Dear Mr Singh

**Review of Proposed New Leisure Development at Meon Vale**  
*(Ref: Planning Application 14/01186/OUT)*  
Long Marston Estate, Stratford upon Avon, Warwickshire CV37 8QR

Sanderson Weatherall LLP was instructed on 21 October 2014 in writing by Jay Singh (Senior Planning Officer, Stratford-on-Avon District Council (hereafter ‘SADC’)) to undertake a review of the Marketing Report and Appraisal of The Leisure Development Site at Meon Vale prepared by Savills (hereafter ‘Marketing Report’).

This review has been carried out by Chris Tucker MRICS, a Chartered Surveyor with over 30 years’ experience specialising in the development, operation, valuation and sale of holiday parks and Owen Pike BA(Hons) PG Dip MRTPI Chartered Town Planner. Assistance has also been provided by Philip Harcourt MRICS, a specialist in development land. Full details of our experience and qualifications are provided in section 1 of this report.

Chris Tucker and Owen Pike carried out an inspection of the property on Thursday 30 October 2014 and were shown around the site by Peter Rudd from St Modwen. Photographs taken during our inspection are enclosed in Appendix 6.

Whilst writing, we confirm that we have had no dealings with either the property or the applicant and there is no conflict of interest in accepting your instructions to provide independent advice to the Council.

Edwards and Partners are a specialist Division of Sanderson Weatherall LLP and we can confirm that we have Professional Indemnity Insurance on a per claim basis in the sum of £30,000,000.
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1. **Experience and Qualifications**

1.1 **Sanderson Weatherall LLP** Sanderson Weatherall LLP is a leading independent practice of Chartered Surveyors and Property Consultants with offices in Leeds, London, Newcastle upon Tyne, Manchester, Teesside & Bristol. We have around 200 staff, including 136 surveyors and valuers. We provide a full service which includes valuations and rating, agency and investment, building consultancy, planning, asset management and lease consultancy, corporate services and plant and machinery valuation and sales, along with most other property disciplines.

1.2 Combining local market knowledge with a thorough understanding of the property industry, we provide a complete service in all real estate matters to ensure our clients receive forward thinking, effective advice to meet their business objectives. Registered to ISO 9001:2008, and most recently Environment Management System (ISO 14001), we pride ourselves on the quality of our staff, integrity, professionalism, friendliness and care of clients.

1.3 **Edwards and Partners** Established in 1976 Edwards and Partners are leading specialist Chartered Surveyors and valuers dealing solely with caravan parks, holiday centres and mobile home parks throughout England, Scotland and Wales. For 37 years the firm operated as an independent practice with two offices based in Devon and Yorkshire. In February 2013 Edwards and Partners merged with Sanderson Weatherall LLP, a multi office practice of surveyors and property professionals offering a comprehensive range of services. Edwards and Partners now operate as a specialist division within the Sanderson Weatherall business.

1.4 **Christopher Tucker** Chris Tucker is a Chartered Surveyor and RICS Registered Valuer with over 30 years’ experience in the valuation and sale of Caravan and Camping Parks, Mobile Home Parks, Holiday Centres and associated businesses. His regular work includes providing written valuations for secured lending purposes, advising private and corporate clients on sales and acquisitions, and acting as an expert witness in his specialist field.

1.5 **Owen Pike** Owen Pike is Associate Partner in the Planning department. He has over 8 years’ experience working in the residential, commercial, leisure, renewable energy and agricultural sectors. At Sanderson Weatherall, Owen advises property owners, occupiers, developers, investors and institutions in obtaining innovative and implementable planning permissions and related consents, and on how they can protect their interests via the development plan process and the preparation and submission of bespoke representations.
2. General Information on the UK Holiday Park Industry

2.1 Before commenting on the proposed holiday park and leisure development at Meon Vale, we will provide some general background information on the UK holiday park industry, to act as a reference for this review.

2.2 A Brief History of Holiday Parks

2.3 The first recorded UK holiday parks were established in East Anglia in the early 1900’s, based on hut type accommodation. At the same time, the forerunner of the Camping and Caravanning Club, the ‘Association of Cycle Campers’ opened its first camping site in 1906, whilst the Caravan Club was founded in 1907. However, these early caravan and camping sites were few and far between and it was not until after the end of the Second World War that caravan and camping became popular with the masses. The 1950’s and 1960’s also saw a rapid expansion in the traditional ‘holiday camp’ of the type typified by Butlins. However, during the 1970’s and 1980’s the traditional holiday camps came under pressure from cheap foreign package holidays and a change in customer expectations. Many of the buildings constructed in the 1950’s and 1960’s became unacceptable in terms of style and age, resulting in many of the original camps being closed and/or redeveloped.

2.4 However, the caravan and camping industry continued to thrive, develop and grow. This is because the accommodation on these parks is not provided by bricks and mortar buildings and it has been easier to change and keep pace with customer expectations. The design and size of caravans has changed significantly over the years, with ‘static’ type caravans increasing from an average of 28’ long by 10’ wide in the 1970’s to 38’ long by 12’ wide in the current market (see photographs in Appendix 5). The caravan park industry has also developed the concept of a ‘twin unit’ which is typically referred to as a holiday ‘lodge’ (see paragraph 2.21 and photograph in Appendix 5).

2.5 It was much easier to obtain planning permission to start a holiday park in the early days of the industry. In fact, prior to 1960 there were no restrictions on caravan and camping parks and it was not until the Caravan Sites and Control of Development Act 1960 that caravan and camping parks were brought within the planning system. Many of the caravan and camping parks that exist today in sensitive locations, such as on cliff-tops and in National Parks, were established prior to 1960.

2.6 It is important to understand that the holiday park industry has largely been ‘demand-led’. In other words, holiday parks have been established in desirable locations initially chosen by the customers.
2.7 **Types of Holiday Park** Holiday parks can be broadly divided into three main categories, with each category covering a range of qualities and styles. There are significant differences between these business models.

2.8 **Holiday Parks with Letting Units** These are holiday parks that provide short-term self-catering holidays. Early exponents were the holiday camps typified by Butlins, Warners and Pontins, that provided on-site mass catering facilities. However, in recent years the market has moved to entirely self-catered accommodation with the option of central bars and facilities provided on larger holiday parks.

2.9 The units of accommodation on this type of holiday park vary considerably and may include; static holiday caravans, twin unit lodges, solid log cabins and bricks and mortar units in the form of holiday bungalows, cottages, or blocks of apartments.

2.10 To be successful, this type of holiday park will need to be located in or close to a major holiday destination i.e. somewhere where the customer wants to go for a two week holiday.

2.11 This type of park is more likely to provide central facilities including a bar, restaurant, leisure centre, play area, swimming pool etc., partly to provide an additional attraction to its customers and partly to generate additional revenue. In general, some of these facilities (play area, swimming pool) will be provided free of charge, whilst others (shop, restaurant) will generate additional income. Central facilities will be better used (and therefore more profitable) on parks with letting units as they will enjoy a higher ‘footfall’.

2.12 Income on a letting park is generated from the weekly charge for accommodation, which will vary according to the size, style and quality of the letting unit. In the UK the tariff and the rate of occupancy will tend to be higher in the summer months and lower in the spring and autumn.

2.13 **Parks with Privately Owned Units** These parks provide holiday homes, rather than holidays. Again, the units of accommodation can range from static holiday caravans and caravan-type lodges, to bricks and mortar houses and apartments. The accommodation is sold to the customer subject to a limited tenancy agreement. In the case of caravans and holiday lodges this is usually a ‘licence’ to occupy the pitch with a security of anything between 10 and 50 years. In the case of bricks and mortar accommodation the units will usually be sold on a leasehold basis, typically with a term of 99 years.

