



PLANNING JUSTIFICATION INCORPORATING BUSINESS PLAN STRATEGY

SITE AT : COARS FARM, WIGGLESWORTH

**REDEVELOPMENT OF SITE FOR 30 NO. HOLIDAY CHALETs,
CONVERSION OF EXISTING HOLIDAY HOUSE AND ADJACENT BARN
TO A 20 PERSON HOLIDAY LET, EXTENSION OF EXISTING CAFÉ,
CONSTRUCTION OF RECEPTION BUILDING, ALTERATION TO
EXISTING GARDEN CENTRE TO FORM FARM SHOP AND PLANT
DISPLAY AREA, CREATION OF CAR PARKING, ACCESS AND
ASSOCIATED WORKS.**

FOR: Coars Farm Ltd

OUR REF: COA/01

DATE: November2020

INTRODUCTION

1. This Report is produced in support of a planning application submitted to Ribble Valley Borough Council for development of this site for a 20 bed holiday home, café, garden centre and 30 no. holiday lodges. The proposals expand upon an existing 10 bed holiday home at the site, retail sales, café and garden centre uses. The proposed chalets are new build, to be constructed from stone with tile solar panel roof systems. Renewable energy is a theme of the proposals with the aim to be 'off grid' in energy terms as much as possible.
2. The report is to address possible concerns about the future viability of the holiday uses proposed, particularly as the chalets are of permanent construction, which could raise planning issues with future permanent residential use.
3. This report is therefore aimed at addressing those matters from a planning perspective. It is not intended to be a detailed financial appraisal of the business.

BACKGROUND

4. In brief, the existing site has developed on an ad hoc basis over the last twenty or so years, the land having been previously part of Coars Farm and has since developed from agricultural pasture from around 2000 (see Preliminary Ecological Appraisal by Peninne Ecological that accompanies this application.). The site changed ownership in 2015 and plans that were approved to redevelop the café area were not carried out (see previous planning approval ref : 3/2016/0088).
5. The current business at the supports the owners and staff employed there, supplemented by rental income from a lease of the stone barn to the architectural reclamation occupier and the buildings appear to be in relatively good order. The existing holiday let provides the base income source, however, the uses are subject to seasonal fluctuations. This made up for over the festive season by the café and some related garden events held there and therefore there is some overlap and support to income generation at the site but this tends to be relatively small scale. Whilst the site is currently not unviable, it does lack resources for reinvestment and development to enable the business to expand and grow to meet changing market demand. For example, plans for redevelopment of the café and garden centre approved in 2016 have not been implemented (application 3/2016/0088) refers.

THE BUSINESS MODEL

- 6 The proposed business model is based on the provision of longer term more permeant chalet style buildings. These are to be provided for rent and not for sale. Whilst the up-front costs of the site's development are high and there is an attraction to obtaining large single payments on a sale, an owner/occupier profile for the site would not fit in with the tourist/holiday profile of the site. That is because owner occupiers have little incentive to visit or spend during off season periods, as fees are already paid up. The business profile sought here is to provide ongoing income for both the café use and garden centre use at the site, where tourist occupiers are more likely to use those facilities all year round and so move the site away from its current reliance on seasonal trade.
- 7 The proposed holiday chalets are to be permeant construction. This will allow the business model for the site to be developed, increasing potential for short term and long-term revenue and returns. That is because the financial modelling for caravans has been made more difficult for independent sites since the 2008 market crash. Further a caravan value is disproportionally reduced over time, and without an owner-occupied business model, caravan renewal for the tourist rented centre becomes a disincentive.
- 8 The permanent holiday cottage constructions allow the following advantages over 'caravans' :
 - Retention of value;
 - Optimum range of finance available;
 - Reduction of risk of capital investment;
 - Less vulnerability to market fluctuations.
- 9 The initial construction costs of these buildings may be higher than those of the caravans with potential reduction of the sale price differential. However, this is made up for by the longevity of the investment and the potential for relatively low cost refurbishment, modernisation and upgrading over the lifetime of the building.
- 10 The long term investments in the buildings is justified by the potential good levels of return in the holiday rental market sector. For a new chalet building, an estimated construction cost of one chalet is circa £80,000. The average yearly rental income of a unit is £12,000-£18,000. An annual letting income of £240,000 would achieve a 10% return. Each unit therefore requires an annual income of around £8,000 gross allowing for operating costs deductions.

