



Leisure Marketplace

Carter Jonas

Rural Leisure Property



The holiday letting market in the 2023/24 season has been a roller coaster for many operators. The recent cost of living crisis has seen a downturn in demand for UK holidays as households have felt the pinch as disposable income spend has fallen.

The UK economy seems to be holding its own against other countries, but the political instability of the election this year has not helped the economy.

Now that a new Government has been elected, they will have their own ideas on how to run the country and this will lead to new legislation and a new tax regime. We are now waiting to see how this will affect the rural economy, especially the rural leisure market in relation to self-catering accommodation.

The poor rainy weather in the spring of 2024 did not help early bookings across the country

with many holiday makers deciding to take their summer holidays overseas this year to guarantee a sunny holiday.

The holiday letting industry has been tarred with a bad name after the increase in prices by many of the holiday letting agencies throughout the COVID period. Meaning many customers have felt that their money would be better spent travelling abroad.

Carter Jonas has seen continued investment into the holiday letting sector and indeed there are a considerable amount of purchasers out there to buy properties of this type ranging from setting up new glamping businesses through to 5* holiday cottage complexes. We have seen an increase in demand during the summer of 2024 for people looking to move out of urban areas to rural locations to start businesses of this type.

Many of these purchasers need to sell property within conurbations, and the residential market slow-down means that some purchasers have got stuck and at this time are unable to sell their houses to release their equity to purchase a new property or business.

The banks have shied away from lending within this sector and the majority of purchasers are cash buyers when they have sold their main residence.

The COVID years saw an increase in income for many holiday letting businesses thanks to Government grants, however, the last three-year period post COVID has seen a decrease in trade and income, coupled with an increase in overheads. Many clients are therefore looking to manage their overheads by, for example, adding renewable energy sources to their businesses to reduce their running costs and increase profitability.

The current Government's thinking is that the Furnished Holiday Lettings (FHL) tax regime will change and will be phased out. There is also consideration for individual holiday lets to be regulated similarly to the residential letting scheme which will bring extra expense to second homeowners that are letting out their properties on a part-time basis.

The proposed changes to the tax regime could mean that clients with individual holiday lets or second homes decide not to rent them out due to the additional red tape, which will be beneficial to established holiday letting complexes that specialise in this sector.

Many of the corporate operators are looking to invest within the self-catering sector to add to their portfolios if they can find the right location, at the right price.

The majority of our clients have decided that this is the right time to sell their businesses as they feel that the market is stable. There is still good demand with new purchasers coming into the market to buy. The majority of our rural leisure portfolio is Under Offer which is a good reflection of the market this year.

We have an established department based in Taunton that specialises in this specific property sector and we can advise clients from new start-up businesses through to valuations of existing businesses for tax purposes, or secured lending. We cover the whole country offering advice regarding renewable energy, planning, business rates and the sale of going concern businesses across the South West, North Wales, Yorkshire Dales, Norfolk and the Cotswolds.

Carter Jonas has over 25 years' experience within the leisure property market. The national coverage that we can offer across our 33 offices around the country provides regional and national exposure to clients that are considering selling their leisure business.

If you are thinking of buying or selling a leisure property, contact Stephen Richards, Head of Rural Leisure or visit carterjonas.co.uk/rural/leisure.



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FOR SALE
LOOE, CORNWALL
£1,500,000

Premier holiday cottage complex ideally situated to explore the South East Cornwall coastline. Comprising 4 character holiday cottages and a Grade II Listed detached 4-bedroom farmhouse. Set in 3.49 acres including paddocks.



UNDER OFFER
HAY-ON-WYE, WALES
£1,250,000

Comprising a stunning 5-bedroom house and 3 holiday letting cottages, all surrounding a cobbled courtyard and set in 3.5 acres of garden, located on the edge of the attractive village of Glasbury and under 5 miles from the thriving market town of Hay-on-Wye.



FOR SALE
MEARE, SOMERSET
£950,000

6-bedroom period house with views over to the Mendip Hills and Glastonbury Tor. 3 holiday letting cottages, all within landscaped gardens and grounds including an outdoor heated swimming pool, hot tub, log cabin and outbuildings. In all, extending to 0.64 acres.



FOR SALE
LITTON, NORTH YORKSHIRE
£1,700,000

A profitable holiday letting business including a barn conversion, 5 cottages and 3 apartments, together with an indoor swimming pool complex, located in the beautiful Littondale Valley, one of the prettiest unspoilt areas within the Yorkshire Dales National Park.



