"How Tony and Gill enjoy their motorhome for free"

MotorHolme

Self Hire Case Study

Neighbours of mine, Tony and Gill, were thinking about buying a motorhome.

They really liked the idea of owning a motorhome but, like most people, had a hard time justifying the high price and tying up all their savings in something they might only use for a couple of weeks each year…

During a chance meeting, I happened to explain to Tony that we sold a range of "Buy to Let" motorhomes and about our innovative "Buy to Let" service.

I explained to him that once he owned one of our "Buy to Let" models, not only could he own a brand new motorhome for free, but he could actually earn an extra income from hiring it out whenever he was not using it via our free service.

Naturally, Tony was interested in the concept, but both he and Gill had reservations about how the idea would work in practice.

For a start, Gill worried about letting "someone else" use their motorhome especially using their bed…

I told Gill – *"You're right, if you rent out your motorhome, 'someone else would be sleeping in your bed' – but have you ever stayed in a hotel?"* Of course she had.

"So how many other people had stayed in that exact same bed before you?" I asked.

She thought about that for a minute. Gill realised that if they owned a "Buy to Let" model, she could always buy a mattress cover or even a spare mattress, for the times they wanted to use it, with the extra money they would earn from renting it out.

"OK, I can live with that idea, now you've explained it that way, but what if my motorhome came back wrecked?" Gill asked.

"Fear not, Gill. Because MotorHolme takes full responsibility for your motorhome whilst it is out on hire – that means we make sure that your motorhome is fully insured and returned to you in the same condition as when it went out." I said.

"How can you stop someone wrecking our motorhome?" She asked.

"Well, I can't stop someone wrecking it, but I can make sure that whatever happens, we will guarantee to put it right. We've conducted over 15,000 hires over the past ten years, which means we have a lot of experience in the hire industry. Whatever happens to your motorhome, whilst out on a hire, it's our problem."

Gill was relieved that MotorHolme was standing behind each hire. But Tony was a little concerned about how much of his time was involved in this idea.

I told him *"MotorHolme provide all the marketing, administration, paperwork, claims and if necessary resolve disputes. When we take a booking, you receive an email notifying you of the booking. It's that easy - all you have to do is provide the motorhome!"*

"And on the day of the hire, usually on a weekend, you'll prepare your motorhome and clean it when it comes back. At the most, it will take up about an hour of your time. And usually, that's all the time involved until your vehicle is returned."

Tony and Gill did their sums. The idea of buying a brand new motorhome was way beyond their budget. They were thinking of buying a second hand motorhome with their savings. I told them why buying a motorhome in this way was a bad idea…

"If you buy a used motorhome, chances are it will not have a manufacturers' warranty. If anything goes wrong with the vehicle, including breakdowns, it's your problem. With a new motorhome, they have a three year European wide warranty, which covers everything, including breakdown and recovery, day or night."

"But we cannot afford to buy a new motorhome with our savings." Said Tony.

"I'd be shocked if you were thinking of putting all your hard earned money into a motorhome, as there's a much more tax efficient way to pay for one" I said.
"And what's that?" Tony asked.

"Well, did you realise that if you were to invest in a 'Buy to Let' motorhome, the purchase price is 100% allowable against your taxable income?" I said.

"And if you were to buy the vehicle on a finance agreement, any interest that you pay back on the loan would also be allowable against your income tax!"

Tony looked amazed. *"You mean, I can claim back the full price of the motorhome and any interest I pay against my income tax? And keep all my savings in the bank?"*

Yes, incredibly, that's correct. It would be much better financially for Tony and Gill to put as little money down as possible and take a loan over the longest period (up to ten years is possible). This minimises the monthly repayments and maximises the amount of the tax breaks you can claim against your taxable income.

"So, a brand new motorhome is a far better investment than buying a used model and spending all our savings" said Gill.

"OK, I understand all that, but why would I want to buy one from MotorHolme as opposed to our local dealer?" asked Tony.

"Well, for a start, we're not like a dealer – we don't hold stock, we don't do 'tradeins' and we don't have a forecourt full of motorhomes for sale. We've done our homework and found the best make and specifications for the rental market - only three models – small, medium and large, and that's all we recommend"

"Best of all we provide a minimum rental income guarantee for each model worth half the annual finance repayments. Try asking any other dealer how much they'll pay you to buy a motorhome!" I said.

"So, that all sounds great, how much will I earn then?" Tony asked.

"Well, your income depends on the size of the motorhome and the time of year. The most important thing is your location – If you're located in the Outer Hebrides, you won't earn as much as being situated around the M25" I said.

"But joking aside, you could easily expect to own a motorhome for free, wherever you're based and some people have gone full time with their own mini hire fleets."

Gill seemed puzzled. *"Does that mean we can hire out our motorhome directly as well as through your website?"* She asked.

"Of course, we encourage you to market your motorhome locally, on company notice boards, post office windows, that kind of thing. You can make a lot more money by renting it out directly and you can buy self drive hire insurance from us" I said.

It all started to make sense to Tony and Gill. By owning a "Buy to Let" motorhome, they could make money by renting it out via MotorHolme.com and rent it to their friends and colleagues. They could keep their savings in the bank, afford a brand new model and Tony could claim back a tax rebate!

To say the least, they were over the moon about owning a motorhome in this way and that MotorHolme would actually guarantee an income out of it. Tony and Gill did rather well from the rental income from their "Buy to Let" motorhome. In fact, they made double our income guarantee in their first 12 months.

To find out how you, too, can start your own motorhome hire business, download our step by step guide "Motorhoming is even more fun when it's free!" at our web site:
www.MotorHolme.com

MotorHolme has helped hundreds of motorhome owners earn an extra income from renting out their motorhome. If you own a motorhome and would like to 'unlock' its income potential, please visit our web site: **www.MotorHolme.com**

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