

Spring 2007

leisure



Brigid Simmonds
OBE, Chief Exec
of BISL - Looks
to the year ahead
(p14)

Odds-on favourite.
Racehorses as
an investment
opportunity (p26)

Acquiring
leisure property -
how to avoid the
legal pitfalls (p30)

and on the cover...
Holiday Property Bond (p21)
Odyssey Glory Mill, Sold (p16)
Richmond Park Golf Course (p23)



From the Chairman



2007 is here and follows another hugely successful year for HLL Humberts Leisure.

It would seem that the country may be entering somewhat of a vacuum as we wait for Gordon Brown's much heralded new broom. Whilst we will all have to see how the political landscape evolves, HLL intends to remain at the forefront of the leisure market and will continue to be highly proactive in this niche sector of the economy.

In this issue of *Leisure*, which includes a number of excellent guest contributors, we focus on:

HLL's increasing profile in the UK and international hotel and consulting sectors.

BISL - Brigid Simmonds' thoughts on the year ahead including the proposed Planning Gain Supplement.

Acquiring leisure property - key items to consider in the course of a transaction.

Planning update - a collection of articles detailing changes, updates and new developments in the planning system.

HLL Humberts Leisure remains quietly at the forefront of the leisure consulting sector and will be offering a unique range of leisure assets to the market over the coming months. For further details, or to obtain professional comment on topics relevant to the leisure sector, please log onto www.humberts-leisure.com for updates as soon as they happen.

If we can assist you, either now or in the future, please do not hesitate to contact me personally.

Good reading!

Nigel Talbot-Ponsonby FRICS,
Executive Chairman, London.

e: ntp@humberts-leisure.com t: +44 (0)20 7629 6700



12 Bolton Street Mayfair London W1J 8BD
t: +44 (0)20 7629 6700 f: +44 (0)20 7409 0475





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sold



Ickworth Hotel & Apartments



near Bury St Edmunds, Suffolk

Sold on behalf of Luxury Family Hotels (5)
Plc for £8.65 million to Von Essen Hotels.

Grade I Listed stately National Trust
property, part converted to 27 bedroom
hotel with 11 apartment Dower House.

Contact

Tim Smith BSc(Hons) MRICS, London
e: tim.smith@humberts-leisure.com
t: +44 (0)20 7629 6700

Peter Sandes FNAEA FICBA, Winchester
e: peter.sandes@humberts-leisure.com
t: +44 (0)1962 835 960

Nigel Talbot-Ponsonby FRICS, London
e: ntp@humberts-leisure.com
t: +44 (0)20 7629 6700

valued



Amberley Castle Hotel, W. Sussex

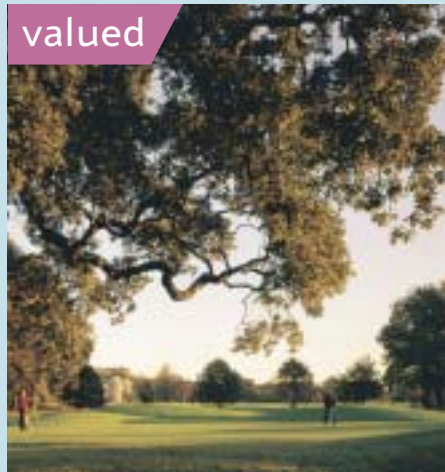
The valuation of Amberley Castle, an award winning 19 bedroom luxury castle hotel and restaurant, near Arundel, West Sussex forms part of HLL's continued professional services to the Cummings family who have achieved another outstanding conversion of a former historic building to hotel use in France.

Contact

Nigel Talbot-Ponsonby FRICS, London
e: ntp@humberts-leisure.com
t: +44 (0)20 7629 6700

Peter Sandes FNAEA FICBA, Winchester
e: peter.sandes@humberts-leisure.com
t: +44 (0)1962 835 960

valued



Goodwood Park Hotel, W. Sussex

Comprising a 94 bedroom hotel and country club, 18 hole 6,650 yard championship golf course and a fine leisure club and spa. Valued for portfolio balance sheet purposes, the hotel forms part of the 12,000 acre Goodwood Estate. Client the Goodwood Estate Company.

Contact

Nigel Talbot-Ponsonby FRICS, London
e: ntp@humberts-leisure.com
t: +44 (0)20 7629 6700

Peter Haigh BSc FRICS, London
e: peter.haigh@humberts-leisure.com
t: +44 (0)20 7629 6700

under offer



Castle of Brecon Hotel, South Wales

A landmark hotel business in The Brecon Beacons National Park. The property offers commanding southerly views over the Usk Valley and the Brecon Beacons.

- 45 en-suite letting rooms
- 3 function rooms
- 2 bars
- Restaurant
- Freehold

Guide price £1.75 million

Contact

Peter Sandes FNAEA FICBA, Winchester
e: peter.sandes@humberts-leisure.com
t: +44 (0)1962 835 960

valued



Oakley Court Hotel, Windsor

Valued for Acquisition by Hewston Hospitality.

Famous 4 star hotel, the subject of many movies. 118 bedrooms in spectacular Thames riverside setting.

On market at £50 million guide price.

Contact

Peter Sandes FNAEA FICBA, Winchester
e: peter.sandes@humberts-leisure.com
t: +44 (0)1962 835 960

let



Travelodge at Euston Station

- 150 bedroom hotel
- Adjacent to Euston Station
- Let to Travelodge

Contact

Tim Smith BSc(Hons) MRICS, London
e: tim.smith@humberts-leisure.com
t: +44 (0)20 7629 6700



HLL retained by Sleep Inn

HLL Humberts Leisure has been retained by Choice Hotels Europe as acquisition agents for the Sleep Inn brand and has reviewed over 100 sites since September 2006, with offers submitted for several.

Contact

Tim Smith BSc(Hons) MRICS, London
e: tim.smith@humberts-leisure.com
t: +44 (0)20 7629 6700

valued



Sinn Hotels Gmbh continues its onward German expansion

The spectacular Hotel Quedlinburger Stadtschloss at Quedlinburg.

Hotel Quedlinburger, an astonishing former castle that was converted & extended to create a 44 bedroom four star hotel in 2003, is in the heart of the perfectly preserved medieval town of Quedlinburg. The hotel was recently acquired by Sinn Hotels, which has also acquired an additional nearby historical building to create a further 40 letting bedrooms thereby strengthening the hotel's dominance as the town's premier hotel. The castle has superb beamed public rooms, yet has also blended in a comprehensive modern health & beauty facility as part of the overall development.

Peter Sandes for HLL says 'it is truly amazing what former eastern German towns can yield in the way of totally overlooked commercial opportunities, and fantastic tourist destinations yet to be fully exposed to western tourism'.

Ron Ben Haim, the Chief Executive of Sinn Hotels, reports that more hotel acquisitions are imminent for the New Year in Berlin and Leipzig, and confirms that he is delighted with the performance of the Carlton Hotel in the Black Forest, and the Steigenberger Hotel in Mannheim, both of which were acquired by the group in 2006.

Contact

Peter Sandes FNAEA FICBA, Winchester
e: peter.sandes@humberts-leisure.com t: +44 (0)1962 835 960

Peter Haigh BSc FRICS, London
e: peter.haigh@humberts-leisure.com t: +44 (0)20 7629 6700

Specialist expertise for the hotels sector

For bespoke specialist hotel agency or valuation advice, please contact any member of the HLL Hotels team, including:

Tim Smith BSc(Hons) MRICS, London
e: tim.smith@humberts-leisure.com t: +44 (0)20 7629 6700

Peter Sandes FNAEA FICBA, Winchester
e: peter.sandes@humberts-leisure.com t: +44 (0)1962 835 960

Nigel Talbot-Ponsonby FRICS, London
e: ntp@humberts-leisure.com t: +44 (0)20 7629 6700

Peter Haigh BSc FRICS, London
e: peter.haigh@humberts-leisure.com t: +44 (0)20 7629 6700

International Hotel Investment Forum 2007

Berlin 5-7th March

As usual key personnel from HLL will be attending the 'absolute must' for anyone associated with the hospitality industry. The IHIF will be held as usual at the Intercontinental Hotel in Berlin, and reaches its 10th year celebration this year – so all stops are being pulled out for a bumper conference. Over 1300 attendees from over 50 countries made the pilgrimage in 2006, and the venue is regarded as the biggest hotel networking opportunity in the hospitality calendar.

Please be sure to ask for any of the HLL personnel from the delegates list – if, as we hope, you make it to Berlin!

Contact

Tim Smith BSc(Hons) MRICS, London
e: tim.smith@humberts-leisure.com
t: +44 (0)20 7629 6700

Rating 2005-licensed premises

HLL Humberts Leisure has continued to successfully appeal the Rating 2005 list on behalf of a number of Corporate and Individual clients during 2006 including Punch Taverns.

The commercial rates paid by any business form a large part of the outgoings and any reduction will help achieve an improved bottom line profit for the client.

Rating is a complicated business with only limited grounds for appeals. Expert advice is essential to make sure your property has the correct rateable value at any given point in time to take advantage of the various reliefs and phasing.

We have an experienced team that covers the whole country. If you wish to discuss any rating matter please contact Andrew Moore BSc MRICS in the first instance at the Skipton Office who coordinates the HLL Humberts Leisure Pub Rating team.

Contact

Andrew Moore BSc(Hons) MRICS, Skipton
e: andrew.moore@humberts-leisure.com
t: +44 (0)1756 799 271

let



Greathed Manor, Surrey

HLL Humberts Leisure sold a portfolio of eight Listed Country Houses Association (CHA) mansions in 2004/05 and Greathed is the ninth and last of the group.

The CHA, advised by HLL, surrendered the lease over the property in a purchase back by the dynastic landowner. Subsequently, a new institutional lease was offered to the market, at a guide ground rent of £150,000 per annum (which was exceeded). Spirited bidding for a range of uses for this lovely Grade II Listed mansion was achieved jointly with land agents Monkhouse & Bannisters.

Contact

Jonathan Marshall MA MRICS FAAV, Brighton
e: jonathan.marshall@humberts-leisure.com t: +44 (0)1273 325 911

Nigel Talbot-Ponsonby FRICS, London
e: ntp@humberts-leisure.com t: +44 (0)20 7629 6700

Old River Lodge, Canada

Situated overlooking the Miramichi River a traditional fishing lodge complex

- 5 residential cedarwood fishing lodges
- Owner's 3,000 sq.ft. house/office
- Outbuildings including fishing store and smoke house
- Fishings include two islands and 1,400 metres of river frontage with 4 distinct and exclusive beats
- Trading business with alternative development potential (STP)
- For Sale Freehold

Guide price on request

Contact

Anthony Miller FRICS IRRV or Sarah Witherow BA(Hons), London
e: anthony.miller@humberts-leisure.com t: +44 (0)20 7629 6700

for sale



Vive la France!

for sale



Delightful English owned holiday complex, Dordogne South West France

20kms from Bergerac in beautiful countryside. Traditional renovated farmhouse set in 7 acres comprising 4 gites and owner's spacious family home. Large pool. Substantial barn. Lightly traded by retired couple. Freehold.

Guide price €870,000 (£610,000)

for sale



St Tropez South of France

Enchanting 'manoir' boutique luxury hotel, with sweeping views of Riviera coast and within minutes drive of the famous Pamplonne beaches. 18 bespoke letting bedrooms - all with sea views. Heated pool, terrace/bar. Currently operated on 16 week season only.

Price €3.4m (£2.38 million)

for sale



Domaine des Granges, Nr La Rochelle, South West France

Former Benedictine farmstead skilfully converted into 16 holiday gites and cottages with owner's house. 2 pools & large restaurant bar complex. 3 hectare field for lodge/holiday home development.

Guide price £1.75 million

Contact

Peter Sandes FNAEA FICBA, Winchester
e: peter.sandes@humberts-leisure.com
t: +44 (0)1962 835 960



Tottenham House - The Savernake Club

HLL Humberts Leisure acting for the Savernake Trustees successfully negotiated terms for a long lease of Tottenham House to Buena Vista Hospitality Group of the USA who have secured planning consent for a Resort to be named The Savernake Club.

Formerly leased to Hawtreys Prep School the intention of the Trustees was to avoid the loss of this fine Grade I Palladian mansion out of the freehold of the historic Savernake Estate which has been owned by the Bruces and Earls of Cardigan for many centuries.