FOR SALE
LOOE, CORNWALL
£1,100,000

Comprising a detached 4-bedroom period farmhouse located 5 miles from the south Cornwall coastline with 2 holiday cottages and an agricultural barn. In all extending to 9.85 acres with paddocks, a lake and woodland.



FOR SALE
BRIDGWATER, SOMERSET
£2,050,000

Grade II Listed Manor House with 4 B&B rooms, adjoining marquee with capacity for 150 guests, farm buildings, holiday letting apartments, café and a campsite including 5 glamping units. In all, extending to 13.62 acres.



FOR SALE
KINGSBRIDGE, DEVON
£1,250,000

3 holiday letting cottages located between Hope Cove and Salcombe, 1 mile from the sea. In all, extending to 0.37 acres.



FOR SALE
COMPTON DUNDON, SOMERSET
£850,000

Holiday letting business enjoying countryside views with a 3-bedroom thatched cottage, 2 self-contained 1-bed holiday letting barns, a self-contained external B&B guest suite and Shepherd's hut.

Marketing Options

We understand that each client has individual needs regarding the marketing of their holiday letting business and we can offer three levels of marketing to our clients to maximise or minimise the exposure of the business to the market at the time of the sale.

Fully confidential marketing

Many self-catering businesses do not want their property on the internet and are happy to use our established database of potential purchasers to find them a buyer. This off-market approach works extremely well in a buoyant market, where we can offer the business to corporate clients as well as individuals on our database.

Semi-confidential marketing

If the property has not sold after a period of fully-confidentially marketing, clients have the option to release further information to purchasers and add their property to the internet with limited information to generate a better level of interest as step two in a marketing campaign.

Open marketing

The majority of our clients want to maximise their price and exposure. Open marketing would include using all the website portals and press exposure through our national marketing team.

As social media interest increases, rural leisure businesses of this type make an ideal story and we use all platforms via our marketing department which includes Instagram, LinkedIn, Facebook and Twitter.

Testimonials

“My thanks to all at Carter Jonas for assisting in a smooth and professional service from the commencement of marketing through to the completion of the sale. This site was ancillary to the core Estate landholding and the sale achieved by Carter Jonas has resulted in a satisfied vendor and purchaser – so a positive result for all parties”

- Bantham Estate

“We were very pleased with the support we received from the team at Carter Jonas in our search for an operator for the campsite. This transaction was more complex than would have been the case with a straightforward search for a tenant but Carter Jonas were able to bring their expertise to bear to help us achieve a successful outcome. Their approach, including site visits to review the property, preparation of particulars and securing candidate operators was professional, diligent and timely. In the event we had a wide choice of credible operators to consider. Arranging first and second round viewings and interviews was all achieved very smoothly and we were happy with the eventual outcome. We believe we achieved wide coverage of the potential candidates through Carter Jonas’s network.”

- Glenfalloch Estate

“Dealing with Carter Jonas has been a very pain free experience. All of the staff members have been more than helpful at every stage of the sale and I would definitely recommend them to anyone. We would definitely use them again in the future.”

- Mr Whitney

Changes in short-term residential lets

The Government have announced changes from “this summer (2024)” for short term residential lets in two forms:

1 New planning use class for dwellings that are:

- Used for short term lets (let for more than 90 nights a year)
- And not used as a sole or main home

Note: Existing dedicated short-term lets will automatically be re-classified into the new use class and will not require a planning application.

2 This new use class is to be accompanied by two new permitted development rights:

- for a property to be changed from a short term let to a standard residential dwelling
- for a property to be changed to a short term let

As with other permitted development rights, local authorities have the powers to issue an Article 4 direction removing such a right, so requiring full planning permission for such a change.

3 A new mandatory National Register of short term lets.

This will reveal the extent of short-term lets in each council area and to assist with monitoring of compliance with health and safety regulations.

Other things to consider:

- Impact on capital value of the asset
- Business Rates
- Income Tax
- Capital Gains Tax
- Inheritance Tax

We recommend you speak with your accountant regarding the above at your earliest opportunity.



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DARTMOUTH, DEVON £1,400,000

Newly developed site comprising 4 luxury cedar circular treehouses, all with en-suite bedrooms, 5 luxury shepherd's lodges with private terraces and original vintage 1956 Airstream. Set in approximately 8.58 acres.



