

Free cottages come with hefty price tags



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Ah, summer — sun, fun and relaxation at the family cottage. Unless there is money involved.

Whenever I think I have heard it all, I am reminded yet again that money can bring out the worst in family dynamics. Last week I heard about three adult siblings who inherited the family

cottage a couple of years ago. They each own one third and they share time there proportionately. Sounds like a fair enough deal. What could go wrong?

Sibling No. 1 is in financial trouble and wants to sell his share of the cottage. Sibling No. 2 wants the cottage all to himself. But Sibling No. 3 wants to keep things the way they are to honour their parents' wishes. Hmmm.

They have tried to have civilized family discussions on the topic but nothing has been accomplished. Deep dark feelings from childhood inevitably surface and trust is just not there. At this point all three siblings are digging in their heels, sticking to their stance, and have hired

a legal professional.

I asked one of my lawyer friends about this situation and she said this type of thing happens all the time with inherited cottages. They will ultimately need a new agreement and this will get very expensive.

How to prevent this mess in the first place? Make sure your parents have a will that includes a mechanism to avoid this problem. Believe it or not, that age-old method of drawing lots works well. Yes, we're talking about pulling scrunched-up bits of paper out of a bag to determine the way forward. This concept is known as a "cottage tie-breaker provision."

Even when there are no squabbling siblings, getting

a free vacation home can be anything but free. Every year, tens of thousands of Canadians inherit family cottages, to which they have profound emotional connections. What could be the drawback of being able to take your kids to the same place you vacationed?

Nothing — unless (as so many Canadians do) you live 3,000 km away from the ancestral summering grounds! The cost of maintaining a cottage or cabin is high enough when you live a two-hour drive away. For someone on the other side of the country, the opening and closing, caretakers, or property agents can add up to tens of thousands of dollars per year.



Watch out, that free cottage you inherited could end up costing tens of thousands of dollars every year.

Add in the cost of flying for a family of four once or twice a year, plus vehicle rentals, and the annual expenditures can easily be \$20,000 more than for those families who have an inherited vacation home in the same time zone.

Which is not to say that the bequest should be refused, just that there are non-trivial costs involved.

You know that expression there is no free lunch? Well, apparently there is no free cottage either.