

BUY TO LET - HOLIDAY LETS

The Mansfield now accepts Buy to Let properties used for holiday lets subject to:

- Maximum 70% Loan to Value on specific product (see below)
- Borrowers are allowed to occupy the property themselves for up to 60 days per year
- Top Slicing available
- Minimum property valuation £150,000
- Minimum earned income £35,000
- Property to be rented under a Licence Agreement. No ASTs allowed
- Lending on holiday parks or complexes, B&Bs and AirBnB are excluded
- Minimum loan size £50,000, maximum loan size £500,000



In addition to our standard Buy to Let requirements, the following criteria applies to holiday lets:

- Must be a standard residential furnished property that is suitable for owner occupation and has no title, local or occupancy restrictions. Relevant planning consents must be in place.
- A holiday letting agent should be in place.
- Where there is no track record of income, a professional local holiday letting agent will need to confirm the likely net rental income and provide commentary on the likely occupancy levels.
- Must qualify as a Furnished Holiday Let under HM Revenue and Customs' requirements.
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Calculating Affordability

- A holiday letting agent or valuer is to provide Low, Mid and High Season rental figures for the property. Agent's letting fees should be deducted, or assumed as being 20% of gross rents if not available or confirmed.
- We will then take an annual average of the 3 seasons' income (after agent fees) and use 70% of this figure, to allow for rental voids, when calculating the Interest Rate Coverage Ratio (ICR).
- This figure must cover the monthly mortgage payments calculated at 125% of the mortgage at pay rate i.e.

(Loan amount x interest rate x 125%) <= (Annual average of season rents x 70%)

Mortgage Product

- 3 Year Discounted Variable Rate, currently 3.65%
- Reverting to SVR, currently 5.75%
- 5.6% APRC
- Application Fee £199
- Completion Fee £1800 (can be added)
- Early Repayment Charge 3%



For full product information and further details, see our website mansfieldbs.co.uk/buy-to-let-mortgages