BIDEFORD, DEVON £950,000

Established and profitable glamping business with sea views comprising 10 detached glamping cabins, a detached 2/3-bedroom owners lodge, tennis court and lake with island. Potential to develop further glamping units. Set in approximately 5.55 acres.



PEWSEY, WILTSHIRE £875,000

Holiday letting business within walking distance of the Kennet and Avon Canal comprising 5 timber lodges, two lakes and a nature pond. Set in 3.42 acres.



LOOE, CORNWALL Offers in excess of £1,250,000

Established wedding venue with 2 unique and luxury holiday cabins near the picturesque South East Cornwall coastline. 3/4-bedroom barn conversion, 2 luxury holiday letting units and an oak-framed building with two rooms, currently used for weddings.



Business Rates in the UK Leisure Sector

The UK leisure and tourism sector is a significant contributor to the nation's economy. However, it is also a sector that grapples with the substantial impact of business rates.

Business rates are a tax on non-domestic properties and are calculated based on the 'rateable value' of the property, an estimate of its open market rental value. This value is re-evaluated every three years, with the last revaluation in 2023 and the next due in 2026.

For many businesses in the leisure sector, business rates represent a significant operating cost and administrative burden.

The leisure sector, with its heavy reliance on physical premises, feels this burden acutely and this impact is further amplified due to the seasonal nature of these businesses.

The COVID-19 pandemic brought this issue into stark focus and in response, the UK government introduced temporary measures, including a business rates holiday and targeted grants for the sector.

Post pandemic, the 2024/25 Retail, Hospitality and Leisure Business Rates Relief Scheme provides eligible, occupied, retail, hospitality, and leisure properties with a 75% relief, up to a cash cap limit of £110,000 per business.

This scheme is expected to support around 230,000 retail, hospitality, and leisure properties during the scheme period to the end of March 2025.

Some rural businesses could be eligible for Rural Rate Relief if they are located in an eligible rural area with rateable value below specific threshold depending on the type of property occupied.

These relief schemes aim to support businesses in the leisure sector, particularly those in rural areas, by reducing the financial burden of business rates. However, it's important for businesses to stay informed about these schemes and apply for the relevant reliefs to benefit from them.

Leisure operators should remain mindful that if their business's circumstances change, they should report these changes to the appropriate body to ensure they're paying the correct amount and not overpaying unduly or not missing out on valuable reliefs or exemptions.

Check, Challenge, Appeal or 'CCA' is a three-stage process for challenging rating assessments and prior to starting this process, ratepayers must register with the Valuation Office Agency (VOA) to gain access to the digital system through which appeals can be made.

Ratepayers must submit a 'Check' case to review the information held by the VOA about their property and if necessary provide details and evidence to correct that information. Only once a Check decision has been issued by the VOA can the ratepayer move on to contest the business rates assessment.

If the ratepayer disputes the VOA's decision at Check stage, a 'Challenge' case can be submitted seeking an alternative valuation, but this must set out the basis of the challenge, the proposed rateable value, accompanied by evidence and case law. If the ratepayer is unhappy with the VOA's response at Challenge stage, only then may appeal to the Valuation Tribunal for England (VTE) within a set timescale.

Carter Jonas has a team of qualified Chartered Surveyors with significant experience of the business rates system, including former VOA personnel. We can assist ratepayers to navigate the complex CCA process, seek reductions where appropriate and secure reliefs and exemption where eligible.

With a new Government now in power and the next revaluation on the horizon in 2026, we'll be watching the topic of business rates closely, hopeful for continued support of the leisure sector and its continued growth and contribution to the UK economy.



Sam Shaikh

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Valuations

Our specialist team of valuers deal with formal written reports for all asset types from single properties to mixed asset portfolios for a whole range of purposes, including:

Loan security (bank lending)

Expert witness in relation to a range of disputes

Capital Gains Tax

Inheritance Tax

Trusts and transfers of land



Thomas Ireland
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Recent valuations include:

Wedding Venue near Worthing

- Valued for secured lending purposes.
- Period farmhouse with annexe, ten B&B rooms, wedding barn, outbuildings and land.
- **Value circa £3,000,000**

Second Homes at Silverlake, Dorset

- Valued for secured lending purposes.
- Various houses on the holiday home development with values between £500,000 and £1,000,000.

