



Britons warm to idea of an overseas home



Would you give this up because of high travel costs? Neither would two-thirds of overseas home owners



Abroad: A taste of the summer sun has Britons doing the sums on something longer term

So you've taken your summer holidays. You're facing the prospect of a wild autumn and freezing winter back in Blighty.

And as you soaked up the rays on some palm-fringed beach, you set aside your Jeffrey Archer and tend to that nagging thought: How could we do this more often? And, maybe, after an umbrella'd cocktail at the tiki bar – could we do this forever?

Extortionate estate agent fees, pricey moving costs and expensive renovation work – it seems there is nothing that will stop us buying a second home in the sun, not even the over-inflated travel costs to get there.

So eager are we to grab our own little place in the sun that two-thirds of second home owners with property abroad say a rise in travel costs due to green taxes would not affect their travel to an overseas property.

This was the finding of a survey carried out by estate agency Savills

Research and property rental firm Holiday-Rentals.co.uk.

If anything it seems we are more enthusiastic than ever to buy a second place abroad as Savills estimated that there were 425,000 UK-owned overseas properties.

Director of Savills Research Jacqui Daly said: "While the issue of climate

change is an important concern for the majority of second home owners it is not seen as a barrier to travel.

"In fact there has been a notable increase in the number of British second home owners buying property further afield, with locations such as the Far East and the Caribbean emerging as destinations of choice."

“We expect to see continued growth in the holiday home rentals market”

There still remains a considerable price differential between overseas and UK second homes, which is the key driver behind overseas property sales. As a result the majority of UK buyers estimate that they will have a healthy sum to fund their next overseas home and, despite the current climate, most

remain optimistic over the long term. Spain, France, Portugal, the US and Italy are still our favourites and comprise the top five destinations.

Managing director of Holiday-Rentals.co.uk Greg Grant says: "Investing in overseas property, both for leisure and investment purposes remains a key aspiration for Britons.

"Taking regular holidays is also a top consumer spending priority, despite environmental concerns and the credit crunch. As a result, we expect to see continued growth in the holiday home rentals market."

Not surprisingly the main reason most of us want to get away is some fun in the sun as leisure proved the biggest motivation for buying a second home, accounting for 67 per cent of all purchases.

Property investors make up the rest of the sample, with 17 per cent buying specifically for fly to let.

"As more owners become aware that there is strong demand for holiday lets and that it is relatively simple to self-manage rentals, privately owned holiday accommodation will become an increasingly important sector of the travel market. In these tighter

times, savvy owners will realise that a month's rental can, if timed well, pay for much of a year's running costs on a property," says Grant.

Fly to let investors, however, target locations that are served by low-cost airlines and where there is good rental potential, according to Savills.

Many investors have capitalised on the growth in city break tourism and have increasingly bought in cities including New York, Barcelona, London and Paris.

Other city break rental destinations growing in popularity include areas of eastern Europe such as Prague, Krakow and Budapest.

Now that travel taxes are set to soar it leaves us wondering how this will affect the future of property investment and those seeking an affordable place in the sun.