

# in holiday mood after tax changes

Miles Kevin of Chartsedge explains why investors are choosing furnished holiday lets



We are receiving increasing enquiries from potential buyers who have traditionally bought buy-to-let properties, and are now looking to diversify their portfolio or to move out of the sector completely.

The main reason for this is the recent government decision to not allow mortgage interest to be offset as a cost against the income from their buy-to-let.

This does not apply to furnished holiday lets, as the mortgage interest can still be deducted from the income for tax purposes. Another great advantage that our buyers are appreciating is that as long as their holiday home is available to let for 140 days a year, it is regarded as a business and therefore liable for business rates. These are a much lower cost than council tax.

Although the HMRC regards these as a business, the owners can use their own properties for holidays for as much as 20 weeks a year. There are other advantages of running a holiday home. For instance, the initial cost of furnishing the holiday home can be deducted from your pre-tax profits. Its income can be diverted to your pension. When you come to sell, you may be able to minimise your capital gains tax by claiming entrepreneurial relief, meaning you pay 10% rather than 20%.



Some of our clients are offering second-home owners guaranteed rents and full management packages to make buying and running a second home as easy as possible.

A perfect example of this is our sea view apartments in Mawgan Porth in Cornwall, where the developer is offering a guaranteed rental return of approximately 4.5% net.

If you prefer to manage the property yourself, there are many management companies in Devon and Cornwall that can organise the changeovers.

Others can offer a more bespoke service, including arranging outings for holiday clients, booking restaurants etc. Bespoke Devon ([www.bespokedevon.co.uk](http://www.bespokedevon.co.uk)) offers an impeccable service and makes sure you get the maximum rentals.

If you are thinking of buying or selling a second home and would like a chat about it, please give Gail or Miles a call on 01392 832446 or email us on [info@chartsedge.co.uk](mailto:info@chartsedge.co.uk)



## Modern fus

Here's a fantastic home combining a historic Cornish building with a modern extension, making a superb contemporary home overlooking St Ives Bay.

Scotts Craig is a granite house which has been completely refurbished by developers Jack Loggin, who have expanded it with large areas of glazing to take advantage of the stunning views.

The lower ground floor incorporates a guest suite, two further bedrooms and family bathroom. A rear corridor that leads down to the integral garage. All the bathrooms benefit from 'Roca' suites and a mixture of Hansgrohe and Aqualisa showers.

The ground floor features a magnificent kitchen/dining room. Contemporary units including an island breakfast bar are complemented by a range of Bosch appliances. On this floor also is the master bedroom with en-suite shower room and a separate cloakroom. From the hallway, stairs lead up to the sitting room. This room has doors leading out onto a roof terrace, where the spectacular views can be fully enjoyed.

Scotts Craig is for sale for £1.3 million with Jackson-Stops & Staff, Truro, 01872 261160, [www.jackson-stops.co.uk](http://www.jackson-stops.co.uk)

