



# Buying a holiday home





# Find the key to holiday home success with igloo

If you are thinking of buying a holiday home we hope this guide will help you consider some key points. At **igloo** we are here to help, no matter what stage of the journey you are at.

## **Where should I consider buying a holiday home?**

Now that you have made the decision to enter into buying a holiday home, you will need to consider what type of property you want and where it will be.

You may have already fallen in love with an area, so have a good look at the local market and the rates that future competitors are charging. It is worth spending time to find out if there are any planning applications you should know about such as a housing development or a new road. At **igloo**, we can help advise you on potential returns and share valuable local insights with our on the ground knowledge of the Highlands of Scotland.

## **Which house should I buy?**

As a new owner of a holiday home, it is important to decide at the outset if you are buying a holiday home solely as an investment or if this new home will accommodate your family and how often. If this is a key source of income for you, restrict the weeks you take in peak seasons. Houses that stand out from the crowd will generally sell better but spending way over the odds will not always bring better returns. Holiday Homes will hit a ceiling in terms of rental income, so sometimes bigger is not always better.

The team at **igloo** has many years experience of all aspects of self catering and can offer valuable insights into how your new holiday home may perform.

**Does your property have a unique selling point - what will make it stand out from the crowd?**

## **Legal Considerations - are there any prohibitions?**

Currently there are no restrictions in what you can buy in Scotland, but this may be something that changes in the future.

Through our contacts with industry bodies and representatives at local and national government we keep up to date on any potential changes and are well placed to adapt.

Whilst there are no restrictions, it would not be appropriate to buy housing in the social sector for investment purposes.

The safety of your guests is paramount and you will need to insure the property and have Public Liability Insurance. Ensuring that your property is managed will help with the additional work required in servicing your equipment regularly and identifying any fire safety requirements.

## Finance Options

If you already own the property you intend to let out, speak to your lender about any restrictions you may have.

There are some mortgages available for second homes that typically require a 25% deposit and proof of income.

You will require financial advice and the affordability of the property will be tested. Typically, lenders are looking for 145% of the mortgage payment to be covered.

At **igloo**, we can assist you in this process by providing you and your lender with estimates of income and occupancy levels.

## Running costs

You will market the property for the best return, the managers here at **igloo** can provide a local and managed service, offering you and your guests the very best personal experience.

It pays to switch to a cheaper electricity tariff or provider and if your heating system is not fit for self catering, invest in a replacement. This could save you thousands, especially if it

is something you can control remotely. Ensure your systems are big enough to cope with the demand of your holiday home.

Research business rates in the area you are purchasing compared to paying council tax. It may be cheaper but you will have to factor in the services that you require such as refuse and recycling. Factor unavoidable running costs such as insurance, water and sewage and energy into your affordability calculations.

With occupancy also comes wear and tear so this should also be considered and will happen quicker than a family home.

## Selling points and essentials

Allowing dogs can really make a huge difference as dog owners are motivated to book a self catering holiday. You can make this a bit easier to manage by selecting furnishings and flooring that is easy to clean and maintain. Providing doggy items such as enclosed gardens, cages, beds and water bowls will improve the guest experience and make them more likely to return to your property again.



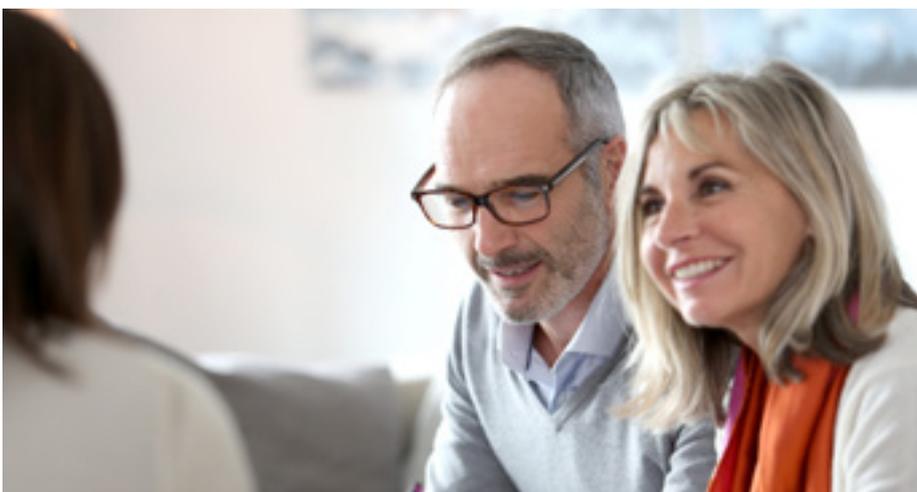
Good Wifi is as essential as more and more services depend on it. Many people still work whilst on holiday, and this is definitely a question we get asked regularly. Install SMART TV's and streaming services so that your guests can watch what they like on holiday - an essential on wet days.

Does your property have a unique selling point - what will make it stand out from the crowd? You may want to install a hot tub, sauna or pizza oven. Make sure it is child friendly - this can be a real selling point. Think about if your furnishings appealing to the guest who wants something better they have at home? **igloo** can assist you when making these decisions and can even help you style and showcase your property.

## Ready to take the next step?

We are here to help at every stage of your holiday home journey. If you have any questions, if we can help in any way or you are ready to take the next step we would love to hear from you.

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