Contact

Nigel Talbot-Ponsonby FRICS, London
e: ntp@humberts-leisure.com t: +44 (0)20 7629 6700



Roxburghe Hotel & Golf Course, Kelso

Forming part of the Roxburghe Estates, the Roxburghe Hotel and its 18 hole 7,111 yards par 72 Dave Thomas designed golf course (which was initiated by the Duke of Roxburghe) is a timeless haven for golfers, shooting parties and fishermen on the River Dee.

Business planning and portfolio valuation for balance sheet purposes by HLL Humberts Leisure.

Contact

Michala Holm MSc, London
e: michala.holm@humberts-leisure.com t: +44 (0)20 7629 6700
Nigel Talbot-Ponsonby FRICS, London
e: ntp@humberts-leisure.com t: +44 (0)20 7629 6700

Paul Barnes strengthens HLL's Holiday Property team

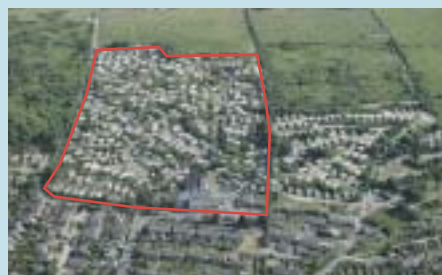


As part of the continued expansion of HLL Humberts Leisure's Holiday Property team, Paul Barnes BSc(Hons) MRICS joined the

London office in November as an Associate Director. Paul, who has 11 years agency experience (from strategic planning through to the marketing and subsequent sale of a wide range of property types), will concentrate on the provision of agency advice to owners of caravan and holiday parks, park home estates and marinas throughout the South of England. He will work closely with John Mitchell, one of the Humberts Leisure Directors specialising in these buoyant market sectors.

Contact

Paul Barnes BSc(Hons) MRICS, London
e: paul.barnes@humberts-leisure.com
t: +44 (0)20 7629 6700



Swanage Bay View Holiday Park

On the instruction of Swanage Town Council. A substantial holiday static park with spectacular views over the Dorset Coastline

- 301 serviced holiday static pitches predominantly with private owner units
- Indoor pool, gym and licensed club (franchised)
- Indoor bowls club and other areas sublet
- In all about 9.52 ha / 23.523 acres

To let by informal tender

Contact

John Mitchell BSc MRICS, London
e: john.mitchell@humberts-leisure.com
Paul Barnes BSc(Hons) MRICS, London
e: paul.barnes@humberts-leisure.com
t: +44 (0)20 7629 6700

Caravan Parks move towards Serviced Accommodation

The HLL Consultancy team has been commissioned by Haulfryn, one of UK's main caravan park operators, to advise on expansion opportunities at Praa Sands, an existing caravan site in Cornwall. Praa Sands, which is a new addition to Haulfryn's 16 parks in North Wales and South England, is situated less than one hour from Newquay Airport.

HLL has recommended a number of financially viable scenarios for the property, some comprising buy-to-let and apart-hotel schemes, and has also investigated the feasibility of leisure and entertainment facilities on the site. Today's holiday makers are becoming increasingly sophisticated, expecting facilities such as restaurants, leisure clubs and pampering spas in holiday resorts.

Contact

Adela Cristea BA Econ MBA, London
e: adela.cristea@humberts-leisure.com
t: +44 (0)20 7629 6700

operator sought



Marlborough House, Brighton

HLL Humberts Leisure is delighted to offer Marlborough House, an exceptional building in a prime location fronting the Old Steine in the heart of Brighton. Marlborough House is a Grade I Listed building designed by Robert Adam. One of the few examples of his work in the southeast of England outside of London, it is one of Brighton's finest historic town houses.

Our client has recently commenced a programme of works to restore the interior and convert the building to form a 16 bedroom hotel with high quality dining areas for up to 100 and a basement bar. The building has the potential to become a premier boutique hotel for the city.

HLL is seeking expressions of interest from experienced hoteliers and/or restaurateurs wishing to enter into an operating agreement.

Contact

Jonathan Marshall MA MRICS FAAV, Brighton
e: jonathan.marshall@humberts-leisure.com t: +44 (0)1273 325 911

sold



The Moorland Hotel, Cardiff

- An excellent redevelopment opportunity (STP)
- The Moorland Hotel is a large Victorian style Public House to be sold de-licensed.
- Planning permission in place for 9 one bedroom flats and three studios with on-site car parking.

Contact

Peter Constantine BSc(Hons) FRICS, Chepstow
e: peter.constantine@humberts-leisure.com
t: +44 (0)1291 627 813

Marcus Street BSc(Hons), Chepstow
e: marcus.street@humberts-leisure.com
t: +44 (0)1291 627 813

to let



The Worthing Dome, Sussex

- Historic Grade II* Listed building undergoing £2.2 million refurbishment
- D2 - Cinema premises. Screen 1 and 2 (total approx. 715 seats), refreshment bar & foyer - under offer
- A3 - Restaurant / catering facility over two floors plus the Dome
- A1 - Retail unit with full window frontage to Marine Parade

Contact

Jonathan Marshall MA MRICS FAAV, Brighton
e: jonathan.marshall@humberts-leisure.com
t: +44 (0)1273 325 911

under offer



Orford House, Hertfordshire

An impressive Grade II* Listed manor house and Listed outbuildings with consent for conversion to 6 dwellings and potential for alternative/leisure use.

Overall planning consent for 1,745sq.m. / 18,782sq.ft. (gross internal) - units from 2-9 bedrooms, each with double garage and private garden.

Contact

John Mitchell BSc MRICS, London
e: john.mitchell@humberts-leisure.com
t: +44 (0)20 7629 6700

under offer



Marina Pavilion, Hastings

- Nightclub/function rooms & café proposed
- Street level 3,222sq.ft.
- Beach level 9,236sq.ft.
- Further area available by negotiation
- Potential for external seating

Leasehold.

Contact

Jonathan Marshall MA MRICS FAAV, Brighton
e: jonathan.marshall@humberts-leisure.com
t: +44 (0)1273 325 911

HLL continues to lead the market with advice for visitor attraction businesses

HLL Humberts Leisure continues to lead the market in providing consultancy, valuation, professional and agency services to the day visitor attraction sector, including these recent projects:



sold

Hop Farm Country Park



sold

Tamar Otter Sanctuary



valuation

Heritage GB plc, Snowdon Mountain Railway



consultancy

Heights of Abraham

Contact

Nigel Talbot-Ponsonby FRICS, London
e: ntp@humberts-leisure.com
t: +44 (0)20 7629 6700

Richard Baldwin BSc(Hons) MRICS, Skipton
e: richard.baldwin@humberts-leisure.com
t: +44 (0)1756 799 271



Butterfly World could attract 1m visitors a year

HLL Humberts Leisure has been instructed to provide consultancy and valuation advice to Butterfly World, which when completed will be the largest butterfly walk-through exhibition in the world. The project, which is due to commence in 2007 is set in 27 acres on the outskirts of St Albans, and will cost £25 million to develop and take two years to complete. The man behind this exciting development is the leading butterfly expert, Clive Farrell, who has recruited trustees, including Professor David Bellamy, Sir David Attenborough and Alan Titchmarsh.

The main attraction will be a biome, with a 100 metre diameter rising 17 metres high, which will be home to up to 3,000 butterflies. Outside the dome will be chalk paths and wildflower meadows to attract British species. It is estimated this world leading attraction could enjoy up to 1 million visitors per annum.

HLL was instructed to review the Business Plan prepared by the Butterfly World Trustees and value this ambitious project on the back of those assumptions.

Tim Smith who undertook the valuations commented, "Once developed, Butterfly World may quickly become one of the country's most popular and visited attractions. HLL Humberts Leisure is delighted to be involved with this world leading attraction and wishes the project every success".

Contact

Tim Smith BSc(Hons) MRICS, London
e: tim.smith@humberts-leisure.com t: +44 (0)20 7629 6700

Gaby Gambina B.ACCTY MSc, London
e: gaby.gambina@humberts-leisure.com t: +44 (0)20 7629 6700



under offer

The Butterfly & Wildlife Park

The Butterfly and Wildlife Park at Long Sutton, Spalding in Lincolnshire, voted Lincolnshire's Family Attraction of the Year (2003) is under offer following HLL's successful marketing campaign.

Guide price £1.25 million.

Contact

Richard Baldwin BSc(Hons) MRICS, Skipton
e: richard.baldwin@humberts-leisure.com
t: +44 (0)1756 799 271

for sale



Overstone Park, Northamptonshire

An outstanding freehold leisure resort set in Victorian parkland on the edge of Northampton

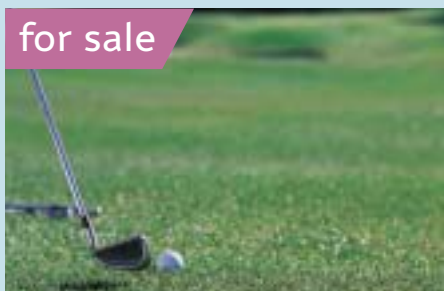
- 18 hole 6,602 yard (par 72) Donald Steel designed championship golf course
- 1,750 sq m (19,000 sq ft) clubhouse complex including:
 - 17 metre swimming pool & spa facilities
 - Gymnasium & aerobics studio
 - The Terrace Restaurant
- 33 en-suite letting bedrooms
- 114 Scandinavian lodges producing an RPI linked ground rental income
- Circa 69 hectares (170 acres)
- Circa 2,300 members

Contact

Ben Allen BSc(Hons) MRICS, Winchester e: ben.allen@humberts-leisure.com t: +44 (0)1962 835 960
 Martin Brister FRICS, Winchester e: martin.brister@humberts-leisure.com t: +44 (0)1962 835 960



for sale



Golf Hotel

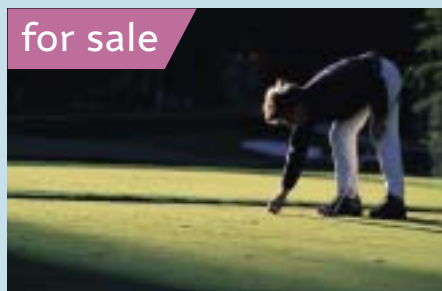
- Confidential disposal, SW England
- Circa 30 bedroom golf hotel with function facilities, leisure club & swimming pool
- 18 hole golf course and practice facilities
- Freehold

Offers in the region of £2.5 million

Contact

Ben Allen BSc(Hons) MRICS, Winchester
 e: ben.allen@humberts-leisure.com
 t: +44 (0)1962 835 960

for sale



Golf Club De La Vaucouleurs

- 60 km west of Paris
- 36 hole golf course
- Substantial clubhouse with function facilities
- Zoning for hotel

Guide price €3.5 million

Contact

Ben Allen BSc(Hons) MRICS, Winchester
 e: ben.allen@humberts-leisure.com
 t: +44 (0)1962 835 960

sold



Mid Wales Golf Centre

- 9 hole par 3 1,277 yard golf course
- 11 bay floodlit golf driving range
- Clubhouse
- 5 bedroom house set in private grounds

Contact

Ben Allen BSc(Hons) MRICS, Winchester
 e: ben.allen@humberts-leisure.com
 t: +44 (0)1962 835 960

Caravans on the move

HLL's continued success in this dynamic and fast-moving market

For advice, information, professional services, consultancy and planning queries contact:

- Peter Smith BA(Hons) MRICS, Skipton (ref PRS)
e: peter.smith@humberts-leisure.com t: +44 (0)1756 799 271
- John Mitchell BSc MRICS, London (ref JCM)
e: john.mitchell@humberts-leisure.com t: +44 (0)20 7629 6700
- Paul Barnes BSc(Hons) MRICS, London (ref PB)
e: paul.barnes@humberts-leisure.com t: +44 (0)20 7629 6700
- Emma Carling, Skipton (ref EC)
e: emma.carling@humberts-leisure.com t: +44 (0)1756 799 271
- Richard Baldwin BSc(Hons) MRICS, Skipton (ref RNB)
e: richard.baldwin@humberts-leisure.com t: +44 (0)1756 799 271
- John Anderson BSc FRICS, Skipton
e: john.anderson@humberts-leisure.com t: +44 (0)1756 799 271

Sold



The Lillies Caravan Park, West Sussex

A profitable mixed residential, holiday static and touring park with a 4 bedroom house.

All set in a prime location, a few miles from

the coast. The park has planning consent for 2 residential caravans, 8 static holiday caravans, 18 touring pitches and 16 tenting pitches.

Guide price £895,000 - Ref JCM



Norfolk Broads Caravan Park, Norfolk

A beautifully presented mixed residential and holiday static park set in the picturesque village of Potter Heigham on the Norfolk

Broads. Permission for 10 residential and 48 holiday static pitches.