2.14 The owners of the individual holiday homes will visit the park for week-end breaks and the occasional longer holiday. They may also allow family and friends to use their holiday home, or may join a park operated letting scheme to generate income when they are not using the home themselves.
2.15 The business model for this type of park is to make a profit from the initial sale of the unit and then to receive an income from ground rents and/or service charges. Whilst central facilities may be provided, bars and restaurants are likely to be less profitable on this type of development, due to a lower footfall.

2.16 The locational requirements for a holiday park providing privately owned accommodation will be different to those for a park providing holidays. The three most important requirements for selling holiday homes are; ease of access, attractive surroundings and good local amenities.

2.17 The first of these is the most important of all. A typical owner of a holiday home in the UK will be keen to use it on a regular basis. They will commonly take advantage of week-end breaks, travelling to their home on a Friday evening after work and returning on a Sunday evening. Many successful park operators refer to the ‘2 hour test’ and find that the majority of holiday home owners will live within a 2 hour drive of the park.

2.18 The second important element is to have attractive surroundings. For many people this means a relatively peaceful setting, attractive rural surroundings and, if possible, an attractive view. Those parks in riverside settings or with views over countryside and/or the sea tend to be particularly sought after.

2.19 Thirdly, the owner of a holiday home will see added value in a location which is close to local facilities. These might include on-site facilities provided by the park owner, but equally could include local country pubs and restaurants, or the ability to walk directly onto a beach.

2.20 Static holiday caravans offer an affordable ‘second home’ to the mass market. New static holiday caravans sold as holiday homes are likely to be retailed in the price range £25,000 to £50,000. There are a large number of potential purchasers for holiday homes in this price range and for this reason the large holiday park operators concentrate their efforts in this marketplace.

2.21 Holiday lodges (i.e. twin unit timber clad caravans) are essentially an upmarket version of a caravan holiday home with the appearance of a log cabin (see photograph in Appendix 5). They are attractive to purchasers looking for a ‘turnkey’ holiday home on a managed estate at a price slightly below the traditional housing market. These units are typically retailed on a holiday park at prices between £100,000 and £200,000, depending upon the size and quality of the unit and the location of the site. The demand for this more ‘upmarket’ holiday home reduced considerably during the early years of the recession 2009 to 2013, but there are early signs the market is starting to improve. Nevertheless, the number of potential purchasers for holiday homes in this price range is significantly fewer than the number looking for traditional static caravans. For this reason, large holiday companies have been cautious in their development proposals in recent years and have concentrated on small, select developments or those in established destinations.
2.22 There are only a small number of ‘bricks and mortar’ holiday home developments in the UK. The most successful are those located in prime locations for holiday homes, such as the Cotswolds Water Park and developments with sea views along the south coast of England. The large holiday park operators rarely get involved in the development of bricks and mortar holiday accommodation. There are however a number of building development companies who have been successful in this market, particularly during the period 1997 to 2007. Since the recession these companies have become very cautious about bringing new developments to the market. We are aware of a number of sites in secondary locations that were started around 2007/2008 but that have been closed down without being completed.

2.23 **Touring Caravan and Camping Parks** These parks offer pitches for customers to bring their own touring caravans and/or tents. Essentially they are selling holidays, but with the customer providing their own accommodation. Touring and camping parks attract families seeking an affordable two week holiday during the summer holidays, as well as relatively wealthy touring caravan owners who may use their caravan on many occasions throughout the year.

2.24 Income is generated from the nightly pitch fees paid by the customers and from any other profit generating facilities on site, such as a shop, club, bar etc.

2.25 The vast majority of touring caravan parks are operated by small privately owned businesses. The majority of large holiday park operators concentrate on static holiday caravans or lodges. The only large groups operating touring caravan and camping parks are the two membership organisations; The Caravan Club and The Camping and Caravanning Club. However, these organisations tend to concentrate solely on touring parks and are not interested in static caravans or lodges.
3. **The Proposed Holiday and Leisure Development at Meon Vale – 2010**

3.1 You are familiar with the original development plan (consent 09/00835/FUL) and there is no need to provide a detailed explanation in this report. Therefore, we set out below a brief summary of the proposed redevelopment of the former Long Marston MOD depot as permitted in 2010, as follows.

- Retention of 80,000 square metres of employment floor space
- Construction of 500 residential dwellings
- Rail based leisure attraction
- Sports pitches
- Central leisure facility
- Touring caravan site
- Up to 150 self-catering holiday lodges
- Up to 150 holiday homes

3.2 A plan showing the layout of the development approved in 2010 is attached in Appendix 1.

3.3 It appears the background for a holiday village on the Long Marston Estate stems from Local Plan Policy CTY.18 ‘Engineers Resources Depot, Long Marston’ which is specific for this site and states ‘The site is....considered suitable for major leisure village’ ... Criteria (f) of the policy refers to the impact on tourism facilities. However, in our experience, a mixed development of the type proposed at Meon Vale i.e. industrial, residential and holiday is unusual and we are not aware of any other mixed developments of a similar type either being proposed and/or successfully being developed in recent years.

3.4 We are uncertain why the application was formulated to include a specific mix of ‘holiday homes’ and ‘holiday lodges’.

3.5 The area taken up by the holiday homes, lodges and touring caravans (the ‘Holiday Village’) in the 2010 plan extends to approximately 80 acres (32.37 hectares).

3.6 With reference to the holiday accommodation the Council has applied the following restrictions to planning permission reference 09/00835/FUL:

- Condition 11 attached to Part 2; Outline Part of Hybrid Application: “The self-catering holiday lodges hereby permitted shall not be occupied by the same individual(s) for more than one calendar month in one calendar year. The holiday homes hereby permitted shall not be occupied by the same individuals for a continuous period of more than 3 calendar months and the total period of non-occupation shall not be less than 3 calendar months in any calendar year.”
- Condition 16 attached to Part; Outline Part of Hybrid Application: “Any caravan on the Site shall only be occupied as a short term holiday let and shall not be occupied by the same individual(s) for more than one calendar month in any calendar year.”
- Section 106 dated 25 February 2010; Schedule 3 Part 8:
“1. The Self Catering Lodges, Holiday Homes and Caravans shall not be occupied save in accordance with this Schedule 3.
2. The Self Catering Lodges shall not be sold as Open Market Dwellings.
3. The Self Catering Lodges, Holiday Homes and Caravans shall not be occupied continuously through any calendar year.
4. The Self Catering Lodges shall not be occupied by the same individuals for more than one calendar month in any calendar year.
5. The Holiday Homes shall not be occupied continuously for more than 3 months by the same occupiers in any calendar year.
6. The Holiday Homes shall not be occupied for more than a total of 9 months in any calendar year.
7. The Caravans shall not be occupied by the same individuals for more than a total of 9 months in any calendar year.
8. The Owner shall maintain records of the occupation of the Self Catering Lodges and the Caravans to include:
   (i) the identify of occupiers
   (ii) the period of occupation of individuals
   and shall produce the records within 10 working days of a request by the District Council.
9. Upon the request of the District Council the Owners of the Holiday Homes shall within 10 working days provide evidence of the periods of occupation of their Holiday Home.”

3.7 Conditions 11 and 16 attached to the outline element of hybrid planning permission reference 09/00835/FUL have subsequently been replaced by conditions 10 and 14 attached to planning permission reference 12/00484/VARY. The wording of these conditions has not changed.

