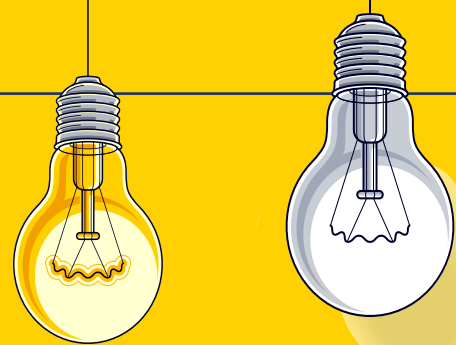


Industry insights

Home is where the heart is...



OLDER PROPERTIES CAN MAKE THE PERFECT UK HOLIDAY LET

NEW OPPORTUNITIES FOR BROKERS

A modern buy-to-let property fulfilling the needs of a wide variety of tenants is an obvious property choice for landlords but what other accommodation is popular with investors and mortgage brokers servicing this market?

Shortage of stock

Contemporary, energy efficient properties can provide an easy option to rent out but with new builds slow to come to market and quickly snapped up, landlords are struggling to find 'high yield' rental options for investment purposes.

Buy-to let challenges

Since 2008 it has been a legal requirement to have an Energy Performance Certificate (EPC) whether you are selling a property or letting it out. The EPC outlines how energy efficient the property is and graded from A to G.

Under current rulings landlords are required to achieve an E grade as a minimum. Those failing to reach this level can be fined thousands removing

many older, under developed properties from the rental market who do not reach this efficiency standard. (From 2025, properties will require a minimum EPC rating of C). So what are the alternatives for landlords?

Wider letting opportunities

Holiday lets are one example as they are free from EPC ruling. Short term, holiday let accommodation that's rented out for less than 4 months a year or is let under a licence to occupy is exempt from EPC regulation giving owners an alternative rental option. As such, brokers have a strong opportunity to build further business as landlords increasingly look to finance holiday let property.





SOURCING THE RIGHT HOLIDAY LET MORTGAGE

As a specialist holiday let mortgage provider, Harpenden Building Society continues to see high levels of interest from brokers working on behalf of their customers in this category.

Our holiday let mortgages include:

- **90 days personal usage allowance per annum**
- **Airbnb considered**
- **We lend in town and city centres as well as coastal areas**
- **We lend on properties above commercial units**
- **Top slicing**
- **Minimum income of £30,000 required**
- **Up to 3 properties on one title considered**
- **75% LTV available on IO and 80% available on repayment**

Our manual underwriting provides an in-depth review of the customer's financial position and a greater opportunity for complex applications to be accepted (many high street lenders solely rely on the use of algorithms).

Ideally the let property will be self-funding from the rental income, however in some cases we can also look into an applicant's income in more detail so there is greater opportunity to say 'yes!' The customer's earned income is considered from a range of sources in addition to rental fees when a lending decision is made.

The future

The demand for holiday let properties looks set to continue in the UK due to many factors including EPC exemption. We'll be pleased to hear about your customers' holiday let mortgage needs for those considering this option. Details of this and our wider specialist lending products can be found at harpendenbs.co.uk/intermediaries or by contacting the team at brokerteam@harpendenbs.co.uk

Vanessa Hunt

Vanessa Hunt, Key Account Manager, Harpenden Building Society

Visit Harpenden's website at harpendenbs.co.uk/intermediaries

or contact the team at brokerteam@harpendenbs.co.uk

[View product e-book](#) for all mortgage and criteria information

[Sign up to stay in touch](#) with Harpenden



We individually assess and approach applications.



We offer a manual underwriting process.



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.