

Property

HOLIDAY TIME

The Looking Glass, a modern home in Mawgan Porth, Cornwall, is £3,250 a week through Unique Homestays



How to make your holiday let as profitable as possible

Little details make a big difference in a competitive market, writes Alexandra Goss

In May, Ghillie James and her husband bought a five-bedroom farmhouse outside Bath – despite never having seen it. They exchanged on the property, which cost more than £1m, from their home in Singapore, where they had lived for a decade until they returned this summer.

What sealed the deal from almost 7,000 miles away was the annexe, which has a kitchenette and shower room and could be turned into a two-bedroom cottage, subject to consent. “The combination of this annexe and a vegetable garden helped my decision-making from afar,” said Mrs James, a food writer and author, who wrote *The Little Grower’s Cookbook*.

She’s one of thousands hoping to cash in on the post-pandemic craze for UK staycations. A record 1,404 new holiday let companies were set up in England, Scotland and Wales in the first six months of this year, according to Hamptons estate agency, while Sykes Holiday Cottages said inquiries from new owners more than doubled this year compared with 2019.

Graham Donoghue of Sykes said: “This stronger UK staycation market is likely to remain a fixture for years to come, so the long-term revenue opportunities could be substantial.” Before the pandemic, the average Sykes owner earned £21,000 a year. This is expected to increase dramati-

cally in 2021. Across July and August alone, Sykes said holiday let owners could earn an average of £9,500, 56pc more than the same period in 2019.

The rush to the countryside has contributed to the trend. Katie Hilton, of Cheffins estate agency, said many people were also looking to make the most of existing land or buildings, including farmers wanting to boost income post-Brexit. “I have seen a 30pc increase in clients seeking advice on converting redundant agricultural buildings into holiday lets.”

For Mrs James, the shell of her new home represents a daunting but exciting project. As well as ultimately renting the annexe to holidaymakers, she hopes to provide cooking classes. “I have visions of a totally open space with a sitting room at the front with a woodburner and a big island unit in the kitchen,” she said. “But where do I start?” Here’s a guide to renovating for staycations.

— SPEND WHERE IT MATTERS — Well-equipped kitchens and bathrooms are essential, with holidaymakers willing to pay more for features such as high-pressure showers. Jess Simpson, of Jess Simpson Property Search, advised against squeezing in too many bedrooms and recommended putting in easy-to-clean wooden or stone floors. If you’re aiming at walkers, provide storage for muddy boots, while wine fridges will be a hit with families and groups.

If your property qualifies as a furnished holiday let, the cost of kitting it out can be deducted from pre-tax profits. Stefanie Tremain, of the accountancy firm Blick Rothenberg, said: “Items must have a useful life of at least two years and be used for the purposes of the trade. This may include furniture, furnishings such as carpets and curtains, white goods, televisions, crockery, linen and heating and ventilation systems.”

— THE ATTRACTION OF ANNEXES — As well as providing an income, purchasing a property with a qualifying self-contained annexe can dramatically reduce stamp duty. This is because the tax is calculated on each dwelling by reference to the average price of all the dwellings.

Take a single property bought by a as a main residence with a sale price of £1m. After the stamp duty holiday ends on October 1, the tax would amount to £43,750. But if the property has a qualifying annexe, stamp duty will be £30,000. The rules are com-



plex so seek professional guidance.

You also need planning advice for converting annexes, even if works come under permitted development rights, said James Macleod, of JMChase Property Search & Acquisition. “You might need a change of use on your land, even to put a shepherd’s hut on the field next to your house,” he explained. “You also need to flag your intentions to your mortgage lender.”

▼ Ghillie James with her dog, Marmalade, at their new home near Bath

▲▶ Hinterland Cabin, a holiday let in Snowdonia, is £1,750 a week with Unique Homestays

— MAKE IT APPEAL YEAR-ROUND — An easy way to attract guests in all seasons is to allow shorter breaks; doing so can boost income by an average of 30pc, according to Sykes.

Selling the romantic dream is also important for out-of-season lets, said Carol Peett, of West Wales Property Finders: “Log burners or fireplaces for curling up in front of with a book and a glass of red wine after winter walks are essential.”

Properties with open fires earn an average of 14pc more, according to Sykes, while Jess Clark, of upmarket rentals agency Unique Homestays, said wet weather facilities such as games rooms and cinema rooms allowed owners to charge more.

— CATER FOR ‘WORKATIONS’ — One in five people are now more likely to work while on holiday than before the pandemic, according to Sykes. It also found that speedy internet can boost income by an average of 16pc.

So-called “workation” properties require reliable and fast Wi-Fi and a dedicated workspace, said Adam Davies of Savills estate agency. “You also need a good mobile phone signal that doesn’t require climbing halfway up a hill, and consider a printer and coffee machine.”

— LITTLE LUXURIES — While allowing four-legged friends increases wear and tear, it could significantly raise revenue. Pet-friendly properties generate 18pc more bookings and 18pc more revenue, according to booking firm Cottages.com.

Love them or loathe them, hot tubs are increasingly sought after by holidaymakers – properties with them earn an average of 54pc more.

Raoul Fraser, of luxury holiday park operator Lovat Parks, said: “The cost is £3,000 to £5,000 for a high-quality wooden hot tub and, while it takes a lot of management, you should expect it to pay you back within a couple of years.”

Good garden furniture and a barbecue are big draws, said Gemma Maclaran, of buying agency Middleton Advisors. Also consider providing Netflix and Sonos wireless speakers – these could add 5pc to the amount you can charge, said Paul Clarke, of Mr and Mrs Clarke estate agency.

— THE DEVIL IS IN THE DETAIL — Luxurious properties can attract 10pc more bookings and earn 70pc more revenue, according to Cottages.com.

Think fresh flowers, padded coat hangers, cookery books, board games, luxury food hampers and a bottle of



fizz on arrival. Hotel-style lifestyle imagery with staged dining tables will also help you stand out and charge more per night, according to Sarah Ward, of design firm Ward & Co.

— HOME – BUT BETTER — The point of a holiday is to come back feeling refreshed, so focus on the bedrooms, said Sian Elin Thomas, of interiors brand Sian Elin. “Invest in a comfortable mattress, buy high-quality bed linen and make sure blinds or curtains are blackout.”

Frances Russell and her husband recently renovated an old coach house on their Isle of Wight property. “The plan was to bring in money to put towards renovating the main house,” Mrs Russell said. The coach house has been booked for 25 weeks this year. It costs from £600 to £1,250 a week and is on track to make £22,000 a year, almost half the £50,000 cost of the works.

Mrs Russell attributed the success to a careful balance of economy and luxury. She bought designer fabrics on eBay and found an £80 sofa that she had re-upholstered.

“There’s nothing more depressing than going on holiday and seeing that everything is from Ikea,” she said. “It has to be nicer than being at home.”



▲ Moorlands, which has a cinema room, is £4,569 for a week with Sykes



JAY WILLIAMS, UNIQUE HOMESTAYS