Guide price £1.5 million - Ref JCM



Cross Park, Pembrokeshire

Recent planning permission to convert from 85 static and 50 touring pitches to 120 static pitches. Approximately 4.65 hectares (11.5

acres) with Licensed club and indoor pool. Located close to Tenby and the Pembrokeshire Coast National Park.

Guide price £2.5 million - Ref PRS



Summer Lodge, Cornwall

An established holiday resort with consent for a total of 198 holiday static, 75 tourers/tents and 37 built chalets, all with 12 month holiday

use. The current development includes 100 hire fleet units, 22 static and 6 lodges (owner-occupied) and 17 built chalets, together with licensed club, restaurant/takeaway, shop, outdoor heated pool and other visitor amenities. There is considerable opportunity for further development and expansion. Spacious owner/manager's accommodation is situated adjoining the park, enjoying a degree of privacy.

Guide price £3.95 million - Ref PRS

Under offer



Land at Malton Rd, Yorkshire

Prime lodge development opportunity on the North Yorkshire Coast. Approximately 2 hectares (5 acres) with consent for 29 timber-clad holiday lodges with 10½ months

use. Connections to mains electricity, water and drainage available. Extant consent for 40 bed motel on frontage land.

Offers invited for the freehold interest - Ref RNB



Goulton Beck, North Yorkshire

Secluded countryside setting yet accessible location close to the North York Moors. The park comprises a total area of 1.8 hectares (4.5 acres), the park has consent for a

total of 18 holiday static and 6 touring pitches. Currently sited are 5 owner-occupied holiday statics, 1 park-owned static and a new 'Tarragon' timber lodge. Owner-occupied park with tremendous scope for timber-clad lodge development and/or increases in profitable trading.

Guide price £550,000 - Ref PRS



The Lazy Otter, Cambridgeshire

A riverside freehouse on the A10 with beer garden, day moorings and manager's accommodation. Planning consents to

develop substantial additional trading areas & bedroom block plus the development of residential and touring caravan parks. 35 riverside moorings.

Guide price £1.25 million - Ref JCM



Tarnside, Cumbria

Seaside location with Lake District views, 10.82 hectares (26.75 acres). Planning consent for 150 holiday static, 30 residential and 20 touring/tenting pitches. There are currently 35

owner-occupied static caravans and 50 hire fleet units sited, plus 1 park-owned chalet with residential use. Large licensed club, children's play area, together with an attractive tarn with fishing rights.

Guide price £2.0 million - Ref PRS



Winksley Banks, North Yorkshire

Profitable and easily managed holiday park in rural riverside setting, yet close to major routes. Approximately 6 hectares (15 acres).

Site Licence for 103 holiday statics, 96 owner-occupied (including 4 lodges). Season runs 1st March – 7th January. Warden's park home incorporating reception.

Guide price £2.3 million - Ref PRS

On the market



Hill Top, Cheshire

A small and easily managed park home estate in a highly sought-after village location. Site Licence for 8 units park homes. 5 twin and 3 single units sited.

Currently 7 owner-occupied and 1 for sale.

Guide price £300,000 - Ref PRS/EC



Poplars Holiday Complex Yorkshire

Three bedroom owner's accommodation. Four substantial en-suite bed & breakfast bedrooms. Three holiday cottages converted

from a former granary and stable block. Two Scandinavian-style chalets. Over an acre of mature gardens. Rated 4 star for self-catering accommodation and 4 crowns for guest accommodation by the ETC.

Guide price £1.0 million - Ref RNB



Willow Trees Holiday Park, Kent

A profitable private owner holiday static park set in mature landscaped grounds overlooking the sea. The caravan park has

planning consent for 82 static holiday caravans for use from 1 March to 31 October and a warden's unit.

Guide price £1.3 million - Ref JCM/PB



The Warren Park Home Estate, Surrey

A well established, spaciouly laid out park home estate in mature landscaped grounds with 40 private twin homes and two storage

buildings with potential for development (STP).

Guide price £1.6 million - Ref JCM/PB



Pen y Garth, Wales

Established holiday static/lodge and touring park in prime inland location. Approximately 8.09 hectares (20 acres).

Permission for 54 holiday static/lodges, plus new consent for 20 lodges in place of 35 tourers/tents. 10½ month season recently approved. Traditional detached Welsh manor house with private gardens. Additional grazing/28 day tenting land.

Guide price £2.25 million - Ref PRS



Woodlands Holiday Park, Ceredigion

A well established chalet park on the popular North Pembrokeshire Coast with a secure ground rent income and good sales/

development opportunities. Planning consent exists for 144 holiday chalets including 4 twin 'park home' units.

Guide price £2.3 million - Ref PRS/JCM



Kentisbury Grange, Devon

A four star holiday park with potential for lodge/static caravan development, set in the grounds of an historic country house on the fringe of Exmoor. Permission exists for

22 holiday chalets, 61 static holiday caravans and 5 touring caravan pitches. 7 bedroom, Grade II Listed Victorian house, recently refurbished Coach House, plus a 3 bedroom barn conversion.

Guide price £2.65 million - Ref JCM/PB



Swanage Bay View, Dorset

A prime holiday park with 300 holiday static pitches on the 'Jurassic Coast' and a central leisure facility with indoor pool and licensed club (franchised). The pitches are occupied

by privately owned caravans and there are two staff units.

To be let by informal tender - Ref JCM



Rawcliffe Hall, Blackpool

In an exceptional location in the heart of the Flyde countryside, yet only 7 miles from Blackpool.

Extending to about 17.4 hectares (43 acres) in total, with planning consent for 239 holiday static pitches, including 6 timber-clad units and additional 5 residential staff units. Historic Grade II Listed former monastic hall incorporating licensed club and 4/5 self contained apartments, with additional rooms for further adaption/conversion. 6 houses and cottages (two on residential tenancies). Outbuildings, former stables, 28 day tenting area and pastureland of approximately 10.1 hectares (25 acres).

Offers over £7.0 million invited

Contact

Peter Smith BA(Hons) MRICS, Skipton

e: peter.smith@humberts-leisure.com t: +44 (0)1756 799 271



Brigid Simmonds OBE, the highly respected Chief Executive of Business In Sport and Leisure considers the year ahead for HLL clients...

Politically it would seem that we are in a bit of a vacuum. Lack of decision making at the highest levels while we wait for the new broom of Gordon Brown? The Conservative and Liberal Democrat parties are both consulting on tourism strategies and there is that whiff of change, perhaps in the spring.

From the property perspective however, there are a range of policies awaiting further consultation which will impact on individual businesses and our market in 2007. Business In Sport and Leisure (BISL), an umbrella organisation for the sport, leisure and hospitality industry who's membership is a 'who's who' of our sector has an eye on them all, but I thought I would use this opportunity to consider two policies in more detail; the Planning Gain Supplement and the Barker Review of land-use planning.

The Planning Gain Supplement (PGS): a development tax – nothing new in this; it has been tried twice before and on neither occasion did it work! This one is slightly different in that it was proposed by Kate Barker (member of the Bank of England Monetary Panel and now author of two reports for Government, one looking at housing and the most recent one on planning) as a way of capturing for the Treasury some of the uplift in property value when planning permission was obtained. A shortage of housing, particularly in the South East of England; land acquired at little or no cost (we all wish!) but when planning permission is granted, the value of the land is much higher and the housing developer takes more of the profit. There is potentially some argument in this theory for housing, but it become much more of a serious issue when applied to the rest of the industry.

Over the summer there were lots of rumours that the Government had dropped the proposal in favour of a 'roof tax' which has been very successful in Milton Keynes. The Treasury has however ploughed on regardless and although many organisations including the RICS and CBI have made it clear they oppose the proposal, we now have another four consultation papers on the introduction of PGS.

BISL gave written and oral evidence to the Communities and Local Government Select Committee who examined PGS. We pointed out that this tax was going to be complicated. It will need an army of valuers to work out how much has to be paid and then on what basis is the valuation made. What about 'hope value'? Is it based on what you paid for it or what you hoped it might be worth when you paid for it? An equally serious question is that if Local Authorities are going to be the main beneficiary of the Planning Gain Supplement they will be keen to attract the sort



net gains?

of development which will produce the greatest value and therefore produce the highest revenue. Leisure will always be at the bottom of this pile. We are unlikely to raise much in PGS and there will be more of an incentive for a Local Authority to encourage developments where the PGS contributions will be greater. Then there is the issue of leisure facilities as part of a Section 106 Agreement. Will Local Authorities want to use their Planning Gain Supplement on sport and leisure facilities? Will the developer end up paying twice, once for planning gain and once towards Section 106. The answer to the latter is probably no, since the new consultation paper suggests that if a development is related to the site's social or community infrastructure, it would no longer be within the scope of PGS.

The main problem with PGS is that we still have no idea of the rate which will be charged, how the valuation will work or indeed how it will relate to existing Section 106 Agreements.

The new consultation papers ask more questions than they answer. There is some comfort in Gordon Brown's pronouncements in the pre-Budget statement that the Government would only pursue PGS if it was 'workable and effective'. So far it looks like confusion, but no doubt we shall see and hear more in 2007.

Whilst the Planning Gain Supplement is rather discouraging for the leisure sector in 2007, the Barker Review has some more positive thoughts. I think every member of BISL always complains that obtaining planning permission is the greatest barrier to development in the UK. It is hoped that the 'Good Practice Guide for Planning for Tourism' published by the Department for Communities and Local Government last summer will have some effect. If you do not already have a copy, it is worth downloading from the DCLG web site. We are aware that three appeals have been won when Local Authorities did not 'have regard' to the Guidance and its promotion of the economic importance of the tourism industry, understanding that not all tourism facilities can be reached by public transport, and its importance in terms of regeneration are worth putting in front of any Local Authority planning department if they threaten to turn you down. Barker has helped further by proposing that Local Development Frameworks and Regional Spatial Strategies should be completed more quickly – in twelve to eighteen months. This must help our fashion-led sector. She has also proposed that 'need' might not be a consideration in town centres; this is of particular significance to health and fitness clubs with other sports facilities who have always fought against PPS 6 and its requirement that health and fitness was a town centre use. Of course it can be, but who ever has seen a tennis court on the high street!

Our hotel sector, particularly in London is doing well, our economy continues to grow. There is much for leisure, hospitality and tourism operators to look forward to in 2007, but just watch those costly changes in Government legislation – smoking from 1 July 2007, PGS, noise legislation, implementation of the Gambling Act – it could spoil your creative ideas if you are unaware of their importance.

Contact

Brigid Simmonds OBE, Chief Executive, Business In Sport and Leisure (BISL)
t: +44 (0)20 878 02377



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HLL Humberts Leisure is delighted to announce the completion of the sale of Odyssey Glory Mill Limited to Next Generation Clubs Limited, which took place in December 2006.



Glory

Odyssey Glory Mill Limited owns and operates the health and fitness and outdoor tennis centre known as Odyssey Glory Mill. The purpose built and highly profitable property is set in about 2.2 hectares (5.5 acres) and is located a short distance south east of Junction 3 of the M40 Motorway. HLL Humberts Leisure acted for Odyssey and the sale comes on the back of an announcement that Next Generation has also acquired the Amida Clubs (Beckenham and Hampton) both of which were valued by HLL.

The sale of Glory Mill leaves the Odyssey Group with its Knebworth operation, a

substantial family club set in circa 4.6 hectares (11.5 acres), and paves the way for the company to invest in other clubs, grow the brand and capitalise on the success achieved to date by management. In this context, HLL can report that a number of exciting health and fitness opportunities are currently under evaluation.

The sale of Odyssey Glory Mill is further evidence of HLL's leading advisory presence in the health and fitness sector. We are currently looking to finalise heads of terms for another highly profitable health and fitness club in the Home Counties and to finalise the basis of our instruction for at least two other quality businesses, which are likely to be brought to the market by way of confidential placement in the near future.

Contact

Gavin Brent BSc MRICS, London

e: gavin.brent@humberts-leisure.com t: +44 (0)20 7629 6700



A growing investment



Exceptional English-owned 'model' wine business for sale

HLL Humberts Leisure, has been instructed to market the Domaine du Grand Mayne vineyard near Bergerac, S W France, and its associated UK business, WineShare.

Domaine du Grand Mayne is perfectly located just 5 kms from the charming, fortified 'bastide' town of Duras and 20 kms from the main city of Bergerac with the regional airports of Bergerac and Bordeaux offering regular flights to many UK destinations.

