



David, age 41

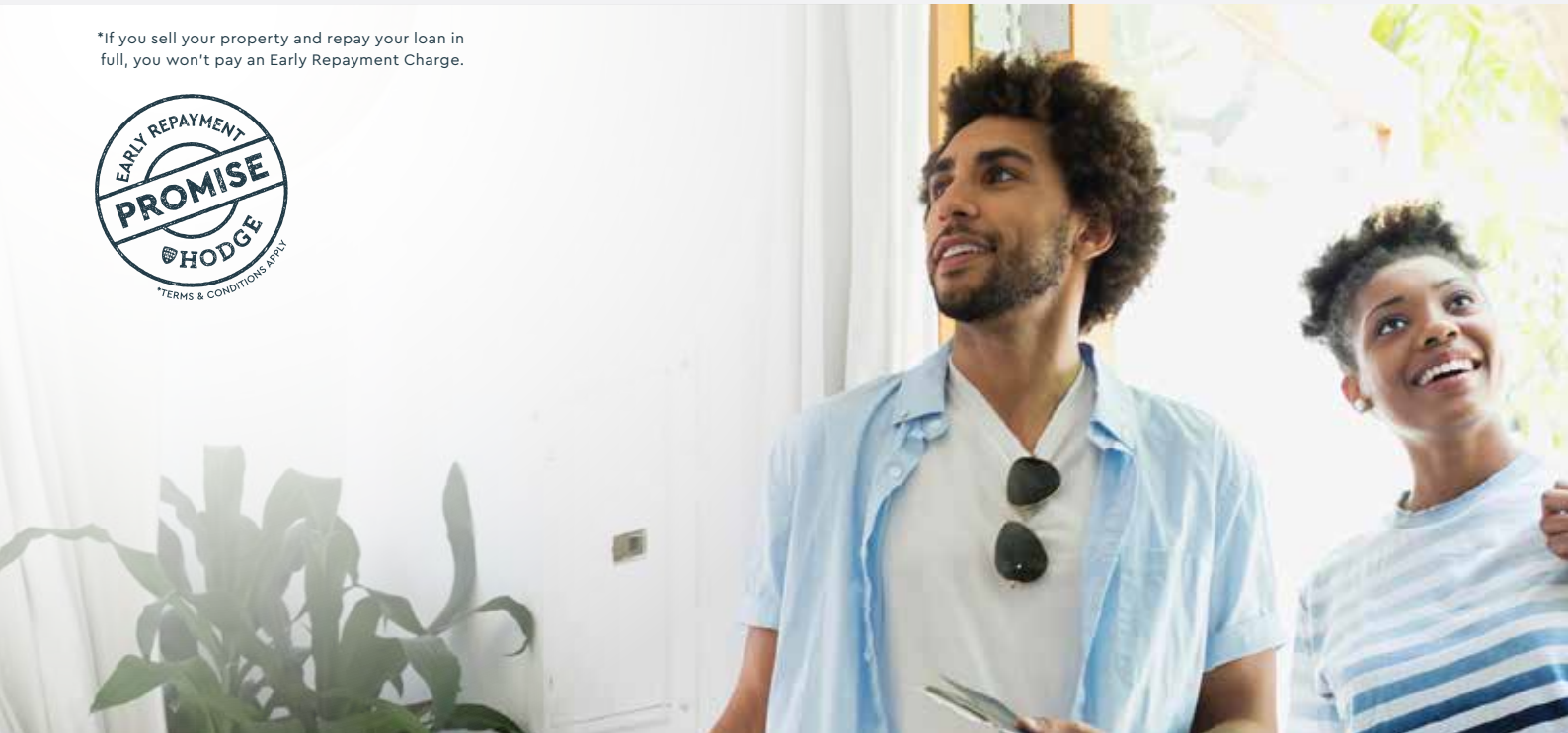
Household Income
£35,000



Sarah, age 39

Household Income
£35,000

*If you sell your property and repay your loan in full, you won't pay an Early Repayment Charge.



David and Sarah would like to purchase a holiday let property. The property they hope to buy is a three-bedroom detached house overlooking a picturesque coastline in Cornwall. It's an area they often enjoy holidaying in, and they've long dreamed of having their own base there.

They don't have any property investment experience but they've spoken with a local letting agent and have been told that by letting the property when they're not using it they can cover the associated costs and make their dream affordable.

In retirement they may either move into the property on a residential basis or use any equity to support an alternative purchase.

David and Sarah's household income is slightly above average but below the minimum requirement set by many lenders. Although we need to be comfortable any applicant won't need to rely on the rental income to subsidise their own lifestyle, we have no minimum income requirement, allowing our experienced underwriters to use their discretion.

The rental income was enough to meet our affordability requirement of taking an average of the low, mid and high seasonal weekly rates for the property at 145% of an assumed 30 week period. As they opted for a 5 year fixed rate this calculation was done at pay rate rather than apply a stress rate.

During the conversation with their advisor, David and Sarah expressed a slight worry about the unknown of becoming landlords for the first time in combination with making such a large financial commitment.

The Hodge Early Repayment Promise helped put their mind at ease as should they, for any reason, wish to sell the property and repay the mortgage during their initial tie in period they won't pay an early repayment charge, reducing the financial burden of any unforeseen circumstances.

For more information, speak to our team direct:



0800 138 9109



lendingsupport@hodge.co.uk



hodgebank.co.uk/intermediaries

This is a hypothetical example. It's not an indication of likely or possible benefits or what we think will happen in the future. It's not advice of a recommendation from us.

 **36%**

would like to own a
holiday let property



74% were not aware
of the tax breaks
**of owning a holiday
let property**

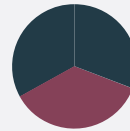


38% said an ideal
holiday let would
have WiFi

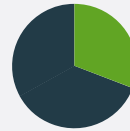


49% said an ideal
holiday is
by the sea

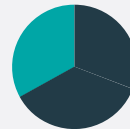
Top staycation destinations



36% Lake District



33% Cornwall



33% Other

Source: Hodge Study October 2019



Over 1 in 4
of UK rentals are
in the **South West**

For Adviser use only