3.8 One of the formal documents of planning permission 12/00484/VARY includes a separate Section 106 Agreement dated 4 December 2012. It makes several variations and additions to the original deed. However, Schedule 3 Part 8 appears to be unaltered.

3.9 Since the variations to the 2010 permission were approved the following work has taken place.

- The residential development in the south east corner has been started and Phases 1 and 2 are nearing completion
- The industrial area has been completed and is 90% let
- The green-way extension through the site from the south east to the north west has been completed
- The central leisure facilities have been built, including a sports hall and gymnasium, outdoor all-weather pitch, a village hall and a retail outlet
- Recreational facilities including sports fields, a cricket pavilion and a children’s play area are nearing completion
- A small touring caravan area has been constructed with 30 all hard standing pitches for touring caravans and 30 grass pitches for tents. Toilet and shower facilities for this camping site are contained within the adjacent leisure centre
4. **Revised Development Plan at Meon Vale – 2014**

4.1. The developer, St Modwen, has now put forward a planning application reference 14/01186/OUT to vary the original planning permission. The main changes are as follows.

- Relocation of 150 self-catering holiday lodges from the eastern side of the site to the western side of the site on land previously designated for rail-based storage and restoration
- Relocation of 150 holiday homes from the north east corner of the site to land on the western side of the site previously designated for retained rail-based storage and restoration
- Construction of an additional 550 residential houses (including 35% affordable) on land previously allocated for holiday homes
- New primary school on land previously allocated for self-catering holiday lodges
- Relocation of touring caravan site from land adjacent to the industrial units to land on the western side of the site
- Sharing the existing access into the north west corner of the site to serve the relocated holiday development allowing the proposed holiday village to be self-contained from the industrial and residential developments
- A reduction in the area allocated to the railway restoration business
- The addition of a small leisure centre to serve the relocated holiday park

4.2. A plan showing the proposed revised layout for the development as proposed in planning application 14/01186/OUT is attached in Appendix 2.
5. **Savills Report and Appraisal on the Marketing of the Leisure Development Site at Meon Vale**

5.1 According to the information supplied, Knight Frank were instructed to market the whole leisure development including the holiday village in October 2010, but no buyers were found. Subsequently St Modwen decided to construct the central leisure facilities themselves and in June 2013 Savills leisure department were instructed to re-market the holiday village, to include the existing manager’s house and former military administration block in the north east corner of the site. It was proposed this part of the property would be sold on a long lease of 99 years at a peppercorn rent and marketing commenced in October 2013. No guide price was quoted.

5.2 The results of this marketing campaign are contained in a report and appraisal document prepared by Ian Simpson BSc FRICS of Savills UK Limited dated 19 September 2014. You have now asked us to provide specific comment on the content of this report in relation to the latest planning application.

5.3 A copy of the Savills report is attached in Appendix 4 and a copy of their sales particulars is attached in Appendix 3.

5.4 The report contains an overview of the marketing campaign which included the preparation of full sales particulars, an online data room and advertisements in 4 leading property publications.

5.5 The report also contains an overview of the response to the marketing campaign and feedback from prospective interested parties. The conclusion to the report is that the holiday village, as originally proposed in the 2010 permission, was not attractive to potential purchasers for a number of reasons including -

- The site was perceived to be in a secondary location for this type of use and too far away from Stratford upon Avon and the Cotswolds
- The site itself was perceived to have an urban character as a result of the existing industrial uses and new residential development
- The proposed scale of the holiday village is too extensive and a mixture of holiday homes and lodges were not perceived to be viable
- The planning occupancy restrictions imposed by the existing planning permission Section 106 Agreement which restrict the occupancy of the holiday units was perceived to be onerous
- The market for holiday homes remains subdued

5.6 Finally the report contains comment on an alternative location for the holiday village to improve the viability and saleability of this part of the development.

5.7 The report recommends the holiday village is moved to the western part of the site with its own direct entrance from Station Road. This would allow the holiday village to be a self-contained part of the site, with the industrial and residential developments hidden from view by the established woodland which runs through the centre of the site.
6. **Comment on Savills Report**

6.1 We will focus our attention on the primary issues which Savills have identified as affecting the saleability of the proposed holiday village.

6.2 **Location and Surroundings**  (Savills report paragraphs 5.6-5.8, 6.1-6.4) According to Savills prospective purchasers perceive the site as being in a ‘secondary’ location, on the basis it is neither part of the Cotswolds, or close enough to Stratford. We would broadly agree with this view, although the relative strength of a holiday park location also depends upon the type of holiday park that will be operated. Those park operators focussing on letting units will require a destination which will attract holidaymakers looking for a two week holiday. However, those operators focussing on providing holiday homes will be more interested in ease of access and pleasant surroundings.

6.3 **Planning Conditions and Occupancy Restrictions**  (Savills report paragraphs 5.9, 6.6)  From the feedback received during the marketing exercise, Savills concluded that the planning occupancy restrictions imposed within the planning permission and the Section 106 Agreement were perceived as too onerous. In particular, the occupancy restriction which stipulates the self-catering lodges shall not be occupied by the same individual for more than one calendar month in any calendar year is at odds with the way that most holiday parks operate. We agree with this conclusion.

6.4 Whilst we accept that the local planning authority will need to impose restrictions to prevent the holiday units being used for residential purposes, the conditions attached to the use of the holiday village at Meon Vale are far more restrictive than normal. In particular, the restriction referred to above, which seeks to limit the use of holiday lodges to letting accommodation, is unusual. In section 2 of this report we provide a brief outline of how holiday parks can be operated. The decision as to whether units of accommodation are retained for self-catering accommodation, or sold as holiday homes, is usually an economic one based on a combination of market demand and location. It is understandable that holiday park operators would be put off by having this decision taken away from them, particularly in uncertain economic conditions.

6.5 Furthermore, the planning restrictions on the holiday homes which state they shall not be occupied for more than a total of nine months in any calendar year, is also unusually restrictive. Many holiday parks around the country now operate for seasons of 10.5, 11, or even 12 months (see comment in section 7). A longer season allows the units to be occupied over the Christmas and New Year holiday period. A 9 month occupancy restriction is likely to reduce the number of purchasers for the holiday homes and thus call into question the viability of this part of the development.
6.6 **Scale and Mix of the Holiday Units** (Savills report paragraphs 5.1-5.5, 6.5) As proposed, the holiday village development comprises a mixture of 150 holiday homes, 150 self-catering holiday lodges and 80 touring caravans. It appears the 150 holiday homes are intended to be permanent buildings restricted to only being used for holiday purposes for 9 months of the year.

6.7 It is not clear what type of construction is intended for the holiday lodges, but it seems likely these might be ‘caravan type’ timber clad twin units. These 150 self-catering holiday lodges are subject to planning conditions and restrictions which dictate, from a practical point of view, they must be retained by the park operator to provide self-catering holidays. In general, the business model for parks with holiday lodges would be to sell some, or all, of the lodges to generate sufficient profits to pay for the substantial upfront infrastructure costs. The existing planning restrictions prevent the lodges at Meon Vale from being sold.

6.8 As we mention in section 2 of this report, traditional holiday park operators rarely get involved in developing bricks and mortar accommodation. Conversely, developers who may be interested in the holiday home development are unlikely to be interested in the holiday lodges and the touring caravan and camping park. Therefore, from our knowledge of the industry, it is difficult to envisage a single purchaser who would be a ‘perfect fit’ for the whole scheme as currently proposed.

