

INDUSTRY INSIGHTS

Holiday Lets and Staycations

While the initial chaos caused by Covid-19 has subsided, the world is still far from normal. Although some countries have begun to relax their travel restrictions and reopen their borders, the prospect of a holiday abroad still has a number of challenges. Reductions in the hospitality sector, travel bans, limited air travel and, indeed, fear of catching the virus itself will severely limit UK citizens' desire to travel abroad. As of June 10th 2020, the BBC stated that the United Nations World Tourism Organisation reported "all destinations worldwide still had some form of travel restrictions in place, even though some were easing".

Considering the continued unpredictability around overseas travel, there is strong evidence to suggest that UK holiday-makers will look to stay closer to home this summer and beyond. Harpenden Building Society have experienced a noticeable surge in holiday-let inquiries since the pandemic began. At a time where people wish to minimise contact with others and journey to more remote parts of the country, this is a prime opportunity for the holiday-let market.

HOLIDAY LETS

Holiday-lets had risen in popularity even before the pandemic hit. Increased taxation and regulation around buy-to-lets had led buyers to transfer their attention to holiday-lets for alternative sources of income. Additionally, the popularity of websites such as Airbnb has increasingly led to a global demand for self-catered accommodation. Harpenden Building Society has been offering holiday-let mortgages and assisting customers with their purchases for many years with no restriction on location. We understand that everyone's requirements and budgets are unique to them and we work closely with our customers to understand their own bespoke needs.

Our underwriters are highly skilled in handling complex applications and have the knowledge and experience to create achievable lending plans, individually tailored to each client. Harpenden also has an in-depth knowledge of UK locations and the viability of holiday let mortgages for the various regions.





THE RISE OF STAYCATIONS

According to The Guardian, "booking websites including lastminute.com and Airbnb have predicted a spike in people choosing to stay in the country for their summer breaks." Indeed, a survey from Lastminute.com showed that 33% of British people intended to remain in the country this summer. Depending on how long the pandemic continues, there is evidence to suggest this could be part of a far longer trend.

The lack of opportunity for a foreign holiday has led citizens to consider the wealth of vacation opportunities within the UK. People are rapidly realising the allure and breadth of options in the English coast and countryside. Holiday cottage agency CornwallCottages.com stated they had seen a "sharp increase in demand for properties listed on its website for the coming months". Lastminute.com said the hotel booking trends showed a 45% week-on-week increase for the UK, and in particular for London (+140%), Manchester (+300%), Blackpool (+200%) and Bristol (+200%) during summer and autumn. The fact that booking interest extends beyond the summer suggests that the staycation trend will not be confined to the warmer months.

Hoseasons, a holiday lodge company based in Lowestoft, have reported a significant increase in holiday lodge bookings for the summer. They also stated that their Norfolk Broads bookings have been up 28% year-on-year, a trend likely to increase even further as a result of the pandemic. Indeed, according to the Eastern Daily Press, internet searches for lodges in Norfolk have increased by 21% and in Suffolk by 30% since the government eased certain restrictions. People who would never have considered foregoing their annual holiday abroad are suddenly realising the multitude of options available on their doorstep.



We individually assess and approach applications.



We offer a manual underwriting process, no credit score involved.



A flexible view on merits of all cases - we're very accommodating.



We provide clear, fair and transparent charges for all cases.



Many types of income are considered when assessing affordability.

CLIENTS AND BROKERS

At Harpenden Building Society, we fully understand the complexity involved in niche areas such as Holiday Lets. Rather than let applications be processed by computer algorithms, we assess each one on an individual basis. Many lenders only devise lending solutions based on an applicant's total income, however Harpenden's approach is to use the client's earned income along with their savings and investments. We believe this creates a far more accurate portrait of risk. Our mortgages for holiday lets are available for purchase, re-mortgage or release of equity to include short term holiday letting.

We believe that flexibility and personalised lending solutions are key to customer satisfaction. This is increasingly important at this time of uncertainty, where customers' requirements and financial situations may undergo rapid change. Our underwriters are always available to talk with customers and brokers to gain a thorough understanding of their circumstances and come up with the right solution.

HOLIDAY LETS: A SAFER OPTION?

While investing in the property market may seem daunting considering the current sense of global unpredictability, holiday-lets could be in a strong position if the pandemic continues. Unlike traditional hotels, they can offer minimal, if any, contact between hosts and guests. They can also provide an alternative residence for longer-term stays, such as over the summer holidays, if tenants are struggling with a lack of space in their primary homes. They additionally allow the buyers themselves to take advantage of a secondary location.

Jean Errington

Jean Errington, Business Development Manager,
Harpenden Building Society