

Things Not to do with Your Holiday Caravan



Retire to it:

Selling your bricks and mortar, releasing a big chunk of equity, and buying a holiday caravan, is not something that we can recommend doing. Your position is very weak legally unless you have negotiated a particularly good contract; the residential occupation of a static caravan on a holiday licenced site could see you in further trouble. We are seeing more and more action from government and local authorities with reference to this 'problem'. You could find yourself in contravention of the park's site licence, or your contract; your warranty could be voided, or at the very worst a dispute with your park operator could leave you homeless.

If you want to retire to enjoy the environment of a caravan park, choose one with residential status. Check with the park, and the council as to whether the park has a residential licence. One telltale sign is that residential units often cost a great deal more than holiday caravans. You will also be afforded the protection of the Mobile Homes Act.

- **Buy it as financial investment:**

Contrary to what you may have been told, a holiday caravan is not a financial investment. Everyone knows how quickly a new car depreciates (as much as 60-70% in the first year of motoring), but what of holiday caravans? We often describe the purchase of a holiday caravan as a package: the caravan, the park, & the pitch. In some resale circumstances you may only be able to resell the 'caravan' aspect. We have heard stories of people losing 50-60% in the first year when they sell back to the park or trader.

Still interested? Then do your homework. Many people look at it in this way: If the caravan is £25,000 and they have a contract term that spans 15 years – this is the cost of holidays when they want, with an idyllic setting, or a garden, or a space where children are free to run and play... and this is something that they are happy to invest in. In most cases holiday caravans do not appreciate in value, although there will always be the odd one that does. If you are in a position where you need to sell your caravan sooner than expected try your best to sell to a private buyer, as in many cases you can aim to sell at a higher price.

- **Run a business from it:**

As with retiring to your holiday caravan, you may find yourself in contravention of your contract and/or your park's site licence. If this is not the case, ensure that you have everything detailing your ability to do, in writing, in a contract.

- **Live in it:**

It may seem that we are 'banging on' about this, to some of our regular readers, but this is a hot topic for the industry. For years this volcano of an issue has remained dormant, but with rumblings from the Office of the Deputy Prime Minister, the other trade associations (the NCC & the BH&HPA), and many local authorities, it looks like we are set for an eruption!