6.9 One possible solution would be to grant outline permission for a maximum number of holiday units within a defined area, leaving the type, mix and layout of the units to be decided at a later date. If this approach is taken, we recommend the holiday units are of a ‘caravan type’ as this will allow greater flexibility and incorporate touring caravans, static holiday caravans and timber clad lodges. For example, the proposal could be for an outline application for ‘up to 300 caravan type holiday units’, with the details to be dealt with through reserved matters. This is a similar approach to that taken by the applicant in respect of the application for an additional 550 houses.

6.10 **Location of the Holiday Village** (Savills report paragraphs 7.1-7.6) In the final section of their report Savills comment on the proposal to move the location of the holiday village from the eastern part of the site to the western part of the site, as now proposed under planning application 14/01186/OUT. Savills put forward the view that the new location would be more attractive by virtue of having its own entrance, rather than being approached through the residential development. However, having visited the site we feel there are both advantages and disadvantages in moving the holiday village from the eastern side of the site to the western side of the site, as follows.

**Advantages**

- Separate road access from Station Road in the north west corner of the site would be an improvement compared to access through the residential part of the estate
- The holiday village will be moved away from the residential and industrial part of the site, with the central woodland area providing screening
Disadvantages

- The land on the western side of the site is largely flat and featureless, compared to the eastern side of the site (see photographs in Appendix 6)
- The land on the western side of the site is currently used for railway storage and a considerable amount of infrastructure and building, such as rail tracks, will need to be demolished and removed (see photographs in Appendix 6)
- A certain amount of railway storage and restoration will be retained along the far western boundary, which will remain an unattractive industrial-type use adjacent to a holiday park. Even if earth bunds and landscaping provide a visual barrier, holiday park operators might have concerns over noise issues
7. Comment on Planning Matters

7.1 Length of Marketing Campaign We note that the leisure development site has been openly marketed by Savills for a period of approximately six months. In judging whether the length of the marketing campaign has been sufficient it would be incorrect to consider it only on this basis because it would fail to appreciate that Knight Frank previously marketed it for a period of more than two years.

7.2 The leisure development site has therefore been openly marketed by Knight Frank and Savills for a period of at least two years and six months.

7.3 National planning policy does not specify how long development sites should be marketed for in establishing whether a development proposal, either a conceptual scheme or an extant planning permission, is feasible. If such an approach existed, it would be overly prescriptive when compared with the intentions of the National Planning Policy Framework (The Framework) and would stifle sustainable development in many instances. As stated at Paragraph 19 of The Framework: “Planning should operate to encourage and not act as an impediment to sustainable growth.”

7.4 Paragraph 22 of The Framework states: “Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative approaches of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.”

7.5 Paragraph 004 of the Ensuring the vitality of town centres section of the National Planning Policy Guidance (NPPG) (Reference ID: 2b-004-20140306) explains how market signals should be addressed when planning for town centres. It states “Local planning authorities should take full account of relevant market signals when planning for town centres and should keep their retail land allocations under regular review.”

7.6 It is appreciated that the Marketing Report neither relates to an employment nor retail use (Use Class B1, B2 or B8) nor the loss of such a facility. However we consider Paragraph 22 of The Framework and Paragraph 004 of NPPG are relevant because they demonstrate the flexible approach of national planning policy to the delivery of sustainable developments.

7.7 The adopted Development Plan is also silent on the matter of how long development sites should be marketed for.

7.8 However Policy CS.24 Part A (Healthy Communities - Infrastructure, Services and Community Facilities) within the Stratford-on-Avon Core Strategy Proposed Submission Version (June 2014) seeks to retain existing community facilities, including leisure uses, unless it can be demonstrated that one or more of the four requirements listed is satisfied. The second requirement (criterion b) being: “the land and/or property has been actively marketed or otherwise made available for a similar or alternative type of facility that would be of benefit to the community”
7.9 The only other guidance on this matter is provided by SADC’s Planning Application Validation Checklist (April 2009). This confirms that “Marketing exercises must be genuine and will normally need to be undertaken over a period of at least 6 months at an appropriate price reflecting the limitations of the property. Full details of the exercise, including any interest raised, must be submitted.”

7.10 We consider the relocation of the approved leisure village to another part of the site does not change its sustainability credentials and our research demonstrates there is only limited planning guidance on marketing campaigns. Notwithstanding this, we consider the leisure development site has been openly marketed for a reasonable period of time.

7.11 **Restrictive Occupancy Conditions and Planning Obligation** We note the recommendation from the Marketing Report is that discussions are held with the planning authority to vary the occupancy restriction conditions so as to provide greater flexibility to a leisure operator, because the conditions in their current form pose a significant impediment to delivery of the leisure development.

7.12 National planning guidance, as reflected by NPPG, replaced a wide range of circulars, planning guidance and good practice guides, including the Good Practice Guide on Planning for Tourism (GPGPT). Paragraph 007 of the Ensuring the vitality of town centres section of the NPPG (Reference ID: 2b-007-20140306) suggests that local planning authorities should articulate a vision for tourism in their Local Plans, engage with the tourism industry and consider its locational and operational needs. This reference is relevant yet more importantly the paragraph refers to further tourism planning guidance hosted on Visit England’s website (by way of a hyperlink)\(^1\).

7.13 This new planning guidance from Government, hosted on Visit England’s website, although concise is the most up to date publication that provides local planning authorities and property owners with relevant guidance. Of particular relevance is the section on ‘Year-round Operation’; this is a section discouraging conditions to restrict the season of operation and encouraging the use of ‘holiday only’ conditions’. This section states: “As tourism is an all-year business, conditions restricting tourist accommodation to seasonal use should only be used where it is clear that the condition can be justified as being necessary, and meeting the other tests for lawful conditions laid out in paragraph 106 of the NPPF.”

7.14 *In locations where residential development would not be appropriate, local planning authorities may attach conditions to planning permissions for tourist accommodation to ensure that they are used for holiday purposes only. Where circumstances changes, developers may wish to negotiate with their local planning authority the removal of already imposed conditions.*

7.15 NPPG represents a shift in policy in terms of controlling the occupancy of tourism, holiday and vacation accommodation. We therefore consider relaxing

the time restrictions within the restrictive conditions and inserting a reference within them making it explicit that the self-catering holiday lodges, holiday homes can only be used for holiday purposes would be compatible with national planning guidance.

7.16 For example, ‘The holiday units hereby permitted shall only be used for holiday purposes only and not for permanent residential occupation or as a main place of residence. Furthermore, the holiday units may only be occupied for holiday purposes for 11 months of the year and no unit shall be occupied at any time during the month of February’.

7.17 Regardless of whether SADC agreed to vary the conditions in this way, the original planning obligation within the Section 106 Agreement dated December 2012 (Part 8 of Schedule 3) appears to be extant. We therefore recommend that SADC seeks an application under Section 106A of the Town and Country Planning Act 1990 (as amended) in order to discharge this planning obligation. Otherwise the planning obligation would continue to run with the land and it could be contrary to planning conditions should the Council choose to vary them to make them less restrictive. A new planning obligation to restrict the occupancy of the holiday units could also be drafted and included in the new Section 106. This would match the extant planning permission in the sense that the occupancy of holiday units would continue to be restricted by both conditions and a legal agreement.
8. **Conclusions and Recommendations**

8.1 We consider the leisure development site has been openly marketed for a reasonable period of time.

8.2 It is questionable whether moving the proposed holiday village in its present form from the east side of the site to the west side of the site will, in itself, make the development more attractive and viable and therefore more likely to be delivered.

8.3 It is questionable whether the scale and mix of units currently proposed will be a) viable in the current economic climate and b) of interest to a single developer irrespective of the location within the site.

