



Holiday Homes: the how, where and why of buying a second property

We don't know about you, but we're really craving a holiday. Sun, sea and sand... yes please. 2021 may be another year of staying a little closer to home. But don't despair. You can still create a getaway of your very own with a second home. So, here's our guide to buying a holiday home.

First things first, do you want to share your home away from home? If you plan to only use it yourself, then a second-home mortgage is probably the best option for you. This can require a relatively large deposit but you may be saving enough pennies by missing trips abroad to make this investment. Alternatively, there are ways you can finance the deposit using your existing mortgage, speak to your adviser today to find out more.

Also, if only you are using the home, then it will likely be empty often. It's key that you have adequate security

and let your insurance company know the house is unoccupied for periods of time.

However, if you want to rent out your second property, then a holiday let may be more up your street. This usually requires a specialist mortgage and the property's use has to conform to strict HMRC guidelines, such as being available to book for at least 210 days of the year and actively let out at least 105 days, but this does not count longer-term lets of over 31 days. This also doesn't count for the days you stay at the property, or let

friends and family stay for a discount. More information can be found on the HMRC website: <https://www.gov.uk/government/publications/furnished-holiday-lettings-hs253-self-assessment-helpsheet>

So you've chosen what home, the next question is where? Based on industry research, the top ten UK holiday home hotspots are: Cornwall, Scotland, Norfolk, Devon, Wales, Lake District, Dorset, Isle of Wight, Northumberland and North Wales. Although, there are definitely some other highly holiday worthy areas that haven't made the list.

Some areas, such as St Ives, have regulations in place that limit second homes and holiday lets. So, if you've got a specific destination in mind, make sure you check the local regulations.

Wherever and however you choose to buy a holiday home, make sure you speak to your adviser to see how they can help. And most importantly... don't forget sunscreen!



If you'd like to discuss the options available to you, contact your adviser today.