

Holiday Let Guide for UK Expats and Foreign Nationals

Because of Covid-19, the holiday let is becoming an increasingly popular and viable option for UK expat and foreign national investors.

MANCHESTER, GREATER MANCHESTER, UK, June 8, 2021 /EINPresswire.com/ -- Staycations are booming in the UK. In the wake of the Coronavirus pandemic, some people are uncertain about their prospects of holidaying abroad while others have simply decided that foreign travel is too risky. With these changes to our way of living and holidaying, a holiday let investment property is an increasingly attractive proposition for potential UK expat and foreign national investors looking to enter the UK property market.



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Profitability.

‘Holiday lets can be incredibly lucrative’ says Stuart Marshall, CEO of Liquid Expat Mortgages. ‘If managed correctly, holiday lets can collect the equivalent of a monthly rental cost (in a long-term let) in a week of renting. With holiday lets seeing block bookings throughout spring and summer, holiday lets can be an incredibly lucrative investment venture for UK expats and foreign nationals. This profitability is supported by a recent report which

found that the national average rental yield for holiday lets is over 10%, predicting a rise to around 14% by 2022. This far exceeds the rental yields on even the most profitable rental areas in the UK.’

‘There are tax benefits to having a holiday let instead of a standard rental property too. Provided that your property meets certain criteria – namely, it must be let for a minimum of 105 days a

year and available to be let for 210 days – your property will be assessed by HMRC as a business instead of as a buy-to-let property. The most obvious advantage to this is that you will be able to claim mortgage interest tax relief which is now [denied to most landlords](#). However, there are other benefits too. For example, you will typically be able to claim any running expenses (such as bills, maintenance costs and the replacement of furniture) as tax expenses. Lastly, you may also be eligible for business rates instead of council tax and, if your property satisfies some criteria, you may be eligible for business rates relief or no rates at all.'

Things to Consider.

Like any investment venture, there are many things to consider. As always, it's best to consult an expert mortgage broker who can raise points that you may not have thought about. However, in general, here are a few things to think about before purchasing a holiday let.

Firstly, holiday lets will generally require much more work than a long-term let. If you're looking for a hands-off investment, then holiday lets might not be for you. However, as is the case for long-term lets, you can hire a lettings agent to take care of most of these duties. Bear in mind that this will take away profitability from your investment. While it is the case that you will have more work with a holiday let than a long-term let, there are also cases in which you won't encounter as much trouble. For example, if you have a troublesome tenant in a rental property, this can cause many problems and occupancy rights can make the tenant difficult to evict. In a holiday let, tenants don't have these same rights so there is a lower risk that you will encounter the problems that come with troublesome tenants.

Secondly, you need to be aware of the fact that you will be accountable for all the utility bills and that void periods are likely to be higher than in a long-term let. However, as mentioned above,



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you will be able to claim utility bills back as a tax expense. And voids aren't as likely to be problematic when compared to a long-term let. This is because of the increased profitability that you gain from full occupancy during the busier seasons of the year.

Lastly, putting your money in the right area will be just as important as it is when choosing a rental property. 'Cities will be the ones to lose out in the staycation boom' says Stuart Marshall. 'While the UK's tourism industry is far less dependent on foreign tourism than European countries, cities like London, Edinburgh, and York – which receive the most traffic from foreign travel – are likely to take a tourism hit compared to coastal and rural areas. In contrast, the Lake District (which receives nearly [20 million visitors a year](#)) has seen a significant increase in interest. And areas like Cornwall and Devon are consistently popular with UK holidaymakers. Talking to an expert broker will help you to decide where the best investment location is given your specific goals.

Getting a Mortgage as a UK expat or Foreign National.

Finding a mortgage on a holiday let property as a UK expat or foreign national can be difficult if you don't know where to look. Traditional lenders are typically reluctant to lend to expats and can demand stricter criteria for holiday lets. However, there are specialist lenders who will be able to offer mortgages to UK expat or foreign national borrowers looking to mortgage a holiday let.

If you have a holiday let requirement or are a UK Expat or Foreign National wishing to understand your mortgage or re-mortgage options, [contact Liquid Expat Mortgages](#) – specialists in residential and investment mortgages – for free no obligation advice.

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