Domaine du Grand Mayne is a 'model' vineyard started from scratch some 20 years ago by husband and wife team, Andrew & Edwina Gordon. Andrew, who has been in the wine trade all his working life, bought the run-down farm at Villeneuve de Duras, in the much sought after Appellation Contrôlée region of Côtes de Duras in 1985, and has transformed it into a state of the art, award winning winery with all the latest wine production and storage equipment. 34 hectares are now planted with mature vines growing a variety of the classic grapes of the region, allowing the production of high quality red, white and rosé wines. The estate extends to 40 hectares in total.

What really sets Domaine du Grand Mayne apart from other vineyards for sale is WineShare, the marketing arm of the vineyard based at Dorking in Surrey, which was launched in 1986 and was the first vineyard 'rent a vine' concept. It now boasts over 5,000

members. Wine sales to loyal owners/ customers of WineShare now account for some 69% of the total production of Domaine du Grand Mayne which gives the Domaine a significant advantage over comparable French vineyards and underpins the overall business with a unique and secure income base.

Over the intervening years, significant improvements to the estate have been made. The old farmhouse has been restored to provide a comfortable home for the on-site manager. A new villa, with 5 en-suite bedrooms, was built in 1989 as the principal residence, for owner occupation or holiday letting and has a magnificent pool. And at the entrance to the estate there is another traditional stone house with large storage facility that is currently used as a worker's residence but could equally be converted to holiday letting.

In addition, there is bright, modern office accommodation and tasting room. Most recently, in 2004, a new shop/visitor welcome centre and extensive semi-underground, climate controlled cellars were carved into the hillside.

The State of the French Wine Market

The UK thirst for wine has more than doubled in the last 15 years to a healthy 24 litres per head per annum. During this time the market has moved from being very traditional. In the early 1990s most of the wine UK drinkers consumed was imported from European countries and at that time France accounted for over 40% of wine imports into the UK, followed closely by Spain, Germany and Italy.

Since then, starting with the introduction of New World wines from Australia, the demand from many New World countries has grown to the extent that today they represent more than 50% of the total market. The percentage of imports has changed so that currently Australia, the market leader has 23% share of market, France is second with 18%, California third with 16% – thereafter followed closely by Spain, Italy, Chile and South Africa.

During these evolving years France, until the new Millennium, was gaining in volume because the total wine consumption grew, but losing its percentage of market share. However during the last five years the actual volume of French wine imports has decreased.

Why is this? New World wines have appealed to the new wine drinkers (and indeed many of the mature ones) because the wines are clearly branded and sold using the varietal name of the grape. Certain varietals such as Cabernet, Merlot, Shiraz, Chardonnay and Sauvignon are now household names which many people recognise and know what they should taste like.

The taste appeal of these wines is that they are soft, round, full-flavoured wines which are easy to drink and suit many people's modern palate. The long-term concern for not just French, but many European wine producers, is that it is very cheap to produce everyday standard wines in many of these New World countries and as result they are very competitively priced.

However where Europe, and France in particular can score, is with the more sophisticated wines that are produced from the quality regions that are controlled by government bodies – such as the 'Appellation Contrôlée' regions of France. These regulations ensure that grapes are only grown on the best soil, under strict quality conditions with a yield of wine that is also limited to avoid overproduction which produces diluted, less

flavoursome wines. Domaine du Grand Mayne could benefit more from varietal branding – Sauvignon for the white, Merlot/ Cabernet for the red - if it chose to compete in the wider market.

There is a strong following for these quality regional wines if they are well made, well presented and competitively priced. These quality French wines are holding their ground and at the recent Masters of Wine International Symposium in California it was forecast that, marketed in the right way, the future for these wines was quite rosy. Confirmation that the French wine industry is doing very well in emerging markets is demonstrated by China and Singapore where overall wine consumption has doubled in the last 5 years to about 5 million cases, of which 50% is French. At the same Symposium other global indications show that a percentage of the world market will move away from the branded market and focus on knowledge and information about wine and that companies involved in this aspect of the leisure industry will have considerable growth opportunities in the future.

Domaine du Grand Mayne and WineShare have indeed very cleverly created their own platform in this respect. Some 69% of the vineyard production is sold to its membership, who may well explore fashionable wines elsewhere, but still have a sophisticated and informed approach to traditional French wine consumption – of quality. This is evidenced by Domaine de Grand Mayne's raft of national and international accolades over the years and that for the second time in 5 years the vineyard has won the coveted 'Coup de Coeur' in the renowned 'Guide Hachette', the French bible for wine drinkers.

WineShare also provides access for its purchasing membership to 3 other award winning vineyards, namely Château Constantin-Chevalier in the Provence foothills, Château de Pizay in the Beaujolais area, and finally the magnificent Castello Vicchiamaggio in Chianti, in the Tuscany region of Italy.

In many respects the Domaine du Grand Mayne vineyard and its WineShare business is therefore well ahead of the industry to counter cyclical fashions, compete head on for consistent quality, let alone its state of the art premises which just happen to come with superb manager's farmhouse and owner's villa. For additional information log onto: www.WineShare.co.uk

The turnover of the combined businesses is in the order of £1.7m showing very respectable levels of profitability.

Peter Sandes FNAEA FICBA, handling the sale at HLL Humberts Leisure, comments: "This is an excellent investment and lifestyle opportunity, especially for the serious wine lover. It is a rare chance to acquire a first class business in a prime location with excellent further development potential."

Domaine du Grand Mayne and its associated UK business, WineShare, is for sale freehold. A guide price of £2.5 million is set for this unique opportunity.

Contact

Peter Sandes FNAEA FICBA, Winchester
e: peter.sandes@humberts-leisure.com
t: +44 (0)1962 835 960

Glenn Hickman BA, London
e: glenn.hickman@humberts-leisure.com
t: +44 (0)20 7629 6700





An appetising opportunity

Landmark South Wales restaurant group for sale

HLL Humberts Leisure is instructed to confidentially market a group of three landmark restaurants all trading successfully and producing net profits in the region of £1.1m. The properties (two freehold & one leasehold) all

occupy prominent trading positions in South Wales. Further details are available to interested parties on signing a confidentiality agreement.

Contact

Peter Constantine BSc(Hons) FRICS, Chepstow
e: peter.constantine@humberts-leisure.com
t: +44 (0)1291 627 813

Marcus Street BSc(Hons) MRICS, Chepstow
e: marcus.street@humberts-leisure.com
t: +44 (0)1291 627 813



HPB resort at El Balcón de Santa Ana, La Gomera

Holiday Property Bond

With a diverse portfolio of exclusive holiday properties, the Bond enables its investors to enjoy some of the UK and Europe's finest self-catering accommodation rent-free, for life - and for their children's lifetimes too.



- Established 1983
- In excess of 35,000 investors
- Net assets of over £200 million under management*
- 1,000+ luxury cottages, villas and apartments in 12 countries
- Around 300 additional Tenancy properties, in 49 locations
- 97% satisfaction rate among investors**

* Figures verified correct as at 31 December 2005

** Based on 8,636 responses to an April 2005 survey of all existing investors asking, "Are you pleased you invested in the Holiday Property Bond?"

HLL acts as property portfolio valuers to the Bond.

Contact

Nigel Talbot-Ponsonby FRICS, London e: ntp@humberts-leisure.com t: +44 (0)20 7629 6700
Peter Haigh BSc FRICS, London e: peter.haigh@humberts-leisure.com t: +44 (0)20 7629 6700
Stephen Morgan FRICS, Chepstow e: stephen.morgan@humberts-leisure.com t: +44 (0)1291 627 813



Plain sailing

Southern Water Services Limited has instructed HLL Humberts Leisure to handle the marketing of their recreational facilities at Bewl Water.

Bewl Water is located on the Sussex/Kent border, southeast of Tunbridge Wells and is the largest body of water in the southeast of England extending to some 770 acres with a shoreline of 17 miles.

The recreational facilities are based around a core area of approximately 60 acres, together with an additional 11 acres used as an overspill car park. Within the core recreational area there is a hardened car park area, visitor centre with restaurant and gift shop, activities building with substantial boat park area, an outdoor children's play area and small areas of woodland.

Principal activities include sailing, currently licensed to the Bewl Valley Sailing Club, the Lookout restaurant and a passenger ferry operated by a concessionaire and the fishing operated in hand. Other activities include windsurfing, rowing, sub-aqua, canoeing

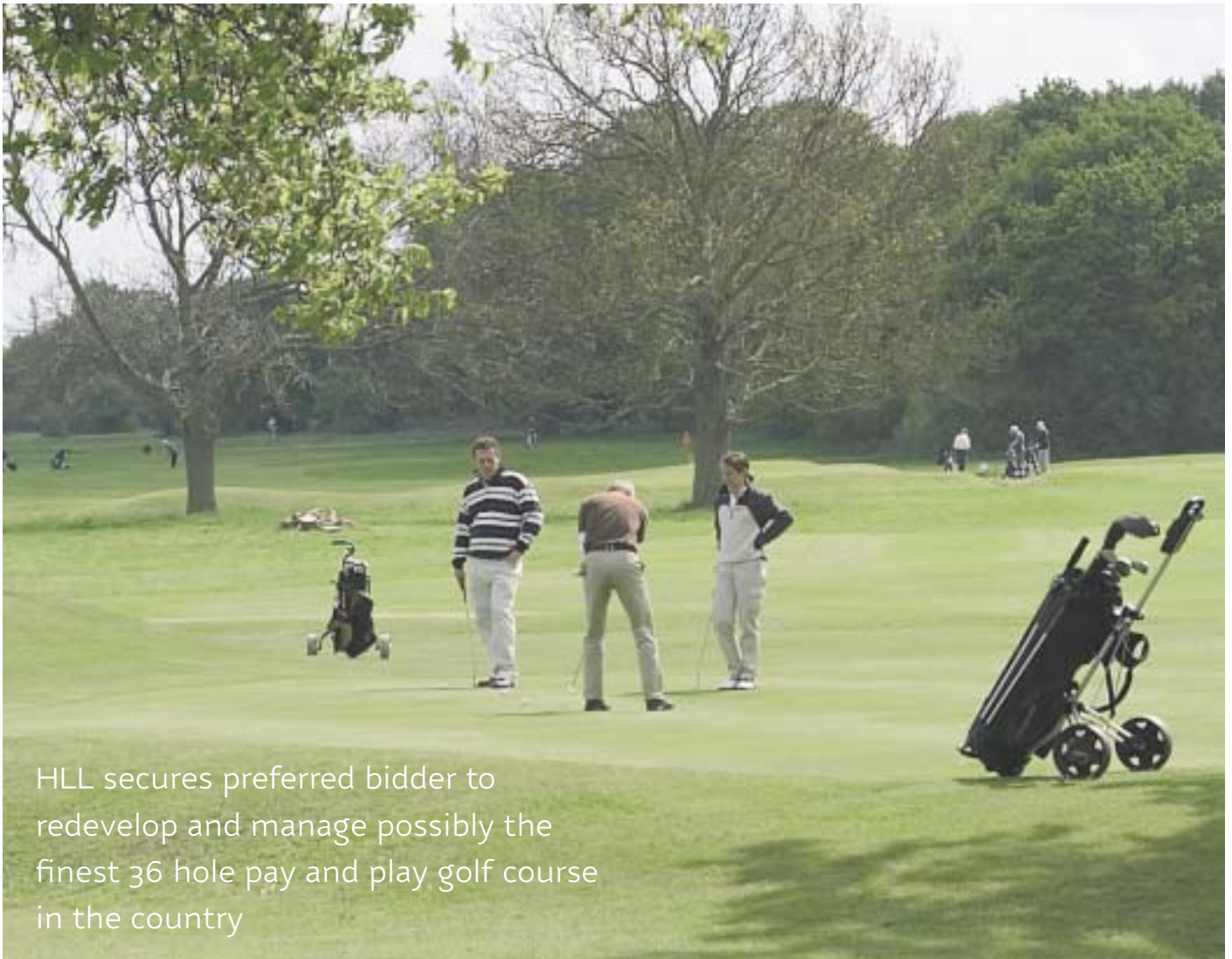
and cycling, which is based on a circular route around the reservoir. Events previously held at Bewl include an annual Fireworks concert with an attendance of 3,500.

The recreational interests are to be offered on the basis of a long lease of the core recreational area, with an operating agreement over the reservoir and peripheral paths.

