

Holiday Homes, for Personal Use or Investment?

Some people enjoy spending their holidays in different countries away from home. They end up falling in love with a particular place or country which offers them the relaxation they need. Their vacation also exposes them to an environment they have longed for. Such people end up visiting this particular country more often than not and get tempted to even buy permanent property there to save up on their accommodation costs. However this may seem like a good idea as it may bring joy to you and your family but if not well considered it may be a very bad investment. Scratch your head over this first and consider the following facts.

Purpose of Buying a Holiday Home

Understanding the purpose of buying the property will influence your decisions. You may buy a holiday home for personal use or investment purposes, i.e renting the property as a holiday home to tourists. If you buy the house for you and your family, your objectives will be different from those of holiday let investors. You will focus more on personal desires that will enable you and your family to continue holidaying there for the foreseeable future.

If it's for investment purposes ensure that you don't focus much on your own personal taste but focus on what will make the house attractive to holiday renters. Study the rental yield and the potential capital growth to help you make the proper decisions for this kind of property.

Can you Afford it?

Well, it may be very tempting when walking along your favorite holiday spot e.g. the beach and you spot a house being prepared to be sold. You may find yourself having a sneak peek of it and ideas of owning it running through your mind. Don't let this feeling overwhelm you, first think about your finances. It may seem affordable at that time but with time may end up being a burden. For most, the family holiday home is the second property so consider the expense of owning two properties. This includes the mortgage price, tax and the maintenance expense. Do you think you are ready and able to dig deep into your pockets for all that money? If so go ahead and consider a purchase.

Find out the Additional Costs.

With holiday homes there are many different expenses that eat into your budget, so it is important for you to do your research carefully and adjust your budget accordingly. Since most holiday homes are located far from where you live it may be important to hire an agent to look after your home while you are away. Also consider the maintenance, taxes, refurbishment, rates, and electricity, water, internet and telephone costs. In most cases holiday homes are sold as fully furnished properties to ease the work of the buyer considering that most are tourists (local or international). This means that if the furniture is being itemized and sold separately then it adds to your expenses as the bank may not or provide bonds for this. You may also have to access the condition of the furniture and equipment to know what needs to be replaced.

If the property is a development or an apartment that means you will also have levy and not forgetting most importantly you may be required to pay for insurance and security services.

Making your Holiday Home your Little Paradise

A holiday home should be a little paradise that is still a home away from home. This means that there are things that you should consider having in it. Things like a

- Balcony- it enables you to have a spectacular view of the surroundings considering that the house location is at an area that exposes you to your favorite environment which can be nature, beach or just an isolated area with farms.
- A pool or any recreation facilities - to offer you complete relaxation.
- A parking area may ease offloading items from your car to the holiday house and also reduces on the hassles of having to seek for a parking spot.
- Internet or telephone services– this enables you to keep in-touch with family or friends who are back at home. You might be taking a vacation but still have some work to do during that time so this facilities enable you to do so with ease.

Most holiday goers are influenced on where to stay by the proximity of where they live to shopping facilities, restaurants, recreation centers, pubs or any tourist attraction areas. Consider this fact as you might also think of renting out this house as a holiday self catering home.

Lastly remember that buying a holiday home for personal use commits you to holidaying in one place for a very long time. Your flexibility may be limited therefore, ensure that this place will offer you the holiday spirit you seek for years to come. Do your research well, know the location, its future development plans and the areas financial stability. A change in these things may end up destroying your holiday home overnight.