Given a proper management regime, this could be easily achieved at this site, particularly as the permanent build structures will allow a potentially longer season. The higher return will allow investment and maintenance of the site and would supplement the café and garden centre uses.

THE TARGET MARKET AND MANAGEMENT

11. The current market for the type of holiday maker in this area tends to be mostly ‘*independent explorers*’ who take multiple trips with family or friends seeking value for money and ‘*connoisseur searchers*’¹ who take regular leisure breaks at home and overseas, are older and seek quality. The characteristics of the types of visitors for the market served by the self catering holiday industry in the locality of the site are as follows:
 - Families with children aged 7-14;
 - Over 30 that travel with friends;
 - Couples;
 - Couples with friends;
 - Groups looking for fun or entertainment.
12. These groups show the following holiday characteristics:
 - Short breaks;
 - Multiple breaks;
 - Monies spent on accommodation;
 - Trips planned in advance;
 - High expectations looking for quality and authentic experiences;
 - Strong motivation to visit particular sites;
 - Take trips around special occasions
13. It is those connoisseur and independent explorers that is the main market for self catering holiday lets in this area. To progress, the site needs to refocus itself and orientate itself towards the short term let visitor economy.

14. The marketing strategy for the site needs to be optimised. This cannot be achieved in a national market with localised or individual marketing efforts. Therefore, the site will be managed in partnership with Sykes Cottages, a national holiday let operator. They also work in conjunction with the tour operators, which maximises exposure to the market.
15. Attached at document 1 is a letter of intent from Sykes Cottages confirming their interest in supporting the proposals. Sykes Cottages confirm that there is strong demand in this area for the holiday provision proposed and that the location is good for access to visitor attractions.
16. Attached at document 2 is a Sykes Cottages promotional brochure which sets out their Company profile and marketing strategies. It is evident that a national Company such as this who have agreed to promote this site, will greatly aid the site's viability.

CONCLUDING REMARKS

17. The existing business on this site are not maximising their potential with the result that they are only of very local significance with limited capacity for future investment or recapitalisation to enable the site to adapt to the changing tourist market. Site investment is now required to ensure future resilience. These proposals would be more geared towards the current and developing target market thereby allowing reinvestment and modernisation of the existing business uses.



Mr A Kinder
Avalon Town Planning,
2 Reedley Business Centre,
Redman Road,
Burnley,
Lancashire,
BB10 2TY

Thursday 26th November 2020
RE: Coars Farm

Dear Mr Kinder

Thank you for your continued interest in Sykes Cottages and the services that we offer. I confirm that we feel that there absolutely is demand for holiday accommodation in the area and would like to lend support to the plans to develop self-catering holiday units. Sykes Cottages is a very successful holiday letting agent winning the British Travel Awards for the last 7 years. We have a substantial upfront marketing budget that we only recoup when we secure bookings for the properties we market. It would not be in our interest to market properties where the demand was not sufficient.

As a company we are delighted to offer our support and work in partnership with your clients who are to develop this facility to ensure it becomes a major tourist destination within the Ribbles Valley with its associated tourism spend in the local economy. Moreover, we feel that if the site can be made carbon neutral as is proposed then this will represent a further positive aspect in terms of the marketing of the holiday units to the target audience.

The units are a very popular property style with our holidaymakers and a luxury finish, hot tub, wood burners, parking onsite and amenities onsite.

1 Bedroom units have all year round appeal as couples do not have to work around school holidays as a family would. 2 bedroom properties appeal to families, two couples holidaying together, 2 singles wanting a bedroom each, or even just a couple who want the little bit of extra space so again this translates to all year round appeal.

Your units would also tick the box of a good location too with the added benefit on being near major road routes such as M6 for north south travel and once there it is a perfect base to explore.

The Ribblesdale village of Wigglesworth sits on the western edge of North Yorkshire, in the Forest of Bowland, an Area of Outstanding Natural Beauty. Two miles away is Long Preston, an attractive Yorkshire Dales village in Malhamdale, which benefits from two excellent pubs with first rate cuisine and the railway station on the edge of the village provides access to the famous Settle-Carlisle Railway line which crosses some of the most beautiful and inspiring upland scenery in the country.

