Prioritizing Family Relationships in Shared Property Ownership

Mechanisms like lotteries, rotating schedules, and technology can help, but the most important ingredient is a shared commitment to prioritizing family relationships over the property itself.

As Abbey notes, "At the end of the day, what works best is when everyone can sit around a table, look each other in the eye, and say 'family before assets.'"

Regular family governance meetings, clear etiquette for discussions, and empathy go a long way toward maintaining harmony. With thoughtful planning, open communication, and the right structures in place, families can make sure that home is where the heart is for several generations.

Take the Next Step with HB Wealth

HB Wealth works with many multi-generational families on customized strategies for family vacation homes. Our advisors combine financial modeling, estate planning expertise, and practical governance strategies to help ensure vacation properties remain a source of connection and joy for generations.

If you have any questions or would like to discuss your family ownership of a vacation home, please reach out to your client service team, email us at info@hbwealth.com, or call 404.264.1400.

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