8.4 **Recommendation** We recommend that St Modwen take specialist advice on the scale and mix of units within the holiday village. At the same time, we recommend the council is open to including more traditional static holiday caravans within the development, as these are likely to be a more attractive option for a holiday park operator. One option would be to grant outline permission for a maximum number of holiday units, with the exact type, mix and layout to be determined at a later date (see paragraph 6.9).

8.5 The current restrictions on the occupancy of units of accommodation within the holiday village (approved but not yet implemented) are greater than those found on other developments of this type and are likely to contribute to rendering the development unviable.

8.6 **Recommendation** We recommend the local authority considers reformulating the number of restrictions on the holiday units whilst retaining sufficient controls to prevent unauthorised residential use (see paragraph 7.16).

8.7 **Recommendation** Part 8 of Schedule 3 within the Section 106 Agreement dated December 2012 appears to be extant and accordingly, as it runs with the land we advise SADC to seek an application to discharge this planning obligation, otherwise it could be contrary to amended planning conditions. At the same time, a new planning obligation could be drafted and included in the new Section 106 to ensure that the occupancy of the holiday units would continue to be restricted by both conditions and a legal agreement.

We trust you will find the enclosed information satisfactory.

Yours sincerely

C M Tucker MRICS FICBA
Edwards and Partners
A Division of Sanderson Weatherall LLP

Owen Pike BA (Hons) PG Dip MRTPI
Planning
Sanderson Weatherall LLP
APPENDIX

1. Layout plan of development – 2010
2. Revised layout plan of development proposed 2014
3. Savills sales details
4. Savills post marketing report
5. Library photographs of caravan type lodges and caravans
6. Photographs of site
1. Layout plan of development – 2010
2. Revised layout plan of development proposed 2014
3. Savills sales details
Well located holiday village development site adjoining new leisure and retail facilities

Stratford-upon-Avon 6 miles; M40 (J15) 12 miles
Birmingham 35 miles (all distances are approximate)

Background

The Long Marston Estate provides an excellent opportunity to create a leisure village comprising holiday homes, self-catering lodges and a touring caravan park. Set in beautiful rural countryside close to the historic town of Stratford-upon-Avon and The Cotswolds, Long Marston can provide the ideal mix of facilities and location.

The award-winning developer St Modwen has received planning permission from Stratford-upon-Avon District Council for a mixed-use development on the 190 hectare (470 acre) Long Marston Estate. The estate masterplan seeks to create a vibrant new mixed-use village and extend the Greenway from Stratford-upon-Avon through the estate.

The wider estate planning permission provides for retention of 80,000 sq m of existing employment space, retention of rail storage and restoration uses, as well as development of a rail-based leisure attraction. Outline planning permission has also been granted for up to 500 homes in addition to extensive leisure facilities and development of the leisure village.

St Modwen has already started work on site, including completion of the new four arm roundabout access into the site off Campden Road. In addition, Persimmon have commenced construction of the housing.

Immediately adjacent to the site offered for sale is a new central leisure and community hub which will offer a range of facilities including:

- Sports hall suitable for a range of indoor sports including badminton, basketball and football
- Cafe and restaurant
- All-weather sports pitch suitable for hockey, five-a-side football and tennis
- Caravan site for 30 touring caravans and 30 camping pitches
- Convenience store and community centre
- Car parking, landscaping
- Links to the Greenway - the scenic cycle and walking path which extends for a mile through the site linking to the existing Greenway and Stratford-upon-Avon
- Children’s play areas and sports pitches

Construction of these facilities by St Modwen has already commenced and it is anticipated that the leisure centre will open in summer 2014.

Summary of Opportunity

- Site extending to approximately 80 acres (32.37 hectares) grass
- Outline planning consent for 150 holiday homes, 150 holiday lodges & 80 touring caravan pitches
- Detached house
- Former administration building with potential for refurbishment
- Adjoining woodland, public walks and leisure centre opening summer 2014
- Close to the tourist areas of Stratford-upon-Avon and The Cotswolds
Location
The site is situated on the border of Warwickshire and Gloucestershire, approx. 8 miles south of the tourist destination of Stratford-upon-Avon and 10 miles from the Cotswold village of Broadway.

The site has excellent motorway links and is ideally placed being 12 miles from the M40 and 27 miles from the M5 motorway. As well as Stratford providing a magnet for visitors, Warwick Castle (16 miles), Worcester (27 miles) and Evesham (14 miles) also provide tourist destinations in their own right.

The Leisure Development Site
The site extends to approximately 80 acres (32.37 hectares) gross and is largely level. It comprises open parkland, woodland and a lake, which combine to form an attractive setting for a leisure-based development. Surrounding the site are numerous opportunities for public walks and cycle rides through the extensive parkland and woodland of the wider estate, access rights over which will be provided. In particular, part of the development of the wider estate, an extension to The Greenway is also being constructed. The Greenway is a high quality surfaced path suitable for cyclists and walkers. It is part of the National Cycle Network, forming a 5 mile section of the West Midland Cycle Route, which links Oxford to Derby via Birmingham. This extension through the wider site will allow visitors to the leisure site safe and easy access to the centre of Stratford and the countryside of Warwickshire beyond.

The House and Ancillary Building
In the north east corner of the site is a four bedroom residential dwelling known as Park House, which may be suitable for manager’s accommodation connected with the leisure development. Adjoining the house is a derelict ancillary building formerly used as an administration block. The current masterplan provides for its demolition, but it offers potential for re-employment for use in conjunction with the adjoining holiday village development, subject to planning permission being obtained.

Services
All main services are connected to the site and will be provided to the boundary of the holiday village site.

Town and Country Planning
Outline planning permission has been granted under planning reference number 09/00835/FUL for development of the Long Marston Estate masterplan, which includes the holiday village area.

Details of this application 09/00835/FUL can be found at www.stratford.gov.uk/planning. The planning permission is subject to a Section 106 Agreement, a copy of which is available in the online data room referred to below.

The salient points of the Section 106 Agreement relating to the holiday village are detailed in schedule 3, part 8 -

1. The self catering lodges shall not be sold as open market dwellings.
2. The self catering lodges, holiday homes and caravans shall not be occupied continuously through any calendar year.
3. The self catering lodges shall not be occupied by the same individuals for more than one calendar month in any calendar year.
4. The holiday homes shall not be occupied continuously for more than 3 months by the same occupiers in any calendar year.
5. The holiday homes shall not be occupied for more than a total of 9 months in any calendar year.
6. The caravans shall not be occupied by the same individuals for more than one calendar month in any calendar year.
Council Tax and Business Rates

Park House is within Council Tax Band E, with an annual payment of £1,683 for the year ending March 2014.

The remainder of the site is not currently subject to business rates, as it comprises open land.

Tenure and Basis of Sale

A 99-year lease of the holiday village development site will be granted at a peppercorn rent. Offers are invited for the leasehold interest.

Vacant possession of the property will be available upon completion.

VAT

Should the sale of the property or any right attached to it be deemed a chargeable supply for the purpose of VAT, such tax shall be payable by the purchaser in addition to the sale price.

Energy Performance Certificates

Full copies of the Energy Performance Certificates are available on request or alternatively can be viewed in the online data room.

Further Information and Viewings

An online data room providing detailed information in relation to the property can be accessed via www.savills.com/longmarston.

Further information about the wider development is available at www.longmarstonmasterplan.co.uk.

Viewings are to be undertaken strictly by appointment through the selling agents, as construction work is in progress on the adjoining part of the estate and access is restricted in order to maintain site safety and security.

For further information or to arrange a viewing, please contact Savills, Wytham Court, 11 West Way, Oxford, OX2 9QL.

