

# Buying a holiday home - what you need to know

By [Andrea Tucker](#)

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A much-loved time of year for many is just around the corner, and soon a great number will be flocking to coastal towns to enjoy the summer weather and spend time with friends and family. While there, sipping cocktails on the beach, it is hard not to dream about what it would be like to live in your favourite holiday town forever, or at least have a permanent place there to visit whenever you like.

You can make this dream a reality. In fact, more and more homeowners are, given the post-pandemic rise in remote working and the growing need for a better work/life balance. Property prices in typical holiday towns are rising steadily. Based on the economic concept of supply and demand, South Africa's key coastal metros are experiencing a three-year performance high, with a 7% house price growth compared to 6% in 2017 and 3% at the end of the first quarter of 2020, before the Covid-19 pandemic. Now is the time to invest, either as a holiday home or your new permanent home.

So, while you're on your break this December, take some time to scope out your destination for its holiday home or work from home potential, and perhaps even its suitability as a place to retire to in the future. Here is what you should consider before making the commitment:

## Check your budget

Affordability is obviously an important factor. Before investing your money, remember that there are property market cycles and fluctuations in interest rates. Do your homework on the area you want to buy in and ensure that neighbouring houses are appreciating in value. Talk to a few estate agents while you're there and get a sense of where property values have increased the most. Consider also the costs of furniture, electricity, water, taxes and levies. You can, of course, rent the property out to help pay these costs and the bond if you're only looking at utilising it during holidays.



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## Think about renting

If you are buying purely for use as a holiday home, renting it out to make extra income is a good option. Before committing, first check the demand for holiday accommodation in the town you want to buy, how much, if any, demand there is during off-peak periods, and, if the property is part of an estate or complex, whether the body corporate allows short term rentals. If there is no demand during off-peak periods, are you willing to take your own holidays during off-peak times to ensure the best return on your investment?



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## Choose your spot

We all know the importance of location when buying a property, and it's no different when buying a holiday home. Firstly,

consider how often you would like to make use of the home – do you want a nearby place for short weekend getaways or a more distant home for longer breaks? Then assess your preferences – do you want a house that is in walking distance of the beach, river or lagoon, near shops and restaurants or nature reserves? The right balance between seclusion and proximity to these attractions and amenities will also attract potential renters and add value for future buyers.

If house prices in your preferred towns are out of reach, look around in nearby areas. With prices in coastal towns steadily rising, it may be worth considering a holiday home in a lesser-known area with more affordable options. Some up and coming areas off the beaten track include Barrydale, which lies between the Overberg and Klein Karoo; the secluded West Coast towns of Langebaan and Yzerfontein, Cannon Rocks in the Eastern Cape and the remote seaside town of St Helena Bay.



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## Visit it out of season

If there is a chance that your holiday home could one day become your forever home, make time to visit the area out of season to get a feel for the location. You may find that a cold and rainy winter or an unbearably hot summer is too much to bear. Out-of-season months may also not offer the same employment opportunities or customers that your business requires that in-season months do.

## Consider security

Security is important if your house will stand empty for prolonged periods. Lock-up-and-go properties in secure developments are popular as 'weekend' homes, as they are looked after by a body corporate, but they may have rules about short-term rentals. Alternatively, contact the local police or neighbourhood security companies to get more information and ask about crime rates in the area.

After you've done some research and given careful thought into what you want from your holiday home, have fun hunting for your ideal home away from home.

## ABOUT THE AUTHOR

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