Wigglesworth is thirteen miles from Skipton (popularly known as the 'Gateway to the Dales') and six miles from Settle. Settle is a bustling market town with a weekly market, the centre being dominated by the Shambles, an historic three-storey building with shops on two levels and houses above, and the Town Hall. There is a good selection of restaurants and pubs here too. Wigglesworth is a great base.

I hope that this information is useful. Should you require any other information, we are open 7 days per week, so please do not hesitate to contact us.

Kind Regards

Carol Walgrove
Property Recruitment Sykes Cottages



Agenda

- Who are Sykes?
- The Sykes Team
- The Benefits of Joining The Sykes Family
- Maximise Bookings
- Case Study
 - Multi Unit Site
 - Large Cottage Case Study

Who are Sykes?

A technology-enabled self-catering holiday property lettings agency



SYKES HOLIDAY COTTAGES



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The Sykes Team

Property Team

- Support your initial journey with Sykes.
- Include advice on quality, customer expectation, health and safety.
- Contract agreement to include income projection per property based on location, facilities and features.
- Photography. Full suite of images internal and external.
- Description writing.
- Account management to include data analysis of bookings per property, income projections, communications.

Product & Marketing

- Create a bespoke landing page with all properties listed – this may be further down the line.
- Featured social media marketing specific to individual properties.
- Regular emails to marketing database to include new properties, featured properties, location based, or based on previously searched date.

Revenue Management

- The Sykes revenue management team work with market leading systems to optimize the price of a property based on the current demand and location.
- There are a number of different revenue management options available to choose from:
- Super Income Maximization allows us to flex the pricing up (unlimited) and down to a maximum of 20% - 40% of Sykes owners adopt this model.
- Short breaks give the ability to sell week long blocks as well as 3 and 4 night breaks, usually starting on a Monday and Friday. 54% of searches for SB this year compared to 34% year before.
- Flexi Breaks allows a customer to book any day (minimum of 2 nights) and check in on any day. Potential to earn 9% more and achieve 10% more bookings.

Finance Team

- The finance team will provide monthly statements with income less commission.
- Payments are made monthly and in advance of the guest arrival.
- Forward booking reports will be provided with guest details, arrival dates etc.

Reservations, Customer Services and Customer relations

- The reservations team are fully trained travel experts and equipped to make bookings on all properties. The team are incentivised to upsell holiday insurance to every guest to ensure that any damage occurred is paid for.
- Once a booking has been made the customer will receive access to the customer portal which will provide them with all relevant details for the property including facilities, equipment and key collection details.
- Should a customer or an owner have any unforeseen problems during their stay, the Customer & Owner relations team are on hand 24/7 to support.



SYKES HOLIDAY COTTAGES



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The Benefits of Joining The Sykes Family

- The Sykes website attracts over 42 million web visitors each year and 82% of bookings are transacted online.
- Mobile is the fastest growing platform for sales +27% YOY.
- We work with over 500 partners including Booking.com, Tripadvisor, Expedia, HomeAway to extend the reach and increase bookings.
- My Sykes App – first UK cottage brand to launch this. Growth of 385% with a 56% download rate. We do a push notification after the first nights stay and if the customers aren't happy we can rectify it straight away to ensure a higher level of good reviews.
- Owners right to respond to guest reviews.
- Sykes annual marketing spend is over £24m on all channels and we bid on 500,000 google search terms.



SYKES HOLIDAY COTTAGES



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The Benefits of Joining The Sykes Family

- Marketing strategies include search optimization, paid search, advertising, blog posts, social media activity, CRM campaigns, PR, TV advertising, radio advertising, attending key events.
- Customer database of 2.9 million to send service based messages to. Send out over 500,000 highly targeted and printed mailings.
- Sykes customer demographic: 41% are couples, 16% families and 27% adult groups. Couples remain largest segment - +34% (FY19).
- We are proud to say we have a 47% repeat booking rate – 30% YOY growth.
- Being associated with an award winning brand - British Travel Awards 7 years in a row, and also that as an owner they have the right to respond to guest reviews.
- Access to our online portal, giving you 24/7 access to everything relating to your property.
- Sykes don't charge for owner bookings.