Contact: Aki Goodwin
+44 (0) 1865 265995
+44 (0) 7967 556619
agoodwin@savills.com

Contact: Ian Simpson
+44 (0) 1865 269022
+44 (0) 7967 555478
isimpson@savills.com

Directions

The postcode of the property is CV37 8QY.

Important Notice

Savills, their clients and any joint agents give notice that: 1. They are not authorised to make or give any representations or warranties in relation to the property or otherwise, whether on their own behalf or on behalf of their clients or otherwise. They assume no responsibility for any statement that may be made in these particulars. These particulars do not form part of any offer or contract and must not be relied upon as statements or representations of fact.

2. Any areas, measurements or distances are approximate. The text, images and plans are for guidance only and are not necessarily comprehensive. It should not be assumed that the property has all necessary planning, building regulations or other consents and Savills have not tested any services, equipment or facilities. Purchasers must satisfy themselves by inspection or otherwise.

4. Savills post marketing report
REPORT AND APPRAISAL
ON THE
MARKETING
OF
THE LEISURE DEVELOPMENT SITE
Meon Vale
CAMPDEN ROAD
STRATFORD-UPON-AVON
WARWICKSHIRE
CV37 8QR

PREPARED BY
IAN SIMPSON BSC FRICS
SAVILLS (UK) LIMITED
WYTHAM COURT
11 WEST WAY
OXFORD
OX2 0QL

19 SEPTEMBER 2014
1.0 BACKGROUND TO THE MARKETING

1.1 History of the Meon Vale Site (Formerly known as the Long Marston Estate)

Meon Vale is located six miles to the south west of Stratford-upon-Avon and 35 miles to the south east of Birmingham.

It extends to approximately 190 hectares (470 acres) and comprises a former Ministry of Defence logistics site with extensive industrial and storage buildings. Some of the storage buildings remain in commercial use, and in conjunction with these there is an extensive area of railway sidings and railway storage yards which formed an important part of the previous military use.

The central part of the site is covered by mature broad leaved woodland, and there is one small pond located adjacent to this area. Overall, however, the site is flat and has a distinctly urban and commercial feel to it, despite being located in open countryside.

The site is currently owned by St Modwen, a respected commercial and residential development company.

In February 2010 planning permission was granted for a mixed use development of the site. The masterplan for the development included:-

- The retention of 80,000 square metres of existing commercial storage space, retention of rail storage and development of a rail based leisure attraction.
- Outline planning permission for up to 500 homes.
- Outline planning permission for 150 holiday homes, 150 self catering lodges and 80 static caravan pitches, together with supporting facilities.

It is the holiday village development site comprising the holiday homes, lodges and caravan park which is the subject of this report.

The development proposals are identified on the current site masterplan, a copy of which is attached at Appendix 1.

1.2 Current Site Development

Over the last 12 months there has been considerable construction activity on site. The roundabout access into the site off Campden Road was completed in summer 2013.

St Modwen’s Joint Venture partner on part of the residential element, Persimmon, has started building the first 284 homes. At the time of writing approximately 20 homes had been completed. In total around 80 homes will be completed by the end of 2014.

Given the lack of interest from leisure developers St Modwen have undertaken construction of the majority of the supporting leisure facilities to include a leisure centre including sports hall, a gym, all weather pitch, community hall and shop. They are also creating 30 touring caravan pitches and 30 camping pitches. These facilities cost £5 million to develop and opened in July 2014, apart from the caravan and camping pitches which will open in October. The completed leisure facilities will all be operated directly by St Modwen. In addition, St Modwen Homes has constructed 18 maisonettes in this area to complete the mixed use concept on this part of the site.

St Modwen is also constructing a one mile extension to the walking and cycle route known as The Greenway which links the site to the centre of Stratford Upon Avon. Adjoining The Greenway there will be 35 acres of woodland with walks, rides and picnic areas at Meon Vale. A children’s play area, skate park, cricket pavilion, sports pitches and allotments are also being developed and will open in September 2014.
1.3 The Holiday Village Development Site

The holiday village development site extends for approximately 32.37 hectares (80 acres) and comprises open parkland, woodland and a lake.

The outline planning permission granted in February 2010 permits development of 150 holiday homes, 150 holiday lodges and 80 touring caravan pitches.

Whilst the site is relatively flat, it includes a proportion of woodland and a lake as well as a former military administration building which is located at the north eastern corner of the site, and an adjoining staff dwelling house.

The touring caravan park area is shown on the 2010 masterplan located between the existing commercial storage buildings to the west and the new leisure facilities to the east, adjoining the residential development at its south/east corner.

The remainder of the leisure development site lies to the north of the touring park area. The western part of this area is identified for development of conventionally constructed holiday homes and the eastern part is designated for the holiday lodges, which are envisaged to comprise timber clad structures.

1.4 Planning Permission

The outline planning permission dated February 2010 reference 09/00835/FUL relates to the Long Marston Estate Masterplan, which includes the holiday village.

The planning permission is subject to a Section 106 Agreement which imposes particular requirements upon the holiday village development within Schedule 3, Part 8 as follows:-

- The self-catering lodges shall not be sold as open market dwellings.
- The self-catering lodges, holiday homes and caravans shall not be occupied continuously through any calendar year.
- The self-catering lodges shall not be occupied by the same individual for more than one calendar month in any calendar year.
- The holiday homes shall not be occupied continuously for more than three months by the same occupier in any calendar year.
- The holiday homes shall not be occupied for more than a total of nine months in any calendar year.
- The caravans shall not be occupied by the same individuals for more than one calendar month in any calendar year.

A copy of the detailed layout plan of the holiday village site is attached at Appendix 2.

1.5 Previous Marketing Exercise

In October 2010 St Modwen instructed Knight Frank to market the whole leisure development opportunity, including the central leisure and community facilities. The marketing exercise included advertising in the commercial property and leisure press. An intranet site providing further information relating to the development was also prepared by Knight Frank. A copy of the sale particulars that were used by Knight Frank is attached at Appendix 3.
Savills was not involved in that marketing process, but we understand that it failed to attract a leisure developer, either of the holiday village development site or the central leisure facilities and Knight Franks Instruction was terminated in 2013. You have advised me that a report prepared by Knight Frank on the outcome of their marketing process dated 24 March 2012 was submitted to the Local Authority on 1 April 2012.

Following conclusion of that marketing exercise, St Modwen took the decision to construct the central leisure facilities directly, so as to ensure delivery of these facilities as part of the adjoining residential development which is currently underway.

2.0 INSTRUCTIONS ISSUED TO SAVILLS LEISURE DEPARTMENT

In June 2013, St Modwen approached Savills Leisure Department to advise on the best marketing strategy to adopt for the holiday village development site.

Savills was approached as our specialist leisure department, based in Oxford, deals with the sale and valuation of trading leisure businesses and leisure development opportunities including caravan parks and holiday lodge development sites.

Prior to issue of instructions and preparation of a formal marketing campaign, we made three key recommendations to St Modwen in order to maximise the chance of a successful sale:-

- In addition to the holiday village area, the existing manager’s house and former military administration block located at the north eastern corner of the site should be included in the sale, as these could increase the appeal of the site as a developer might wish to use them as part of the development for management purposes.

- That the property be sold under a long lease of 99 years at a peppercorn rent. The lease would require that the property only be used as a holiday village development site so as to ensure that it could only be purchased by a party with a genuine intention to undertake the leisure development for which planning permission had been obtained. The lease would allow flexibility in terms of the exact form and mix of holiday accommodation, as well as provision of supporting facilities to serve such holiday accommodation.

