

A third of second home owners own less than a quarter of their home

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A third of second home owners have mortgages of 75 per cent loan to value or higher, with a fifth owing more than 90 per cent on their home, according to a survey of holiday home owners conducted by holidaylettings.co.uk. Furthermore, three quarters paid more than £100,000 for their second home and 37 per cent have euro mortgages.

These figures tie in with nearly half (43 per cent) of the same survey respondents stating they let their home to paying guests 'out of necessity to cover mortgage repayments and running costs'. Furthermore, the number of holiday home landlords entering the lettings marketplace has grown 84 per cent in the last 12 months when compared to the previous six.

The hard cash reality of owning a second home, whether in the UK or overseas has hit home in 2008. For example, a €200,000 interest only mortgage on a 6% deal will cost the home owner around €1,000 per month. Paying this via a currency transfer from pounds to euros would in 2007 have been at a rate of around 1.45 euros to the pound, equating to £690. Based on the current pound to euro exchange rate of around 1.2 it would cost £830 – a monthly increase of almost £140 expenditure.

Ross Elder, managing director of holidaylettings.co.uk comments: "It has been a tough year for any second home owner with a mortgage, which in part explains the growth in the number of owners letting out their properties in the first 10 months of the year. However, I believe there is also a transition of appreciation for the added value a second home has, not just as pension or capital gains income, but ongoing rental income."

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About holidaylettings.co.uk

A business fuelled by British passion for property investment and the need for a more effective way for holiday home owners to reach holidaymakers holidaylettings.co.uk is now the UK's most popular holiday home website. Home to an ever increasing number of holiday home adverts with a customer base of home owners and lettings agents, there are currently 27,000+ holiday homes to browse across the site. Holiday accommodation ranges from villas and apartments through to windmills, gites and penthouses reaching across more than 100 countries worldwide. In 2008 an average of 1.5 million holidaymakers have been browsing the site every month.

Ross Elder and Andy Firth co-founded holidaylettings.co.uk in 1999 and have spearheaded the company's

mission to become the UK's No.1 holiday home website that it is today. The success of its model attracted investment from Rightmove plc in March 2007, with the co-founders remaining at the helm and leading a growing team of around 60 staff in North Oxford.