SYKES HOLIDAY COTTAGES



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Maximising Bookings

Sykes individually visit and assess all properties. A full income projection will be provided based on location, quality and key features.

Ways to Maximise bookings

Install a hot tub

Installing a hot tub can earn you up to 54% more

Welcome dogs

Welcoming dogs to your property can add an average of 11% more income

Connect to Wi-Fi

Wi-Fi is one of the most requested features and something that many holidaymakers expect. It can earn you up to 16% more

Open Fire

Adds on average 14% more income, and is particularly attractive for winter bookings

Secure bookings all year round

The peak weeks are easy, but all year round bookings will ensure maximum income



SYKES HOLIDAY COTTAGES



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Case Studies

Week Farm

Bath, Somerset | Ref. 975934

Multi Unit Site Case Study

How Sykes Can Add Value - Increasing Bookings & Revenue

This year Charteroak has joined forces with rental company Sykes Holiday Cottages to bring an even more efficient rental service. We hear from Charteroak who tells us:

"With an ever growing number of rental lodges to manage, we felt it was appropriate to investigate a new partner. To work alongside Sykes, an extremely responsive, well-established and fast growing organisation was very appealing. We have been closely tracking their performance compared to what we achieved last year, and it's fair to say it's been very encouraging both for bookings and gross income achieved."



Bookings have increased by 17%



Gross income has increased by 21%



Property Ref | 987555



SYKES HOLIDAY COTTAGES



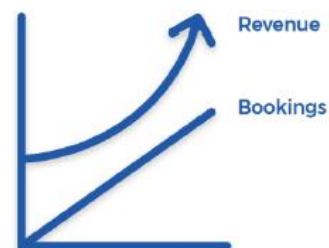
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Multi Unit Site Case Study

How Sykes Can Add Value - Pricing & Revenue Management

Simon Hargreaves from Charteroak tells us how the new relationship with Sykes has impacted on how lodges can be booked and rented:

"It's a very flexible arrangement allowing Sykes to respond to market demand, and to appropriately price the product so that both the holidaymaker and owner benefit from a great stay value. Their direct communication with the changeover teams allows Sykes to confirm very late bookings with guests and we're confident that we have put a process in place to meet the high demand, which ultimately benefits the owner who has invested in a holiday home and wants to maximise occupancy and income."



48% repeat booking rate, 30% YOY growth



54% of searches for short breaks, up from 34% LY



SYKES HOLIDAY COTTAGES



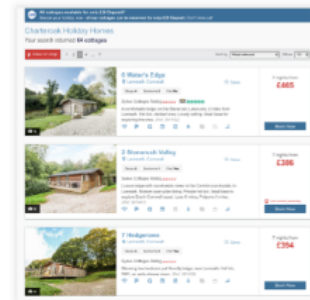
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Multi Unit Site Case Study

How Sykes Can Add Value - Marketing & Reporting

Charteroak have partnered with Sykes Holiday Cottages for their lodge owners and means exposure to a far larger market. "Sykes present the holiday homes to a large number of affiliates" Simon Hargreaves from Charteroak explains. "The Charteroak website features links which take you straight to a Sykes' landing page where you can view rental lodges available for both Southern Halt and Stonerush Lakes.

Plus, there are regular updates when a booking is taken and weekly reports to show future bookings as well as being able to access customer feedback to enable owners to keep their product at a high standard."



500 partners
including Tripadvisor
and booking.com



Marketing
spend is over
£20 million



Bid on over
500,000 google
search terms



SYKES HOLIDAY COTTAGES



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Multi Unit Site Case Study

How Sykes Can Add Value - Working in Partnership

Sykes and Charteroak have developed over time the relationship by communicating honestly and working together.

Charteroak are now working with our managed services team and together have increased the Net Promotor Score (NPS) by 2 points, taking them to 77, which is a fantastic achievement all within the space of months.



NPS Score of 77



SYKES HOLIDAY COTTAGES



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Large Cottage Case Study



SYKES HOLIDAY COTTAGES



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