Contact

Jonathan Marshall MA MRICS FAAV, Brighton
e: jonathan.marshall@humberts-leisure.com t: +44 (0)1273 325 911
Nigel Talbot-Ponsonby FRICS, London
e: ntp@humberts-leisure.com t: +44 (0)20 7629 6700





HLL secures preferred bidder to redevelop and manage possibly the finest 36 hole pay and play golf course in the country

King's ransom



THE
ROYAL
PARKS

Acting on behalf of The Royal Parks, HLL Humberts Leisure is pleased to confirm that a preferred bidder has been selected for the redevelopment and future management of this prestigious 36 hole golf complex in South West London.

Further announcements will follow later this year.

Contact

Ben Allen BSc(Hons) MRICS, Winchester
e: ben.allen@humberts-leisure.com
t: +44 (0)1962 835 960

RICHMOND PARK GOLF COURSE





Distinctly

Hintlesham Golf Club, sold November 2006



Acting on behalf of Hintlesham Hall Ltd, HLL undertook a private placing marketing exercise for Hintlesham Golf Club, which culminated in the sale of the Club to a high net worth purchaser in November 2006.

Hintlesham Golf Club, which is located close to Ipswich, Suffolk, comprises a Hawtree designed 18 hole 6,638 yard (par 72) parkland golf course, practice facilities, a spacious and well presented clubhouse, and greenkeepers compound, together with a 5 bedroom farmhouse and amenity land.

The marketing exercise was handled by Ben Allen BSc (Hons) MRICS who commented 'Hintlesham Golf Club is a fine proprietary golf business that, as anticipated, appealed to lifestyle purchasers. Our contacts with the golf market and parties seeking opportunities of this type enabled us to market the Club discretely, which minimised the disruption to the business and brought about a sale in a short timescale'.

Contact

Ben Allen BSc(Hons) MRICS, Winchester
e: ben.allen@humberts-leisure.com t: +44 (0)1962 835 960

Martin Brister FRICS, Winchester
e: martin.brister@humberts-leisure.com t: +44 (0)1962 835 960

The Addington Golf Club, sold October 2006



HLL reports the sale of the majority shareholding in The Addington Golf Syndicate to Ron Noades, whose company - Altonwood Golf Group - owns a portfolio of golf courses in South London (including The Surrey National; Woldingham Golf Club; Westerham Golf Club & Godstone Golf Club).

The Addington Golf Club represents the pinnacle of heathland golf courses in the UK. The Club, which is located just 14 miles from Central London, was founded in 1913 and comprises an 18 hole 6,338 yard heathland golf course, a traditional single storey clubhouse and a purpose built greenkeepers complex, together with four let residential properties.

The guide price for this prestigious Club was £7.5 million

Contact

Ben Allen BSc(Hons) MRICS, Winchester

e: ben.allen@humberts-leisure.com t: +44 (0)1962 835 960

above par



Baskerville romps home at Nottingham before fetching 60,000 guineas to go to Dubai



Horses for courses

Half a ton of investment, thrill and athletic magnificence by David Allan

David Allan, Principal and Managing Director of the Bloodstock Management Company Allan Bloodlines, has had many strings to his business bow at home and abroad including ownership of Hintlesham Hall Hotel and Restaurant and the adjacent Hintlesham Golf Club. The latter has recently been sold through HLL Humberts Leisure, freeing David up to invest even further in the bloodstock operation that he has been running for 18 years since returning to the UK from overseas.

“The racehorse is the seventh largest employer of people in this country”¹

“There is no thrill like the thrill of having your racing colours carried to victory by your own fabulous animal”²

Really?

1. Yes (fact – hence a big VAT concession to keep the sales industry here) and
2. Yes (opinion – but come, see and be convinced).

So is this an industry or a sport? It is a large industry founded on a sport. Participants can be financially driven, or be sports people, or both. Those who are financially driven enjoy a major VAT concession granted in 1993, and any profits on the racecourse made by individuals are free from taxation. Those who are driven by the

thrill of it all enjoy the great variety of racecourses in the UK as well as visits to the “other world” of racehorse training and breeding and, above all, the association with their own horse or horses.

“The Dream” is not only of winning the Derby, or having a competitive runner at Royal Ascot, York or Newmarket, but also of competing in Ireland, in France, perhaps in the USA, in Dubai or in Hong Kong. Such is the globalisation of racing, that it thrives in dozens of countries, each with its own levels and its own Derby or an equivalent. We may still have the strongest racing in the world in the UK taken throughout a season, but welcome competition for such an accolade exists elsewhere.

In as big an industry as this, it is rare for a modestly funded participant to be able to join in with the biggest players – be they Sheiks or Irish Moguls or super rich Americans investing hundreds of millions. Just one of the several auction houses that offer thousands of foals, yearlings, second hand horses, and breeding stock for sale turns over in excess of £200 million per annum. Yet a horse can cost as little as £5,000 or as much as £5,000,000. There are bargains to be had with hard work and extensive research. One of this year’s top 2 year olds, and favourite for the 2,000 Guineas, cost 16,000 guineas and has beaten rivals costing 10 or 20 times that price. His own 16,000 guineas has turned into a seven figure sum. Win the Guineas, and it will be multiple seven figures.

A racehorse begins as an idea. A broodmare, or professional mother, is sent to a stallion for a tryst that is hoped to signal the start of an eleven month gestation period. The mating will have been arranged after considering genetic suitability, a pattern of success in the mix of bloodlines, the commercial value of the prospective offspring and the cost. Commercial breeders pay stallion fees ranging from a few thousand pounds, euros or dollars to six figures with all levels in between. A foal by a suddenly successful stallion can make ten times the stallion fee, and a foal by a stallion whose star has faded can struggle to make a profit.

To sell successfully, the foal – or yearling if sold about 10 months later, but either way before a saddle has been anywhere near him or her – needs to be a good individual, well made with correct limbs, of athletic build and balance and a forward going nature. Armed with such attributes, the youngster starts life in pre-training when about 20 months old. He or she will become officially 2 on 1st January, so

it is better as a general rule to be born as early in the year as possible and matings are planned accordingly.

The young colt or filly is about to have an owner. A racehorse owner. Or perhaps a group of owners. In the Allan Bloodlines system, horses are offered for individual ownership, or half, quarter or sometimes one eighth ownership, often with ourselves as partners. The potentially alarming running costs are guaranteed fixed so that there are no nasty surprises for clients. Some clients prefer to pay it all up front for a 10 month period until the first sale opportunity; some pay the capital cost up front then pay monthly. Prize money is credited to the owners who then decide whether to sell or keep going at strategic times of the year, always with an ultimate back-stop. Some owners enjoy an



David Allan with Titus Alone winning at Royal Ascot

extended period of ownership where others prefer to sell early. Prices ranged from very little to nearly half a million pounds at the enormous Horses in Training Sale in Newmarket where buyers from at home and abroad stock up with proven 2,3 and 4 year olds. It's all a matter of form.

How much does this sort of thing cost? Horses purchased in the recent run of sales and managed by Allan Bloodlines for individual owners have cost from £15,000 to £120,000 and the partnership horses now being put on offer have 100% prices in the mid £20,000s. A fluidly-moving bay colt, half brother to a successful 2006 runner; a classy dark bay colt, so tough that he tries to catch the kick-back in his mouth before it hits him in the face (and has all the pre-training riders nearly falling off with



A well presented yearling colt at the sales

laughter watching him try), and a strangely marked bay/grey colt by the sire of two Allan Bloodlines winners last year who is shooting up to be a rangy, long striding sort. Several others will be brought on-line in the New Year providing they are going well enough to be offered.

It can cost a lot less and a lot more. "A lot less" means an annual subscription to a club with many thousand members. These can be very well run and offer a low cost association along with access to phone-line information. "A lot more" can mean joining syndicates that concentrate on high cost purchases that come with a bigger downside and sometimes with great success.

Racing Clubs – as opposed to owning partnerships – are many and various. Our own has a twelve year history and costs around £900 all up for the season that includes racing two horses as an owner and several social events and visits. A filly by the name of SALONGA carrying the Club colours was our final winner of 14 wins in 2005/2006.

Allan Bloodlines partnership horses during the past few seasons have done well. One or two have not and in their case, they may go into our Retraining of Racehorses scheme to develop new lives as eventers, showjumpers, hackers and so on, or may become broodmares, or if good enough, may race for someone else. In 2006, all of our horses offered for partnership became winners for some delighted people. One has been sold – fortunately rather well, two have done what they can here and have gone to our operation in South Africa and the remainder are enjoying a winter break before returning to training in England in January/February.

One of those just arrived in South Africa is a fellow called TITUS ALONE. He cost very little at a yearling sale in Ireland in the Autumn of 2004 and by June of 2005 as a very precocious 2 year old had won three races culminating in the thrill of all thrills, a Royal Ascot win.

At that point, he was probably worth 30 times his price but the cashing in decision is not always the one that partners make. Preferring lightning fast (firm) ground to the softer stuff, and being weighed down in handicaps by his lofty rating, TITUS has gone south to join the Allan Bloodlines team in training near Cape Town, with others near Durban. Of 16 of our selections to have run in South Africa, 10 have won including some nice races, 4 have placed, 1 is still backward and 1 is, um, not very good. But she has a lovely pedigree and will be a worthy broodmare. For horse and humans, this is a great adventure. Nearly twenty five percent of horse ownership in the Cape is British. Costs are modest, tracks are fair, training is good and the home grown bloodstock is very well prepared, even if hamstrung by a fairly stagnant gene pool of broodmares.

A combination of a weak currency and stringent quarantine rules makes importing new mares difficult, but several wealthy South African breeders are exploiting their buying power wisely and even Allan Bloodlines has been instrumental in sending over forty mares of good pedigree during the past few years. Some are for ourselves and some are for clients for whom the company acts as consultant. A brave new world and all to play for – in so many senses.

And while the young horses are competing with each other up and down the country and here and there around the world, the professional mother is carrying another who will be born in the first, maybe second, quarter of the year. He or she could just be one of the champions that each season produces. Then six figures won't always be enough. Seven probably will. Sometimes it's eight.

Contact

David Allan t: 01932 350660

e: davidallan@allanbloodlines.com www.allanbloodlines.com

Houseboats – do they need planning permission? HLL Planning expert Darren Hood investigates...

With the demand for new ‘individual’ forms of development and in particular, unusual styles of affordable accommodation the houseboat is sailing back onto the agenda. Indeed, it is estimated that some 15,000 people live on Britain’s 4,000 miles of navigable rivers and canals and about 300 houseboats are moored in London’s tidal section of the Thames alone. The form of the boats range from lodge styles through to canal and river barges, narrow boats and modern purpose built concrete hull vessels. With mooring fees ranging from £2,000 to £8,000 a year depending on location; with narrowboats, the most common residential vessels, costing from £60,000 new and from £30,000 second hand; and houseboats being advertised in London for sale at £1m with a mooring, it is a market that is on the rise. But do these require planning permission?

Using the definition of a houseboat as being either a floating boat or other structure occupied for permanent residential purposes or for holiday use on water, it is usually the case that planning permission is required.

The courts have held that the term “land” as used in planning legislation extends to land covered by water as was found in the case *Thames Heliport v Tower Hamlets L.B.* (1996). In coastal areas, national planning guidance PPG20, on Coastal Planning states that “above mean low water mark, Local Planning Authorities have

Messing about

Frenchman’s Quay

HLL Humberts Leisure is currently offering for sale 12 individual residential houseboat moorings on the River Thames in Wandsworth. Each mooring is being offered on a 57 year licence at a price of £180,000 for up to 20m in length and £5,000 per metre thereafter. The moorings are adjacent to the successful Wandsworth Riverside Quarter development by Frasers Property Developments Ltd and membership of a private health club within this development is available with the moorings.

Contact

John Mitchell BSc MRICS, London
e: john.mitchell@humberts-leisure.com t: +44 (0)20 7629 6700



powers to control the development and use of land under the Town and Country Planning Act 1990”, in other words planning control extends as far as low water mark. Therefore any argument that the mooring of boats is not a use of “land” because they are floating structures, is unlikely to succeed. In short, planning permission is normally required for permanent residential houseboats.

Furthermore, permission is needed for the operational development of moorings (various cases have shown that works such as permanent river bed piles or riverside mooring blocks, and fixed boardwalks, jetties, pontoons etc. are indeed operational development). In a floating restaurant case, it was agreed that mooring blocks would be engineering operations for which permission would be required.

However, the use of the side of a navigable waterway for the mooring of craft in the course of navigation (e.g. for working boats or boats being used for water holidays), is not likely to constitute a material change of use of the “land”, rather being a use incidental to the primary use of a waterway for the purpose of navigation.

