

# Buying a Static Holiday Caravan



Whilst the vast majority of our readers are already caravan owners, we thought that our recently launched Buyers Guide would prove useful in many different ways. If you are thinking about upgrading your caravan or moving park you will want to ensure that your new purchase is made having done as much homework and investigation as you can, and this should help with that task.

Also, if a family member or friend is going to venture into the holiday caravan market you can pass this on so that they are better informed about the process of buying a static holiday caravan. If you require further information or guidance regarding your new purchase please give one of our Advice Team a call.

## The Agreement

We've put this section first as it is the most important aspect of holiday caravan ownership. The agreement between you and the park operator should be a binding contract that covers things like pitch fees and how long you can station your caravan on the pitch.

The agreement should be in writing and should be easy to understand – it's not good signing up to

something that doesn't make sense to you. Don't be tempted into a 'gentleman's agreement' over a handshake – black and white confirmation of your rights and responsibilities should be secured prior to handing over any money.

Buying a holiday caravan is a long-term commitment so the agreement governing your pitch occupation deserves careful scrutiny. We get many calls from caravan owners who either don't have a contract or who appear not to have read the one they've signed. Don't end up in this position – make sure you've studied all the angles. For example, it may seem a strange time to mention this, but what would happen if ownership of your park changed hands? Would your contract terms survive? (They should) Or could new park operators use the terms of your contract in a more detrimental way than is currently the case?

Make sure that you understand everything that you are agreeing to and obtain a copy of the contract to review at your leisure. NACO members can call for advice on contract terms.

### Important Contract Terms to Consider:

- **Licence period** – the number of years your caravan will be allowed to remain on its pitch
- **Length of season** – how long is the park open in any year?
- **Pitch fee increase** – ideally the agreement should link pitch fee increases to the Retail Prices Index
- **Private sales** – can you sell your caravan on its pitch on the park, and is there a commission charged?
- Are there any **restrictions** on the supply of ancillary products or services – eg decking, bottled gas or insurance?



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**Besides your house, a static holiday caravan is probably the biggest purchase you will ever make; don't jump in without taking advice and doing your homework!**

## The Park

The location of the park where your caravan will be sited is an important decision. If you are planning to visit regularly, it should be within easy travelling distance. This may mean looking at train and bus timetables if you don't drive. Look for any grading that the park has and whether it is a member of the British Holiday & Home Parks Association (BH&HPA). Speak to other caravan owners at the park and if possible consider taking a short break at potential parks to gauge how you would feel about spending your leisure time there.

## The Caravan

Consider the price, age, features and condition of the caravan. Are you going to purchase new or second hand? Again, do your homework to ensure that you know how much of the price you are paying the park can be attributed to the caravan. We often describe the purchase of a caravan as a package - the caravan, the pitch and the park. All of these items will have an impact on the purchase price of your caravan. If you are buying second hand consider getting a local caravan agent to conduct an assessment of the unit's condition.

## The Costs

Owning a holiday caravan might seem relatively inexpensive when broken down across the year but consider all areas and ask the following questions:

- How much is the pitch fee and what does it cover?
- How can the pitch fee be paid?
- Is the first year's fee included in the sale price?
- Are electricity and water included and how are they billed?
- Are there any other fees or charges – if so what are they for and when do they have to be paid?

## Depreciation

Static holiday caravans have similar depreciation characteristics to new cars, inasmuch as once you have set foot in the door it's value is immediately reduced. However, because of the 'package' that is associated with this purchase the effect will be felt all the more keenly.

There has been considerable media coverage recently of cases in which caravan owners 'lost' thousands of pounds because they had to sell their caravan after only one season's use. The word 'lost' is in quotation marks because the people referred to had not checked (or were not advised) how much of the total purchase price was for the caravan and how much was attributable to the remainder of the 'package'.

Reputable park operators advise that the owning of a static caravan is a long-term commitment and that savage depreciation will result should this major purchase be relinquished after a short ownership span.

If you find yourself in a situation where you need to sell your caravan after only a short time, conducting a sale to a private individual is usually a better option than selling back to the park operator who will probably only allow a trade value for the unit. Check with your park operator to see if a private sale is allowable at your park.

## Finance

If you are going to take out a finance agreement to purchase your holiday caravan then make sure that you read the small print and take advice about its terms. It is essential to retain a copy of the agreement.

## NACO says...

**"If you are thinking about making a move to a different park, or you're considering taking the plunge with an upgrade make sure that you get as much information in writing from the park prior to striking the deal. A new caravan is a big commitment; make sure that you're prepared for it."**