

# WHAT TO DO WITH THE HOLIDAY HOUSE

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SAN DIEGO: Holiday houses rarely prove to be dream investments and often become a burden and source of frustration to their owners. With the sad state of the property market, there is little point in selling this investment so here is an idea to get some benefit from a problematic asset.

## *SWAP IT*

Let's face it, if you bought a holiday home on the SA coast in the late 1990's or early 2000's with the hope of making money on the booming property market, you are probably regretting your decision now. Not only is the price of your property stagnating but it is costing you real money in maintenance costs and property taxes and interest if you mortgaged the property. If the property is a lengthy distance from where you live, you are not able to enjoy the use of the property as much as you would like. If you find yourself in this unfortunate position, you should consider making use of the property to get some low cost overseas holidays for you and your family by swapping your house.

People have been swapping homes with strangers for decades. The first house swapping company was started in the 1950's and the world's largest home swapping business has more than 40,000 properties in 140 countries - South Africa included. You normally pay an annual subscription fee to list your property and to see other properties listed around the world. Some of the businesses offer a rating system where the property and the owners can be rated. Once you have identified a property, you will then contact the owners directly in order to negotiate a swap. This is not a quick exercise like booking a room in a hotel but sometimes you can negotiate the use of a vehicle or cleaning service and it will give you a chance to get to know the other owners a bit better.

## *BENEFITS*

If you have children and would like to introduce them to some other countries around the world, you will quickly realise that hotels are very expensive when you stay in a major city like Paris, London, New York or Hong Kong. In fact, your accommodation costs will be expensive in most cities. If you arrange a house swap with someone in a major city, you might be able to swap your 3 bedroom holiday house for an apartment in the city. This will cut out a major portion of your holiday cost and make overseas travel more affordable.

One of the great benefits of doing a house swap is that you can experience a city like a local. Hotels are often situated in "downtown" locations which are more suited to business travellers. On weekends these areas become very quite and are not suited to vacationers. In addition, you pay inflated prices for everything as people try to profit from tourists at every turn. By staying in someone's home in a residential area, you will pay normal prices which will further reduce your costs. If you like to travel overseas, especially on longer holidays, you might find that your savings make the costs of your own holiday house more palatable. In addition you can still stay in your holiday home when you choose to do so. This seems a much better proposition to me than timeshare which is expensive and restrictive.

## *BE CAREFUL*

As with any form of "direct" holiday arrangements, you need to be prepared to do some homework in order to get the cost savings. I would suggest that you use one of the larger house swapping

businesses and try to use properties that have been reviewed or rated by others. There are many different businesses offering a listing service, the links below are some examples:

[www.homeexchange.com](http://www.homeexchange.com)

[www.houseexchange.org.uk](http://www.houseexchange.org.uk)

[www.aussiehouseswap.com.au](http://www.aussiehouseswap.com.au)

Before embarking on this exercise, you should contact your insurers to make sure that there are no problems with doing a house swap. If you are not charging for your home, it is not considered a commercial venture which means that you should not be charged more for doing a house swap.

When selecting a potential property, make sure that the property is suited to your requirements. If you are looking for the big city experience of New York, make sure that you are not staying in an apartment which is 90 minutes commute from the places you want to see. Local commuting is not cheap and if you are relying on public transport, you do not want to spend three or four hours per day travelling. Similarly, if you are looking for a quiet beach holiday in Spain, make sure that you don't stay in an area that is inundated with inebriated partygoers every day in their summer holidays.

Try to get a friend or neighbour to hand over keys and check in on your "tenants" whilst you are away, this should give you some piece of mind and ensure that someone keeps an eye on your place.

I am not an advocate of buying holiday houses and would certainly recommend that people sell their properties if they need the money. However, house swapping does seem like a good way to make lemonade from your lemon.