Notwithstanding these general rules, as with most planning issues, there is a grey area. The grey area revolves around the point at which

the mooring of occupied craft alongside an established waterway departs from a use that could be considered to be ancillary to that waterway, so as to cause a material change to residential use. This is a matter of fact and degree depending on the circumstances of each case, and there does not seem to be a reported case that has tackled this point.

Therefore it is advisable that any developer should work out his/her proposals in full and be clear on the degree of permanence, level of mixture of residential or recreational boats/craft being proposed and the operational development being required prior to approaching any Local Planning Authority. (Checks should also be made with the appropriate navigation and environmental authorities.)

The Planning team in the Brighton office can assist with any planning queries on 01273 325 911 and we have a marina and mooring expert dedicated to the development of marinas and individual berths for all types of craft based in our London office on 020 7629 6700.

Contact

Darren Hood BSc(Hons) Dip UD MSc MRTPI, Brighton
 e: darren.hood@humberts-leisure.com t: +44 (0)1273 325 911

on the river



Acquiring a Leisure Property

Some potential legal pitfalls for the unwary

Imagine the scenario – you’ve found the perfect building or site for your new leisure business. The location is ideal and the survey and valuation are satisfactory. The agents have negotiated a good rent for the new lease or a good price for the freehold. For some operators this is all they feel they need to know about their new property and the role of the lawyers is regarded as little more than preparing the appropriate paperwork. Better advised operators, though, take a much keener interest in the legal due diligence side of the purchase process. They know that problems revealed in the due diligence can potentially render even the best looking property worthless for their purpose.

So what are the potential legal pitfalls to consider when purchasing a leisure property? The following are a selection of the key points that should be considered at an early stage on a purchase:

1. Planning

Is the proposed use for the property permitted by a planning consent? If not, then an application for change of use will usually be required. With some older properties, such as public houses where they have been used as such for many years there may not be an original planning permission, although it may be prudent to obtain a Certificate of Lawful Use from the Local Authority. Remember that even if a property is currently being used for your intended use that does not necessarily mean that the use is permitted under planning law. The planning authorities generally have ten years from the date of the change of use to take enforcement proceedings for breach of planning.

It is also important to consider any conditions contained in the planning consent for the permitted use or the construction of the building. For example, the permission may contain restrictions on the hours of trading, car parking or the times that goods may be delivered to the premises. Purchasers are often surprised to learn that conditions contained in planning consents dating back to the 1960s for example may still be enforceable. Again a planning authority has up to ten years to prosecute a breach of a planning condition from the date that the breach first occurs.

For older properties also consider if Listed Building Consents have been obtained for works. Building regulations records should also be searched to check that alterations carried out to existing buildings were duly certified. There is no time limit on a Local Authority’s ability to bring enforcement proceedings for a breach of the regulations so it is advisable to obtain all completion certificates.

Remember that planning will still be an issue even if you are taking a lease rather than acquiring the freehold of a property as a standard commercial lease will require the tenant to comply with the planning laws.

2. Restrictions on Use & Restrictive Covenants

Even if the proposed use is permitted under the planning regime there may be covenants on the freehold title prohibiting this use or curtailing it. The freehold title should therefore be carefully examined prior to the purchase. Restrictive covenants preventing gambling and operating licensed premises are not uncommon and even if they are very old they may still be enforceable as long as the beneficiary of the covenant can be identified. Restrictive covenants often also prohibit noise and nuisance for the benefit of neighbouring owners and should be checked carefully in light of the proposed use. In more serious cases it may be advisable to obtain insurance against the enforcement of the covenant or a release of the covenant from the beneficiary before proceeding with the purchase.

Commercial leases oblige the tenant to comply with restrictions on the freehold title so a prospective tenant must also investigate the freehold title carefully. A tenant should also check the lease for prohibitions in it on noise and nuisance and other restrictions. Also consider if the user clause in the lease permits a change of use and, if so, whether this is subject to landlord’s consent and if it is fully qualified “such consent not to be unreasonably withheld”.

3. Access & Ancillary Rights

The key consideration here is does the freehold title and/or the lease grant the necessary rights for the proposed use of the property? In particular does the property adjoin the public highway or is there a right of way over a private road between the property and highway. If there is access over a private road then how is it maintained and who pays for its upkeep? Will the purchaser be expected to contribute and if so how much?

It is not uncommon for there to be a strip of land between the property and the highway with no evidence of any rights of way in favour of the property over this and no known owner. A common land search is advisable in these circumstances. Possible ways of reducing the risk in these circumstances may be to require the seller to provide a statutory declaration establishing a right of way over the strip or taking out insurance.

Also consider if all the car parking places are contained within the property or do rights need to be granted to access them?

Rights of sewerage should also be considered for rural or remote properties.

A leasehold purchaser should consider if the rights granted in the lease are adequate for its purposes and that the landlord can itself grant these rights based on an examination of the freehold title.

Consideration should also be had to the rights of neighbouring properties over the purchase property. It is not unknown to discover an enforceable right of way in favour of a neighbour running directly through a property upon which buildings have subsequently been constructed. Even if planning permission was granted for the new buildings the neighbouring owners may still retain these rights.

4. Alterations & Fitting Out Works

It is no good acquiring the property only to discover that you cannot install the planned mezzanine floor or new shop front. On a freehold purchase, the main constraints will be obtaining planning and building regulations approval but consideration should also be had of the rights of any adjoining owners. For example, will the projected works materially reduce the light and air enjoyed by the neighbouring property? Are there already restrictions on extending the height of the existing building or redeveloping the site?

On leasehold purchases attention should be had to the definition of the premises in the lease. Is it of the interior only or does it include the shop front and how is this defined? What degree of control does the landlord have on tenant's alterations? Often structural alterations are prohibited but non-structural alterations are permitted with consent. Can the landlord require a financial sum as security for any works to be carried out by the tenant. Will works to comply with the Disability Discrimination Act 1998 also require landlord's consent? What will be the position at the end of the lease? Is the tenant required to return the property back to its original state – this could be expensive.

5. Signs and Advertisements

Illuminated and permanent signage at the property will require advertising consents from the local authority. Conditions may be attached to the location and dimensions of such signage. On a purchase of a leasehold property, the terms of the lease will need to be checked to see what is permitted. Is landlord's consent required for all signs (such consent not to be unreasonably withheld)? Consider the landlord's scope for control on signage – can it control all aspects of the sign or is it limited to the location and dimensions of the sign? The lease may also contain provisions on the display of temporary advertisements as well.

6. Selling On

A purchaser should always consider its ability to sell on the property if things do not work out as planned. This needs particularly careful consideration when purchasing a leasehold property. Broadly speaking, leases granted before 1996 contain few restrictions on the ability of the tenant to assign (sell on) the lease. This is because the original tenant and all subsequent tenants continue to be liable for the rest of the term of the lease so that if the new tenant defaults the landlord can look to all or any one of the former tenants to compensate it.

Leases granted since 1 January 1996 ('new leases') tend to contain greater landlord controls on the tenant's ability to assign. Firstly, the tenant must enter into an authorised guarantee agreement with the landlord in which it guarantees the new tenant's performance of the lease covenants. The outgoing tenant will then be bound by this guarantee until the earlier of the end of the term or the new tenant itself assigning the lease. The landlord may set other criteria for the new tenant such as a profits and assets test based on a multiple of the passing rent. Conditions that the proposed new tenant must be of no less covenant strength than the existing tenant should generally be resisted as they can severely restrict the ability to assign a lease

if the current tenant is a well respected company. The landlord may also require personal guarantors from the new tenant's directors, again something that may make it hard to sell on.

The lease will usually also permit the tenant to underlet but again the controls on underletting should be considered carefully. Is the underlease rent to be not less than the market rent or alternatively the passing rent making it difficult to underlet in a falling market? Are underlettings of part permitted so that the tenant can vacate surplus space?

7. Licensing

For licensed premises, both a Premises Licence and Personal Licence will be required under the new regime brought in by the Licensing Act 2003. In the case of let premises the Premises Licence may be held by either the tenant or the freehold owner and it is worth checking who in fact holds this.

Additional licences are required for other facilities such as entertainment machines and audio-visual equipment.

8. Residential Occupiers

In a mixed development the premises may comprise both a commercial unit and residential units – for example a restaurant with flats above. Clearly there may be practical issues here in terms of the rights of the residential tenants to enforce provisions in their leases preventing noise and nuisance caused at the commercial premises.

Another important issue in this scenario that is prone to be overlooked is the potential for the residential tenants to have rights of first refusal on a sale of the property under the Landlord and Tenant Act 1987. In brief, if more than 50% of the overall property is occupied for non-business purposes (excluding common parts); there are more than two residential flats held by tenants who are not Assured, Protected Shorthold or business tenants or employment lettings then on a disposal those tenants will have the right of pre-emption on any sale of the property. This means that prior to any sale the tenants must be notified and given the chance to purchase the property on the same terms. The tenants have at least two months to decide whether or not to accept the offer. Failure to comply with the law carries criminal penalties and the rights can bind subsequent purchasers. The purchaser's lawyers together with input from the surveyor should carefully check if the Act applies and advise how to proceed accordingly.

9. Transfer of Undertakings (Protection of Employees) Regulations 2006 ('TUPE')

It is important to check if there are any employees at the premises who will remain there following the purchase of the property for example a caretaker, managing agents and security staff and the terms of their employment. TUPE applies to any transaction that can be considered to be the transfer of an economic entity so can apply to the transfer just of a commercial property not only the transfer of the existing business. As a result of TUPE, these employees will automatically transfer on the sale of the property to the purchaser. Their existing terms and conditions will be preserved and the purchaser may inherit all claims and liabilities in respect of their employment from the vendor.

Contact

Nichola Peace and Nicholas Mole
Maclay Murray & Spens LLP
One London Wall, London EC2Y 5AB
e: nichola.peace@mms.co.uk t: +44 (0)20 7002 8500

Ben Allen BSc(Hons) MRICS, Winchester
e: ben.allen@humberts-leisure.com t: +44 (0)1962 835 960

mms maclay murray & spens LLP

A sporting chance



The visitor enterprise business is a multi-billion pound industry in the UK, and recent years have seen significant developments in the visitor attraction sector, with much of this being stimulated by the Millennium and the availability of lottery funding. Figures produced by Visit Britain recently show that visitor attractions in the UK have enjoyed continued gross revenue growth, with 2005 data showing a 7% rise on 2004 – well above inflation.

In the last few years there has been increasing interest in the development of major sports-based destination visitor attractions. Many of these are centred on the growing popularity of extreme/adventure sports amongst the more demanding and increasingly affluent younger generations. The national drive towards a healthier and more active lifestyle, and the London Olympics in 2012 will undoubtedly raise interest in such facilities over the coming years.

Building on established brands such as Xscape, more recent examples of this include the *Yes!* scheme, which is a £300 million leisure, sports and entertainment destination project in South Yorkshire. *Yes!* will include more than 1 million sq.ft. of leisure and sports facilities with a significant accommodation offering, centred on a major indoor and outdoor extreme sports facility. The *SnOasis*

scheme is another major example planned for Suffolk. This will include the development of the UK's largest indoor ski slope and snowdome, although this latter project was called in for a public inquiry in mid-2006 which is expected to delay the opening of the destination by at least a year to 2011.

HLL Humberts Leisure's Planning and Consulting team are currently working on development appraisals for the provision of major destination visitor attractions at sites in Essex and South Bristol. The team is well-established and has significant experience in the provision of advice to private and public sector clients regarding their market opportunities. In particular, the team can assist with:

- Development option appraisals and market viability studies;
- Financial appraisals and business plans;
- Economic impact studies;
- Planning and site marketing.

Contact

Peter Sharp BA(Hons) MBHA, Brighton
e: peter.sharp@humberts-leisure.com
t: +44 (0)1273 325 911

Cherise Smith BA(Hons), Brighton
e: cherise.smith@humberts-leisure.com
t: +44 (0)1273 325 911

Maximising the retail potential at Visitor Attractions

Been there... Seen it. Done it. Bought the T-shirt.

How many visitors actually leave with the T-shirt, key ring, fridge magnet and / or cuddly toy? The opportunity for heritage, visitor attractions and leisure venues to generate additional income streams through retailing is nothing new, but as shoppers become increasingly sophisticated and the off-site potential for branded goods is opening up, visitor attractions are increasingly assessing exactly what they are selling (or not) and how.

