



Jack, age 45



Heather, age 47

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



Jack and Heather from the Midlands fell in love with a property in North Cornwall and have just borrowed £412,500 on a £550,000 property in this popular staycation destination using our Holiday Let Mortgage on a repayment basis.

Their joint income is £132,000 and the mortgage repayment on their main residence is £230,000.

They want to undertake a gradual move to Cornwall, living there permanently by the time they retire, so paying down their mortgage as much as they possibly can over the next 15 years is their aim. The holiday let property offers strong rental yields of approximately £25,000 per year which they plan to use, along with their standard income, to maintain the capital repayments.

Practically, they will need to retain some of their income to upkeep their rental property and cover their holiday letting agency costs to ensure they maximise their bookings. They will also be looking to enjoy some quality family time in their property outside of high season, which they are able to do as Hodge will allow its customers to occupy their holiday let for up to 3 months every year. Even so, by maintaining capital repayments and overpaying by up to 10% per year, when they sell their main residence upon retirement, the rental property should be unencumbered leaving them mortgage free.

Jack and Heather told their adviser that they needed the peace of mind of a repayment mortgage to ensure their mortgage balance was paid off as soon as possible, they also really liked the Hodge Early Repayment Promise that comes with all of our products meaning that if they experience a major life event and need to sell their rental property, they could do so from day one, without incurring any early repayment charges whatsoever.

Who does our Holiday Let repayment mortgage suit? The savvy borrower who wants to make plans for their money.

For more information, speak to our team direct:



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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%**

of people we asked 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**

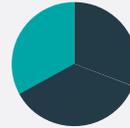
Top staycation destinations



36% Lake District



33% Cornwall



33% Other

Source: Hodge Study October 2019



Over 1 in 4

of UK rentals are in the **South West**

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