

HARPENDEN

for intermediaries

Airbnb popularity driving holiday let mortgage enquiries

Airbnb's popularity has been significant in recent years and has driven high volumes of holiday let mortgage business. Ongoing demand is creating significant opportunities for mortgage brokers as investors continue to buy holiday properties for short-term rental.

So why are Airbnb properties so popular?

Increased flexibility: Airbnb offers a wide range of accommodations, from apartments to entire homes to fairy tale castles, in multiple locations.

Cost-effectiveness: In many cases, Airbnb listings can provide more affordable accommodation compared to traditional hotels, particularly for longer stays or larger groups.

Local and authentic experience: Airbnb-type rentals allow travellers to stay in residential neighbourhoods and experience the local culture first hand which is appealing to many.

Home comforts: Airbnb properties often offer amenities such as fully equipped kitchens, living areas, and laundry facilities – even pools and Jacuzzis!

For these reasons, plus the choice of thousands of properties to choose from, make this form of holiday rental the popular choice it is today. As such Airbnb related mortgage enquiries unsurprisingly make up a significant number of holiday let mortgage enquiries coming into the Harpenden new business team.

Sourcing the right holiday let mortgage

As a leading holiday let mortgage provider, both in regard to pricing and criteria, we're seeing high levels of interest from brokers working on behalf of customers who want to buy a holiday let property for investment purposes.

As well as standard features, Harpenden's specialist product range includes the ability to purchase a property that would have previously been labelled a Consumer Buy to Let, as a Holiday Let, qualifying for the more attractive criteria that comes with this lending category. Additionally, there are no restrictions on location for the property purchase giving wider buying options within England and Wales; there are 90 days personal usage allowance per annum; we lend in town and city centres as well as coastal areas and on properties above commercial units. Other features include: top slicing; up to 3 properties on one title considered; Holiday Let/Second Home - Max LTV 80% Repayment / 75% IO with a minimum income of £30,000 required.

Manual underwriting provides a more 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



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addition to salary, including their savings, investments and pension income when a lending decision is made.

New opportunities

When it comes to holiday let financing the current market provides considerable opportunities for both brokers and their investor customers. If you think your customer has a strong application for a [holiday let property](#) within England and Wales our experienced team will be delighted to discuss the options further.

Jean Errington, Business Development Manager, Harpenden Building Society

Visit Harpenden's website at harpendenbs.co.uk/intermediaries or contact the team at brokerteam@harpendenbs.co.uk

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