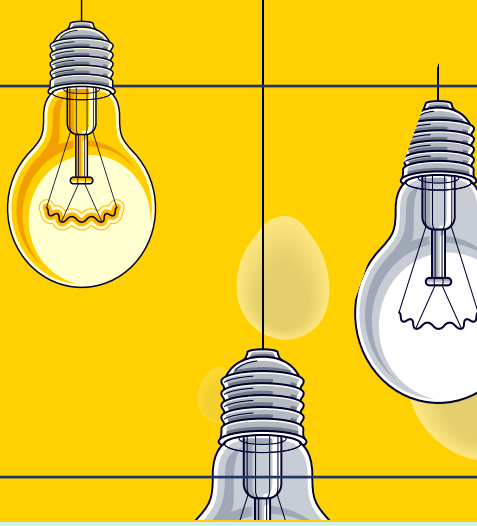


# Industry insights

## Holiday lets – the boom is far from over!



*With overseas travel restrictions being eased, could the surge in staycation holidays be over and we see a dip in demand for UK holiday let accommodation? I don't think so. I strongly believe there will be ongoing demand from investors wanting holiday let properties, providing a significant opportunity for mortgage brokers in 2022 and beyond. Here is why!*

### CIRCUMSTANCES ARE CHANGING

Despite the likelihood of being able to travel more freely in the year ahead, will people want to head overseas to the same extent as in pre-pandemic times? Having sampled all the UK has to offer over the last two years, holidaying in the UK looks likely to maintain its popularity, to some degree at least. According to research from Parkdean Resorts, 53% of people interviewed indicated they will holiday in the UK in 2022 creating a significant demand for holiday let accommodation. So what is keeping staycations in vogue and the demand for holiday let property?

### REASONS TO HOLIDAY IN THE UK

**Stability** – whatever is happening in the wider world, a UK based staycation provides a more guaranteed holiday option, less vulnerable to outside influences. With the likelihood of new Covid variants appearing around the world and the restrictions they bring, holidaying on home soil provides a strong option. Additionally, the outbreak of war in Ukraine and heightened international unrest generally, could also throw doubt over some travel plans this year.

**It's easy** – a UK holiday let stay is simple. You know what you're getting and it's easy to travel to. There are no flight cancellations, delays in the passport queue and no currency issues to contend with. The expense of travelling – with the cost of fuel hitting an all-time high, airlines will have no option but to pass on the rising cost to their customers.

**A renewed interest** – with overseas travel significantly curtailed during the pandemic, we've all learnt to appreciate the great holiday destinations on our doorstep.

**Mini-breaks** – with pent up demand to holiday, following years of not being able to, a short break in the UK could be a welcome addition to overseas travel.

**Great options** – investors are pouring money into their holiday lets, making them as desirable as possible to maximise occupancy and to attract customers willing to pay a premium for a high-end spec. Standards in holiday accommodation in the UK have never been higher in my opinion.

And so the list goes on. The love of the British staycation remains strong, providing considerable opportunity for investors wanting to capitalise on the popularity of holidaying closer to home. Would-be holiday let owners are seeing the favourable returns possible but need expert support from their broker and lender when financing the purchase.





## FINANCING OPTIONS

When choosing a lender for your Holiday Lets, Holiday Homes or Second Homes customers, it's important to strike a balance between the lender's experience and expertise in the market, their product's features and the rates they offer.

We manage complex cases and income, offer bespoke solutions and provide flexible underwriting. Harpenden's Business Development managers also have a wealth of knowledge when it comes to holiday lets and a great track record of securing finance in this specialist area.

Here is what we offer, including unique features within the market, which can act as a benchmark when you are considering which lender to work with:

- 2.69% / 3.19% Repayment and IO options plus 75% and 80% LTVs
- Top slicing - if rental income doesn't cover mortgage payments, we can use surplus income

- Gifted deposit accepted (must be from a family member)
- No upper age limit
- Customer's income is considered from a range of sources
- Holistic view of the applicant's financial circumstances
- Available for purchase, re-mortgage or release of equity to include short term holiday letting
- A minimum income of £30k is required
- Personal usage allowance introduced up to 90 days
- We accept AirBnB
- We lend in town and city centres, other lenders may not
- We lend for properties above commercial units/properties

## WHAT ARE HOLIDAY LET OWNERS LOOKING FOR?

We speak to customers, potential customers and their brokers on a regular basis to ensure we are offering what they want. Dan Collins, from Hertfordshire, who has several holiday let properties in his home county and Norfolk, told us "There's much to consider when buying a holiday let as there are multiple moving parts, no more so than the financing options. You need a broker who can operate effectively in this niche area and link you to the right lender."

"In each holiday let purchase I've made there has been a need for speed, to move quickly and get the deal done. The broker I use really understands my financial profile enabling me to secure the chosen property without delay. Like many investors, I have multiple income streams, so I need to be matched to a lender who gets this, who looks into my financial situation in detail and takes into consideration the full picture. In my experience, a specialist lender will do this, and a positive outcome is created. I look for the right deal to meet my needs, not necessarily the cheapest."

Brokers with strong holiday let applications will be welcomed by a specialist lender like Harpenden. 2022 is already proving to be a considerable opportunity for new holiday let business, don't miss out!



*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.