House & Letting Cottages in Dorset

- Expert witness valuation for matrimonial purposes.
- Manager's dwelling, letting cottages and onsite facilities.
- **Value confidential**

Glamping Site in Dorset

- Valued for secured lending purposes.
- Manager's dwelling, studio, workshops, glamping facilities and campsite.
- **Value circa £750,000**



TRURO, CORNWALL £999,950

Newly developed lodge complex, equidistant from each coastline. Comprising 3 detached lodges and 2 semi-detached holiday letting cottages. Planning consent has been granted for the construction of 4 further lodges. In all, extending to 2.58 acres.



GOOLE, EAST RIDING OF YORKSHIRE £950,000

An opportunity to acquire a smallholding with full planning consent for an exciting holiday lodge development incorporating 49 park homes together with retail and commercial space. In all extending to approximately 33.82 acres.



HALSTEAD, ESSEX £500,000

An attractive fishery including 3 fully-stocked lakes and extensive glamping opportunities. In all extending to 10.90 acres.



WELSHPOOL, POWYS £695,000

Luxury holiday business comprising of a bespoke Treehouse and 2 Safari Tents located within the heart of Powys with outstanding far-reaching views.

Renewable energy

Energy Opportunities

As the UK continues its transition to net zero, the need for new electrified and distributed infrastructure can help landowners and small business with energy bills and provide development opportunities. This market growth has particularly benefitted renewable energy technologies such as solar, wind, electric vehicle charging and battery storage.

- Battery storage can be developed on smaller sites of 5+ acres, offering a higher rental income per acre than solar but dependent on a nearby grid connection.
- EV charging sites only require 0.5+ acre and can provide freehold or leasehold opportunities. They require a nearby road with heavy traffic, a low cost grid connection and, ideally, existing site access.

Cost Saving Opportunities

- Solar PV projects deliver cost savings, especially during summer months, and can be installed on rooftops, car parks or on nearby open land. The system can be sized to meet demand in order to maximise savings. Projects can be fully funded by a developer and a power purchase agreement arranged to provide a portion of the site's energy below current market prices.
- Wind turbines located at the edge of a site can also provide savings. This technology is expected to benefit from an anticipated policy change which will remove the current onshore wind ban and allow turbines to be installed by landowners in England again.

The Carter Jonas Energy Team have significant experience and knowledge in assessing the feasibility and delivering these types of schemes. We can support renewable energy or EV charging projects with a range of consultancy, funding, site marketing and project delivery services. Get in touch with us if you would like to know more.



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Development Opportunities

- Solar farms can be developed on larger sites of lower grade agricultural land of 40+ acres, providing index-linked rental income for 25+ years.



KEIGHLEY, WEST YORKSHIRE
£1,300,000

Rural leisure property comprising 3 contemporary designed dwellings and a timber roundhouse operated as furnished holiday lets and nestled within native woodland and pasture extending in all to approximately 33.26 acres.



FILEY, NORTH YORKSHIRE
£1,500,000

An 18th Century farmstead set in 3 acres with a variety of holiday accommodation including an apartment and contemporary studios, woodland cabins, a treehouse, grain store and vintage caravan. In addition, a "Yorkshireman" bar and an open barn area for entertaining.



BRIDLINGTON, EAST YORKSHIRE
£2,250,000

Established holiday letting business in Sewerby, Yorkshire's beautiful East Coast. 10 spacious holiday letting cottages, situated around an attractive courtyard within the Flamborough Headland Heritage Coast Reserve.



LITTLE DOWNHAM, CAMBRIDGESHIRE
£1,500,000

An opportunity to purchase a luxury retreat complex comprising guest accommodation in 8 lodges with private hot tubs, plus Egret House. 4 well-stocked fishing lakes plus a stock lake. Set in 15.59 acres.



33 offices across the country,
including 9 in central London

Bath	North Wales
Birmingham	Northampton
Bristol	Oxford
Cambridge Central	Peterborough
Cambridge	Shrewsbury
Cardiff	Taunton
Harrogate	Truro
Leeds	Warrington
Maidstone	Winchester
Manchester	Winchester Residential
Marlborough	York
Newbury	
Nottingham	
Barnes	Parsons Green
Chapel Place	Kensington and Chelsea
Fulham	Southfields
Marylebone	Wandsworth
Mayfair	

Our leisure services

As well as advising on the sale or purchase of properties, our leisure team can help with valuations and planning advice. Get in touch with your local contact to find out more.

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