- That no guide price should be quoted for the property, as our expertise in dealing with a broad range of leisure development sites of this nature has demonstrated that across the UK there is very limited appetite for development of permanent holiday homes constructed in compliance with building regulations. If a guide price were placed on the site which attributed substantial value to this element of the development it could preclude interest from parties who might wish to develop either a larger touring and lodge site, but not the conventionally constructed holiday homes.

In addition, St Modwen made it clear that they wanted the site to be developed by a well funded, respected and experienced leisure developer as they would continue to retain a substantial adjoining land holding, and needed to ensure compliance with the planning obligations specified the S106 agreement.

In contrast to the previous marketing exercise, development of the main road into the site had been completed and construction of the leisure facilities and community centre was well underway. The presence of these features were, in our opinion, an advantage when presenting the adjoining holiday village development site to the market, as it provides certainty over the delivery of these elements of the masterplan, which was not evident during the previous marketing exercise undertaken by Knight Frank

Following provision of our marketing recommendations, instructions to market the site were issued to Savills on 22 October 2013.

3.0 SUMMARY OF THE MARKETING CAMPAIGN

The marketing campaign undertaken by Savills included the following key features:-
3.1 **Sale Particulars**

We prepared sale particulars providing an overview of the opportunity and summarising its salient features, a copy of which is attached at Appendix 4.

3.2 **Online Data Room**

We prepared an online data room, providing additional detailed information in relation to the property, including in particular a copy of the current masterplan, planning permission and Section 106 Agreement.

Access to the online data room was unrestricted and was available to anybody who wished to view it on [www.savills.com/longmarston](http://www.savills.com/longmarston).

Since placing the property on the open market only five parties have registered and accessed the data room.

3.3 **Advertisements**

The following advertising was undertaken:-

<table>
<thead>
<tr>
<th>Publication</th>
<th>Size</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estate Gazette</td>
<td>Quarter Page Colour</td>
<td>16/11/13</td>
</tr>
<tr>
<td>Leisure Opportunities</td>
<td>Quarter Page Colour</td>
<td>19/11/13</td>
</tr>
<tr>
<td>British Holiday &amp; Home Park Association Journal</td>
<td>Half Page Colour</td>
<td>06/12/13</td>
</tr>
<tr>
<td>Birmingham Post</td>
<td>Quarter Page Colour</td>
<td>07/11/13</td>
</tr>
</tbody>
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Attached at Appendix 5 are copies of the advertisements which were used in the foregoing publications.

3.4 **Target Mailing**

The sale particulars were circulated to 203 holiday park property applicants who were registered with Savills and the property matched their registered criteria. The target mailing was undertaken on 4 December 2013.

3.5 **Distribution to Savills Offices**

The sale particulars were circulated to Savills offices in Banbury, Birmingham, Bristol, Cheltenham and Telford so as to ensure that the surrounding offices were aware of the opportunity and that particulars could be made available to prospective purchasers from those additional offices.

3.6 **Savills Website**

The property was loaded onto Savills Leisure website on 27 November 2013. The website has a leisure property search function which enables people to identify caravan parks/holiday property within their search criteria.

Interested parties can download sale particulars directly from the website and follow the link to the online data room for the site prepared by Savills. It also identifies a separate link for the development masterplan on St Modwen’s website.

3.7 **Press Release**

A press release was prepared by Savills and issued to St Modwen for approval through their own press department.
3.8 Member of Charles F Jones & Son LLP with Savills Oxford Leisure Department

On 1 January 2014 Charles F Jones & Son LLP merged with Savills Oxford Leisure Department. Charles F Jones & Son are specialist agents and valuers dealing principally with caravan parks across the UK. Their merger with Savills further broadens our market share in the holiday park and caravan park sector.

Following the merger, Savills and Charles F Jones & Son produced a comprehensive list of leisure properties within the caravan park and holiday park sector offered by both teams, a copy of which is attached at Appendix 6. This property list was distributed to a further 2,000 contacts in the holiday park/caravan park sector during late January 2014, and was completed by 3 February 2014.

4.0 RESPONSE TO THE MARKETING CAMPAIGN

Attached at Appendix 7 is a schedule of enquiries received for Meon Vale, Warwickshire, which overall amounted to 25 parties over the six month period during which the property has been exposed to the market.

The level of enquiries is slightly below average for a leisure property asset that we place on the market, as we commonly receive between 30 and 100 enquiries, depending upon the nature of the asset.

We are unable to release addresses and more detailed contact information due to Savills obligations under the Data Protection Act. The detailed comments referred to below are drawn from telephone conversations with interested parties and are an accurate assessment of the market response to this development opportunity.

Of the 23 enquiries received, Savills Leisure team have spoken to, or have left messages for, all parties in order to establish whether or not they wish to further their interest.

As a result of our follow up work, we generated two formal viewings, as identified on the schedule at Appendix 7, and a further viewing was requested but subsequently cancelled by the interested party before it took place. We are aware that some of the parties visited the site informally but chose not to arrange a formal inspection subsequently.

5.0 FEEDBACK FROM PROSPECTIVE INTERESTED PARTIES

We set out below the principal feedback that we have received from interested parties who have either spoken to us following receipt of the initial sale particulars or accessing the data room, or alternatively have undertaken a viewing of the property:

- The planning permission for development of permanent holiday homes was not generally of interest. They are perceived to be too expensive to construct in relation to the return on capital invested which can be achieved in this type of location. Whilst permanent holiday homes are developed in the UK, many of these are in coastal locations or prime tourist locations such as The Cotswold Water Park, and the Meon Vale site is not perceived as being sufficiently attractive to warrant development of high quality permanent holiday homes.

- Development of 150 holiday lodges, especially in conjunction with 150 permanent holiday homes, is considered by many to be too large a number in what is perceived by many to be an over supplied market. There are numerous holiday lodge development sites with planning permission around the UK, many of which have not been developed as it has not been considered economically viable to put the infrastructure in and take the risk that the holiday lodges will be saleable. Holiday lodge sale prices have fallen dramatically since the peak in 2007, and prospective purchasers have significant difficulty in raising finance to acquire a holiday lodge as they are not permanent structures in respect of which a conventional mortgage can normally be secured.
lack available finance to both leisure developers and holiday lodge occupiers has resulted in numerous lodge development sites remaining undeveloped.

- The site was viewed by an established high quality log cabin/holiday lodge developer, who runs several sites across southern England on a holiday letting basis which is very successful. The feedback from the Managing Director of the company who viewed the site was that he considered the site to be too urban, flat and featureless for their holiday product, a criticism which could not readily be overcome by landscaping or moving the position of the holiday village development within the overall Meon Vale site.

- There has been limited interest from static holiday caravan operators, but the scale of the overall site and anticipated opposition to development of a conventional caravan park with aluminium clad caravans as opposed to lodges were concerns expressed by caravan park operators interested in developing a conventional holiday caravan park.

- Development of a conventional static holiday caravan park with aluminium clad caravans is at odds to the objective of the local planning authority and St Modwen to see delivery of high quality tourist accommodation. The lodge/log cabin developer referred to above had exactly the right profile and product for the proposed development, but did not consider the site to be suitable for this purpose.

- A general observation from a number of interested parties was that the site is neither on the outskirts of Stratford-upon-Avon or within The Cotswolds itself. It is located on relatively flat, open land between Stratford-upon-Avon and Chipping Campden, thereby falling beyond the primary attraction of either Stratford-upon-Avon or Cotswold towns/villages such as Chipping Campden and Broadway, which lie further to the south.