In partnership with Jockey Club Racecourses (a division of The Jockey Club) The Retail Group has recently developed a new on-site retail concept, initially as a pilot to test consumer reaction, but success has resulted in an extensive roll out programme across a wide variety of racecourses. The concept has at its heart, the consumer. Understanding exactly who the on-site consumer is, and their retail needs and aspirations, has enabled a retail strategy to be developed, which in turn led to the development of a bespoke

range of 'racing related' gifts and merchandise.



Achieving a sale however is not automatic; the retail offer has to tempt the customer to purchase and to part with their money. Understanding your customer and continuing to develop the retail offer to meet their aspirations is therefore the key to success. Retailing also needs to be integrated into the leisure experience. Herding customers through a shop at the end of a visit in the hope of a purchase is really no longer acceptable. The key is integration; the offer needs to be integrated into the customer experience and the retail opportunity must be integrated into the attraction and customer behaviour – or simply right product, right place, right people.

Taking the retail offer 'to' the customer was one of the exciting challenges of the experience at racecourses. The result was a mobile retail concept, presented as a horsebox, as well as smaller mobile units and permanent units at selected courses. In a visually competitive environment the retail "shop" needed to have impact and be noticeable.

Increasingly consumer expectations of retailing at leisure attractions are based on their experience of the high street. They expect the same professionalism and range of offer. Supermarkets are a prime example, consistently evolving and changing their formats and trading hours to meet new consumer demands and work patterns. Leisure operators also need to constantly assess and evolve their retail offers to fully realise their potential...

- Exactly who is the on-site customer, what are their needs and aspirations?
- What changes could be made to the shop to increase average conversion rates and transaction values and make it easier for the customer to buy?
- How can the product range be modified to meet the real needs and wants of visitors?
- What opportunities exist for selling the merchandise off-site, where and how to sell it and who to target?

Answering these questions will help to realise a retail strategy that will ensure the retail offer is as exciting a destination as the rest of the attraction. Having mastered the art of temptation, few visitors will go home empty handed!

If you would like to know more about The Retail Group and how they can help you develop a more profitable retail and product offer, please contact Mike Evans or Paul Frater on 020 7439 1234. The Retail Group are specialist retail management consultants, with extensive experience in the heritage and leisure sector.

Contact

John Anderson BSc FRICS, Skipton
e: john.anderson@humberts-leisure.com t: +44 (0)1756 799 271



tiger! tiger! burning bright



An exciting investment opportunity in Vilnius, Lithuania

HLL Humberts Leisure and UAB Restalita are instructed to offer the opportunity to purchase off plan 32 new apartments in a prestigious new suburban settlement located north of the Vilnius city centre, Lithuania.

For sale off plan from £91,000

- 1 & 2 bedrooms, fully fitted,
- Leisure spa/health & fitness/pool & shopping
- Full management service
- 2 year interest free mortgages to 75% for qualifying buyers

Contact

Nigel Talbot-Ponsonby FRICS, London
e: ntp@humberts-leisure.com
t: +44 (0)20 7629 6700

Andrew Bates MRICS, Winchester
e: andrew.bates@humberts-leisure.com
t: +44 (0)1962 835 960



Leisure & commercial opportunities and the 'Baltic Tiger'

Ever conscious of not resting on their mainly UK based professional laurels HLL has cast its net to the emerging market known as the 'Baltic Tiger'. This move has been client led and followed detailed due diligence on the economies of the three countries, namely Lithuania, Latvia and Estonia that collectively make up the Baltic States.

Until the early 1990's the Baltic States had formed part of the Soviet Block and little was heard of these intrinsically west orientated countries. However, following freedom from the Soviet yoke, the respective governments quietly went about the business of realigning their economies to free market models which, in 2004, resulted in their accession to the European Union. This in many senses was a welcome acknowledgement of the countries' coming of age in a modern global economy.

Since accession to the EU the three economies have progressed with even more vigour and Gross Domestic Product (GDP) statistics are the envy of many of its more mature European neighbours. In addition, interest rates and local currencies are pegged to the Euro which further underwrite and encourage incoming commercial enterprise.

In parallel with this economic boom, real estate values have advanced in leaps and bounds, particularly since 2004, and the concept of freehold ownership has been understood and grasped with both hands. At an early stage in Lithuania, the government sold freeholds to the former soviet apartment tenants and this has resulted in an established residential market which is virtually 90% owner occupied.

Commercially, Vilnius the capital, has witnessed a number of state of the art shopping centres emerge, all boasting designer labels and Bond Street shop fronts. Leisure businesses have also come to the fore and there is now a critical shortage of hotel accommodation in the capital with air lines responding to increased customer demand by continuing to open up new routes.

HLL Humberts Leisure is advising on a number of fronts bringing to bear specialist knowledge and experience in the leisure and commercial sectors of the real estate market. Exciting prospects for investors and operating clients are there to be grasped and HLL is assisting in promoting these opportunities in a small way. Interestingly, the Baltics show many similarities and parallels to the Irish economy at an equivalent moment in time following their entry into the EU. The rest, as they say in the movies 'is history...'

Contact

Nigel Talbot-Ponsonby FRICS, London
e: ntp@humberts-leisure.com t: +44 (0)20 7629 6700

Andrew Bates MRICS, Winchester
e: andrew.bates@humberts-leisure.com t: +44 (0)1962 835 960

HLL chosen to undertake market and facilities planning in Montenegro



Background

Montenegro, previously a constituent republic within the State Union of Serbia and Montenegro, is now a fully independent state following a vote for independence from Serbia in May 2006. Montenegro is located in the southern part of the Balkan Peninsula. In the southeast, it borders Albania. It is separated from Italy by the Adriatic Sea, and its neighbours are the former Yugoslav republics of Serbia, Croatia and Bosnia and Herzegovina. Podgorica is the capital of Montenegro.

In 2005, Montenegro received 820,000 visitors staying a total of 5.26 million nights. Approximately 550,000 were domestic visitors and approximately 270,000 international visitors. The average length of stay was 6.2 nights (*Serbia & Montenegro Statistical Office Summary Report 2005*).

By 2020 it is estimated that 25.9 million overnight stays will be generated in Montenegro, a 10.2 million increase from the estimated overnight stays in 2010 of 15.7 million. 70% of overnight stays are expected to be in hotels with tourist expenditure amounting to €1.2 billion. Employment in the tourism sector is expected to reach approximately 75,000 compared to 12,500 people employed within the sector in 2000.

In 2004, the Montenegrin hotel industry generated around €5,500 of net operating profit per room (excluding VAT). Annual room occupancy achieved was just 28% with an average hotel operating period of 9.5 months and an average net room rate (excluding VAT) of €25. The Montenegrin hotel industry on average operated at a loss of 27.5% of net operating revenue in 2004 (*Horwarth Hotel Industry Survey Montenegro 2005*).

HLL Humberts Leisure has been involved in the market analysis and facilities planning of a large mixed use scheme in Montenegro. Our role involved a study of resorts in the western world including Port St Charles Barbados, El Gouna in Egypt, Benidorm on the Costa Brava, Port Grimaud in the south of France, Puerto Banus in southern Spain, Port el Kantaoui in Tunisia, Madinat Jumeirah in Dubai, and Göcek in Turkey. From our analysis of the optimum mix of facilities for the development, we presented to the Montenegrin Government to assist our client in securing a prestigious development site, which has now been achieved.

The facilities mix at the site is expected to include several hotels, various real estate products, a destination spa, retail, conference facilities, casino, sports and entertainment space, and a large marina development.

The key objectives of the proposed development were as follows:

- to develop a profitable scheme for the developer;
- to develop a prominent scheme;
- to provide facilities for the key market sectors, including the local population;
- to develop a destination of national, regional and international significance;
- to attract both national and international demand;
- to create year round demand;
- to 'put Montenegro on the map' in terms of tourism and marina destinations.

Contact

Peter Gee MA (CANTAB) FCA, London
 e: peter.gee@humberts-leisure.com
 t: +44 (0)20 7629 6700

Michala Holm MSc, London
 e: michala.holm@humberts-leisure.com
 t: +44 (0)20 7629 6700

Goodbye Section 106 agreements, hello Planning Gain Supplements? An overview by Darren Hood.

Gordon Brown feels that it may be prudent for a new tax to be imposed on windfalls enjoyed by landowners when they obtain planning permission. This is to be called the 'Planning Gain Supplement' (PGS). His sharp eyes have not missed the figures. Despite the growing focus on brownfield land, the Government has noted that on green field sites the gains are simply massive with the value of land rising from on average £9,000 per hectare for farming to £2.4m per hectare for new homes (2006 figures).

As a lot of new development and housing is on its way, this has prompted this PGS proposal which is hoped to raise some £500m to fund required infrastructure. Let me set the scene further.

say hello, wave

Background

Following Kate Barker's submission of the Review of Housing Supply to the Chancellor in 2004, the Government set out a package of reforms from planning to the environment to infrastructure investment to deliver a step change in housing numbers: from around 150,000 per year to 200,000 per year by 2016.

To ensure that new homes come with new infrastructure the Chancellor announced a cross-cutting spending review to look at how each department in Whitehall can address the infrastructure needs of new housing developments. A key part of these reforms being the creation of a Planning Gain Supplement. This involves capturing a portion of the land value uplift arising from the planning process. The proposals for PGS are intended to provide a fair, efficient and transparent levy that recycles the value generated by the planning process back into local priorities and strategic infrastructure.

The principle behind PGS is that a portion of the wealth created by the planning system should be released to support infrastructure that is vital to housing development, the current section 106 system being felt to be inadequate.

Contact

Darren Hood BSc(Hons) Dip UD MSc MRTPI, Brighton
e: darren.hood@humberts-leisure.com t: +44 (0)1273 325 911

Current Section 106 System

As most developers are aware, planning and/or financial contributions through a section 106 agreement is now normal practice in the development process. Indeed, research from Sheffield University in 2006 has shown that the proportion of sites covered by section 106 agreements has increased from 1.5% to 6.9% since 1997/8.

To re-cap, planning obligations (or "s.106 agreements") are private agreements negotiated, usually in the context of planning applications, between local planning authorities and persons with an interest in a piece of land (or "developers"), and intended to make acceptable development which would otherwise be unacceptable in planning terms. Obligations can also be secured through unilateral undertakings by developers. For example, planning obligations might be used to prescribe the nature of a development (e.g. by requiring that a given proportion of housing is affordable); or to secure a contribution from a developer to compensate for loss or damage created by a development (e.g. loss of open space); or to mitigate a development's impact (e.g. through increased public transport provision). The outcome of all three of these uses of planning obligations should be that the proposed development concerned is made to accord with published local, regional or national planning policies.

However, it was found that on the overwhelming majority of sites, no contributions were made to additional infrastructure or social housing. It was reported earlier this year that on 60% of medium and large residential sites there are no section 106 agreements, while on 90% of small residential sites there are no section 106 agreements.

The Government has also recognised that on commercial developments too the planning contributions are currently very limited. Some 90% of major industrial, storage or warehousing sites have no section 106 agreements and 80% of retail, distribution or services sites don't either.

Additionally, it was recognised that there are also limitations to widespread use of section 106 negotiations which can be burdensome for Local Authorities as well as developers, and may be disproportionate for large numbers of small sites. Therefore a Planning Gain Supplement has been proposed to address these shortfalls.

Details – How Much is this Tax?

The details are still unclear about the level of the PGS but it is expected that the levy would be of the order of 20% of the uplift and would be paid at the start of the development work. The figure has yet to be determined by the Ministers although the Treasury had indicated that more details would be given by the end of 2006.

The Ongoing Debate

As with any proposal for a new tax the debate about its benefits and drawbacks rage. I have listed the key arguments for and against PGS.

For PGS

- The principle is that there are considerable gains for landowners created by the planning system alone. It is only fair that a share of those gains should go to the local community for the infrastructure that makes the planning gain deliverable in practice.
- There is a pressing need for infrastructure investment.
- Practical measures are required to raise the additional funds needed to accompany the extra investment the public sector is putting in.
- Kate Barker has suggested a value sensitive Planning Gain Supplement, set at a modest rate in order to raise resources without deterring development. Where sites do not increase in value when planning permission is given, no PGS is to be paid.

