



Industry insights

UK Holidays – the popular option for summer 2021.
Holiday lets provide brokers with new opportunities.

Despite the general downward trend in global Covid-19 cases, many countries are still reporting a rise in numbers. The ability to travel, as dictated by the UK government's traffic light system, is therefore subject to severe restrictions and change at any time.*

As a result holidaying in the UK has never been so popular. Capitalising on this situation, smart property investors are snapping up holiday lets to satisfy this demand, giving mortgage brokers increased opportunities too.

RED, AMBER OR GREEN?

When the traffic light system was introduced the hope of an overseas holiday was given a boost - particularly with the likes of Portugal appearing on the 'green for go' list. Sadly this wasn't to last and as widely reported, Portugal has been relegated to an 'amber' category with its quarantine requirements many can't afford, from both a 'financial' and 'time' perspective. Those holiday destinations appearing on the 'red' list and their harsher quarantine restrictions are even further out of reach.

HOLIDAY LETS GET THE GREEN LIGHT

Holidaying in the UK is far simpler and as a result attracting significant uptake. Those holiday let owners who have a property to offer for short lets can, as a result, make solid returns on their investment.

Demand for holiday let rentals is outstripping availability in many UK holiday hot spots, pushing up the amount owners are charging compared to previous years. In a recent study by Consumer group 'Which', the highest markup found was for a one-bedroom maisonette in Brighton, which rose from £53 per night in 2020 to £127 per night in 2021 — an increase of 140%.



GETTING THE RIGHT HOLIDAY LET MORTGAGE

If the amount of holiday let mortgage enquiries we're receiving is a bench mark – it's a particularly buoyant category right now creating a very real business development opportunity for brokers. As a specialist lender, we are aware of the complexities involved in this type of mortgage application but this shouldn't deter investors. We're here to help, always with the aim of reaching a successful conclusion for both broker and customer.

THE BENEFITS OF USING A SPECIALIST LENDER

At Harpenden Building Society, we fully understand the intricacies involved in lending in relation to a Holiday rental property. Rather than applications being processed by a computer algorithm, we manually 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.

If you think your client has a strong application for a holiday let property, we will be delighted to discuss the options further.



Jean Errington

Jean Errington, Business Development Manager,
Harpenden Building Society



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.