Were the site on the edge of Stratford-upon-Avon, or alternatively further within The Cotswolds on the edge of a town such as Chipping Campden or Broadway, it might be more attractive to developers as they would anticipate that onward sale or letting of holiday lodges/caravans to people interested in regularly visiting the area would be more attractive.

- The location of the site is not overcome by the connectivity of the greenway, as whilst this is an attractive link to the national cycle route, the site is still located some six miles from Stratford-upon-Avon.

- I received feedback from a caravan park operator who operates a holiday lodge/static caravan/touring caravan site along with lakes and leisure facilities. His formal response in writing stated "The 99 year lease is hopeless and the ninety-three month planning restriction is also hopeless. People will simply not buy lodges, even for holiday purposes, with such restrictions".

We do not agree with the comment relating to the 99 year lease, as we are aware of numerous holiday lodges which are sold under 99 year leases and do not, therefore, consider that a 99 year lease at a peppercorn rent is an insurmountable problem for a developer. It provides greater control of land adjoining an existing residential development, and therefore is an appropriate means by which St Modwen can ensure delivery of a leisure development to the appropriate specification.

We would, however, concur with the interested party's concern over the restrictions imposed by the Section 106 Agreement on occupation of the caravans/lodges/holiday homes. Whilst we understand the objective to prevent the holiday accommodation being used as permanent residential accommodation, these sorts of restriction are unattractive to purchasers of holiday lodges or holiday homes in particular. If the holiday site is to be reconfigured in order to attempt to address some of the points raised by interested parties, we would propose rewording the occupancy conditions to provide greater flexibility for the leisure developer and lodge owners/occupiers whilst still ensuring the properties could not become permanent residences.
One of the parties who viewed the property is the Property Director of The Caravan Club, who confirmed to us that he had no objection to his observations being reported. The Caravan Club is one of the largest and most successful operators of touring caravan parks in the UK and they generally offer high quality touring caravan parks with a reception building and good quality wash blocks/amenity blocks. They do not develop or operate static caravan or lodge sites. It was his observation that the existing 30 touring caravan pitches and 30 camping pitches now being developed by St Modwen were located in the wrong environment, adjoining residential and commercial development, which did not overcome the benefit of being close to the leisure/community hub facilities including the shop, café and sports facilities. It was also noted that gaining access to touring caravan pitches through a residential or commercial area frequently used by HGV’s was not a particularly attractive proposition.

The Caravan Club might be interested in a site in this location, but would prefer to have access from the public highway which runs along the northern boundary of the site, and would want an area of the site which is surrounded by or adjoining mature woodland and could be screened from the remainder of the site by enhanced landscaping. They would require a reception/office/amenity block to serve a site which could accommodate between 80 and 100 caravans, which he considered to be an appropriate number for a site in this location. Relocation of the existing 30 touring caravan pitches to the site to the north of the existing block of woodland, screened from the residential and commercial area, would be a requirement to ensure that two touring caravan products were not competing on different parts of the site. It was his view that whilst some of the rail storage buildings are unattractive, their impact was less dominant than the residential and commercial development to the south of the block of woodland in the centre of the site.

It was also his opinion that a site in this location is unlikely to be of interest to static caravan operators, being located too far away from Stratford-upon-Avon and not in a particularly attractive tourist position. Touring caravan users are only willing to attend such sites as they can visit the surrounding areas as they require and then move on. A purchaser of a holiday lodge or holiday caravan may wish to buy the lodge/holiday home and visit it regularly through the year or gain income from holiday letting. The attraction of visiting a site such as the one proposed at Meon Vale on a regular basis as a weekend retreat was, in his view, not particularly good, and he referred to the existing static caravan site located on the outskirts of Stratford-upon-Avon to demonstrate the success of a well located site on the edge of a prime tourist town.

Disposal of part of the site to a touring caravan operator, even one of the quality of The Caravan Club, would result in fragmentation of the leisure development which is not desirable and might make attracting a separate developer for the remainder of the site more difficult.

6.0 CONCLUSIONS DRAWN FROM THE MARKETING EXERCISE

The conclusions that we have drawn to date from the open marketing campaign for Meon Vale Holiday Village Development Site are as follows:

- It is perceived to be in a secondary location from a leisure perspective.
- It is further away, than preferable, from either Stratford-upon-Avon or the prime tourist towns in The Cotswolds and therefore more likely to attract touring park operators rather than purchasers and occupiers of permanent holiday homes or holiday lodges.
- Because of the secondary nature of the location, a purchaser of a holiday home or holiday lodge seeking to subsequently let it as an investment may be concerned over demand and occupancy levels.
The site is perceived to have an urban character as a result of the existing industrial uses on the site and the residential development currently under way, a characteristic which will be difficult to alter, even with extensive landscaping.

The current proposed scale of leisure development is too extensive, and the mix of accommodation, in particular permanent holiday homes and holiday lodges, are not currently perceived to be viable.

The planning occupancy restrictions imposed by the existing planning permission Section 106 Agreement are perceived to be onerous and unhelpful to normal holiday lodge/static caravan occupation, seeking to restrict provision to lettable tourist accommodation, which is at odds with the way in which most holiday lodge/caravan purchasers use their lodge/home. We would recommend that discussions are held with the planning authority to vary these conditions so as to provide greater flexibility to a leisure operator as in their current form they pose a significant impediment to delivery of the leisure development.

Any first phase which includes only touring caravans needs to be considered carefully so that they do not take the most attractive location on the site and their presence does not deter any future holiday home and lodge operator.

The property has been openly marketed, by Savills for a period of approximately six months. This period is normally sufficient to identify whether or not there is market demand for a development site of this nature. Whilst continued marketing might bring additional interest to the site, it is likely that such interested parties will reach a similar conclusion to that evidenced above. In the meantime, we will continue to market the site in the hope that the economy continues to improve and this leads to more interest from leisure developers.

Based upon a broad range of feedback received from people within the holiday park and holiday village sector, the current planning permission is very unlikely to be attractive to an operator and is unlikely to be developed in its current form for the foreseeable future.

7.0 MARKET FEEDBACK ON ALTERNATIVE CONFIGURATIONS FOR THE HOLIDAY ACCOMMODATION

We understand that as a result of feedback received by Savills during the marketing exercise St Modwen, under a new masterplan propose to move the leisure development of holiday homes, lodges and caravans onto the western part of the site currently used for rail storage. Part of the rail storage would be retained on the western boundary. This proposal has a number of advantages.

Whilst this area would require extensive earthworks and landscaping, it is a preferable environment to the location, under the current masterplan, adjoining the employment and residential development on the southern part of the site. The current view, on entering the site, of the commercial storage buildings is not an attractive approach for any holiday orientated leisure development.

The new location would have its own entrance directly from Station Road which would only be shared by the rail storage operator. Whilst the rail storage buildings are not attractive, they are of much smaller scale than the commercial buildings visible from the main entrance, and could be effectively screened by appropriate landscaping. We understand that the rail storage site is not intensively used and should not prove disruptive to a leisure operator.

The rail storage business is operated by a third party under a 15 year lease from June 2013. There are mutual break clauses in the lease which would enable a leisure development of this area to commence in June 2016 if required.
The existing woodland located in the centre of the whole site would mask any views of the employment buildings.

A new earth bund and landscaping could be used to provide a visual barrier between the rail storage and leisure.

Ian Simpson BSc (Hons) FRICS
Director
For and on behalf of
Savills (UK) Limited

19 September 2014
5. Library photographs of caravan type lodges and caravans
6. Photographs of site

New Leisure Centre and Sports Hall

Shop and Village Hall
Land Used for Railway Storage

Railway Storage
Unused Land West of Woodland