Against PGS

- The Conservative party is opposed to PGS and has concerns that it will make development less attractive and add to the shortage of housing. Indeed, they have described PGS as a stealth tax on homes and urban renewal.
- The house-builders have called it the 'planning-pain supplement' as they have fears over its impact.
- Smaller developers will be hardest hit as their margins are tighter and small scale projects may become unviable.
- There are concerns over where the tax will be used as it is to be levied at government level; it may not be invested in the communities where it has been raised.
- The British Property Federation (BPF) have raised three concerns about the practical implications of a Planning Gain Supplement:
 1. it is very difficult to calculate the precise increase in land value after planning permission has been granted.
 2. developers will have to pay out the sums at the very point when they are cash short.
 3. working relationships with local authorities will be put under pressure.
- With the growing focus on brownfield land, many of those sites will experience little planning gain in practice as difficult brownfield sites have high remediation costs.



On balance, there currently appear to be more opponents of the proposed Planning Gain Supplement than for it in the media, but the Government will have the last say. Interestingly, the chief executive of the Royal Institution of Chartered Surveyors has suggested in the national press that:

“If PGS is introduced before the next general election, as is expected, there could be a complete freeze in development in anticipation of a new government that would scrap PGS”.

Indeed, many people in the property industry are now passionate supporters of the section 106 process! Some have even gone as far as to suggest the alternative of a mandatory and extended section 106 agreement would be more practicable.

Lessons from the Past?

History, however, may be repeating itself! Older readers may recall previous attempts to recover the increase in value from planning permission under the guise of the ‘Development Charge’, ‘Betterment Levy’ and ‘Development Land Tax’. The ‘Development Charge’ came into effect in July 1948 and when a Conservative government took office in 1951 the financial provisions of the Town and Country Planning Act were repealed. The ‘Betterment Levy’ came into being with the Land Commission Act in 1967 and was eventually abolished by the Conservatives after they came to power in 1970. Finally, the ‘Development Land Tax’ came into effect in August 1976 and when the Conservatives came to power in 1979, this tax was reduced from 80% to 60% and was eventually repealed in the Finance Act of 1985. These previous attempts at PGS failed for a variety of reasons amongst these are three keys:

- they required complex pieces of legislation, and the more complex a law is the more likely it will be riddled with anomalies and unintended side-effects;
- there was no recognition of the land-owners self-interests and no cognisance of increases or decreases in land values at revaluations;
- the effect of the post-war land legislation on all three occasions (1947, 1965, 1976) was to deter development and the better use of land, to encourage land hoarding by owners and to produce an artificial scarcity of sites.

We can only wait and see what the future brings this time!

The Key Facts

Understanding the proposed Planning Gain Supplement

What is it?

The Government states that the Planning Gain Supplement (PGS), would capture a modest portion of the increase in land value that occurs when full planning permission is granted. A significant majority of PGS revenues are expected to go back to the local level to help local communities share the benefits of growth and manage its impacts, with the remainder used to finance regional and strategic infrastructure to promote growth. PGS is to be paid at the commencement of development rather than when planning permission is granted and is to use a self-assessed system of site valuations.

Why is it needed?

It is fair that communities share in the increases in value landowners enjoy when planning permission is granted for their land. The revenues raised by PGS would be spent on the infrastructure needed to support new development.

By reducing the scope of negotiated planning obligations (section 106 agreements), the introduction of PGS could help speed up the planning process for major developments and reduce uncertainty for developers.

What will it do?

PGS revenues would be used to help fund the infrastructure needed to stimulate growth and service development, ensuring local communities share in the benefits of development. A significant majority of PGS would be recycled to the local level, with the remainder used to fund major infrastructure such as transport improvements.

Planning obligations would be scaled back to take account of PGS. Section 106 would apply only to items directly related to the development site, such as an access road or environmental improvements, and affordable housing.

PGS would apply UK-wide, on both residential and non-residential developments.

What won't it do?

PGS will not apply:

- To home improvements, such as minor extensions or loft conversions.
- To sites where there is no increase in value once planning permission is granted - it is different from the "tariff" or Optional Planning Charge previously consulted on because it is proportionate to the increase in land value, not infrastructure need.

What is the timetable?

The Government has consulted on its proposals for PGS and if the Government decides to proceed with implementing PGS, further consultation may be necessary, for example on the proposed reforms to the system of planning obligations. Therefore PGS would not be implemented earlier than 2008.

All change!

...and even more change is on the way

It is over 6 months since John Prescott's former department was taken over by Ruth Kelly and his department (the Office of the Deputy Prime Minister (ODPM)) changed to the Department of Communities and Local Government (DCLG) on 5th May 2006.

Ruth Kelly's vision for the Department of Communities and Local Government is of prosperous and cohesive communities, offering a safe, healthy and sustainable environment for all.

To achieve this vision, further reforms are on their way. As the planning system is inextricably linked to local government it may be a good point to step back and take an overview given the reforms to local government as suggested in the recent White Paper, the Barker Review and the fact that Tony Blair has recently promised to overhaul "outdated and bureaucratic" planning legislation.

Planning Policy and the Plan-Led System

As you are aware the Government, Local Authorities and the Planning Inspectorate are responsible for the operation of the system and implementation of policy:

- The DCLG sets national planning policy and Local Authorities prepare plans and determine planning applications.
- The plan-led system through Regional Spatial Strategies (RSS) and Local Development Frameworks (LDF) is to set out what can be built and where and when.
- Appeals against refusals of planning permission and inquiries into draft plans are dealt with by the Planning Inspectorate.

However, the planning system is being reformed to make it simpler, faster and more accessible. The policy statement Sustainable Communities: delivering through planning sets out the Government's aims. The reforms seek to change the culture of planning, making it a positive tool to steer development actively to the benefit of everyone.

The reforms as contained in the Planning and Compulsory Purchase Act 2004 are now well and truly biting with a raft of changes taking place and RSSs and LDFs emerging. However, the planning system is still recognised as a key asset, as the DCLG website recognises:

- 'England is one of the most crowded countries in the world. Over 90 per cent of our population lives in urban areas covering just eight per cent of the land area. This makes how we plan for, and make decisions about, the future of our cities, towns and countryside extremely important.
- Good planning contributes to urban and rural regeneration, and helps to ensure that people have decent affordable homes in well-designed accessible environments whilst safeguarding our countryside. It is essential that we have an effective planning system to achieve our aim of creating sustainable communities.'

However, along with the planning reforms, local government reform is also on its way.

Local Government Reforms

On Thursday 26 October 2006, Ruth Kelly, Secretary of State for Communities and Local Government made a statement on the future of local government on releasing the Local Government White Paper, entitled 'Strong and prosperous communities'.

These local government reforms will also impact on the planning system. Annex E of the White Paper in particular highlights the relevance of the White Paper proposals for the new-look plan making regime.

The Local Government White Paper, stresses that the Sustainable Community Strategy and other local and regional statutory plans must have regard to each other.

The White Paper has also signalled that ministers want to enable Local Authorities, "where they wish" to give their Executive power to determine those planning applications that are particularly significant in implementing the LDF.

"We will work with local government to clarify the circumstances in which this power might be used," the Department for Communities and Local Government (DCLG) has promised.

And in a bid to promote more joint-working, ministers have agreed to place more area-based funding streams in the funding pot for Local Area Agreements (priority lists).

Also on the agenda are:

- Kate Barker's review of Land Use Planning setting out how, building on recent reforms, the planning system can better deliver for the economy and the Government's sustainable development goals.
- the government's intention to repeal the requirement that the Statement of Community Involvement (SCI) for the Local Development Framework (LDF) must be examined by the Planning

Inspectorate and proposes to replace this with a more effective approach.

- reviewing the level of planning resources available to Local Authorities, and exploring whether to make changes to the national planning fees system, or to delegate to Local Authorities the power to set their own level of planning fees;
- consulting on proposals for a new Housing and Planning Delivery Grant to be awarded to local bodies for delivering additional housing and resource improvements in planning
- a revised statutory model Code of Conduct for councillors to allow councillors to speak on licensing and planning issues, plus a new code of conduct for Local Authority employees.
- moves to allow the establishment of parish councils in London and plans to improve the responsiveness of the Local Government Ombudsman and clarify the Ombudsman's role.
- encouragement of the practice of the cabinet member with responsibility for the planning function being a member of the planning committee, in order to strengthen the relationship between planning policy and delivery. The Government considers that councillors are better equipped to perform their planning role with the right training, which should be refreshed as required.
- encouragement of Local Authorities to make planning a prime responsibility of one of the corporate directors, who should be professionally qualified.
- exploration of whether Local Authorities could be given the responsibility for hearing appeals in relation to planning decisions delegated to officers. (As is being suggested in Scotland.)

Ministers have also made it clear that they want to give councils in two-tier areas an opportunity to seek unitary status. In those areas which propose to continue with existing two-tier arrangements, councils will be expected to adopt new improved two-tier models incorporating more joint-working.

All these initiatives play a role in a welter of proposals and measures from the Government designed to give local authorities more freedoms and powers and fewer national performance standards. As well, though, the White Paper has stressed the need to ensure local services are more responsive to their communities.

In short, more change is on its way for the planning system!

Contact

Darren Hood BSc(Hons) Dip UD MSc MRTPI, Brighton
 e: darren.hood@humberts-leisure.com
 t: +44 (0)1273 325 911

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Institutional Property

Here are a few of the key people at HLL Humberts Leisure who can help you make the most of your leisure property

Pubs

Peter Constantine BSc(Hons) FRICS, t: +44 (0)1291 627 813
Anthony Miller FRICS IRRV, t: +44 (0)20 7629 6700
Peter Haigh BSc FRICS, t: +44 (0)20 7629 6700
Richard Baldwin BSc(Hons) MRICS,
t: +44 (0)1756 799 271
Andrew Moore BSc(Hons) MRICS,
t: +44 (0)1756 799 271
Marcus Street BSc(Hons) MRICS, t: +44 (0)1291 627 813
Charles Kaminaris BSc(Hons) MRICS, t: +44 (0)1291 627 813

Consultancy

Peter Gee MA (CANTAB) FCA, t: +44 (0)20 7629 6700
John Anderson BSc FRICS, t: +44 (0)1756 799 271
Michala Holm MSc, t: +44 (0)20 7629 6700
Adela Cristea BA Econ MBA, t: +44 (0)20 7629 6700
Gaby Gambina B.ACTY MSc,
t: +44 (0)20 7629 6700
Martin Taylor BA(Hons) BTP MRTPI MIED MTS,
t: +44 (0)1273 325 911
Darren Hood BSc(Hons) DipUD MSc MRTPI,
t: +44 (0)1273 325 911
Nigel Mills BAHA, t: +44 (0)1273 325 911
Georgina Anastasakis BA(Hons) MSc MBHA MTS,
t: +44 (0)1273 325 911

Hotels and General Leisure

Gavin Brent MRICS, t: +44 (0)20 7629 6700
Nigel Talbot-Ponsonby FRICS, t: +44 (0)20 7629 6700
Jonathan Marshall MA MRICS FAAV,
t: +44 (0)1273 325 911
Tim Smith BSc(Hons) MRICS, t: +44 (0)20 7629 6700
Andrew Bates MRICS, t: +44 (0)1962 835 960
Peter Sandes FNAEA FICBA, t: +44 (0)1962 835 960

Holiday Property & Golf

Ben Allen BSc(Hons) MRICS, t: +44 (0)1962 835 960
Martin Brister FRICS, t: +44 (0)1962 835 960
John Ridgwell FRICS, t: +44 (0)1273 325 911
Martin Reed MRICS IRRV, t: +44 (0)1273 325 911
John Mitchell BSc MRICS, t: +44 (0)20 7629 6700
Peter Smith BA(Hons) MRICS, t: +44 (0)1756 799 271
Peter Boghurst MRICS, t: +44 (0)1273 325 911
Stephen Morgan FRICS, t: +44 (0)1291 627 813
Paul Barnes BSc(Hons) MRICS, t: +44 (0)20 7629 6700
Emma Carling t: +44 (0)1756 799 271

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Top: Bewl Water Below left: Domaine du Grand Mayne Below right: Euston Station Travelodge

London

12 Bolton Street
Mayfair
London W1J 8BD

t: +44 (0)20 7629 6700
f: +44 (0)20 7409 0475

North

Stable Courtyard
Broughton Hall
Skipton BD23 3AE

t: +44 (0)1756 799 271
f: +44 (0)1756 700 811

South West & Wales

Bank Buildings
High Street
Chepstow NP16 5XQ

t: +44 (0)1291 627 813
f: +44 (0)1291 625 614

South East

Pavilion View
19 New Road
Brighton BN1 1UF

t: +44 (0)1273 325 911
f: +44 (0)1273 329 602

South

Westgate House
39-41 Romsey Road
Winchester SO22 5BE

t: +44 (0)1962 835 960
f: +44 (0)1962 835 961

