



Holiday & Caravan Park

Market Report 2023





The Sky's the limit

We think it is fair to say that over the past year the holiday and caravan park sector has hit new highs with the prices achieved in many transactions having hit unprecedented levels.

In spite of the seemingly never ending challenges that have hit the UK economy in recent years the caravan and holiday park market has again shown its resilience and demonstrated robust performance against these wider economic events. Against other asset classes it has been seen as a relatively safe haven for investors money providing attractive returns and opportunities for growth. One consequence of the performance and growth in the sector has been the significant investment it has attracted from overseas investors who have been involved with some of the largest corporate transactions over the past 2 years.

The recent spike can be considered in part to be driven by the boom in the domestic UK holiday market, both during and post covid. At the same time, at the higher end of the market 'aggregators' often funded by private equity including an increasing number from overseas have alighted upon the sector as one in which economies of scale and brand globalisation are seen to present an opportunity. A trickle-down effect has resulted in a scarcity in the supply of parks throughout the sector. Strong demand, government grants, rates holidays for leisure businesses and temporary VAT reductions along with a period of historically cheap debt finance have driven the value of park opportunities to an all-time high.

Moving forward operators are having to navigate the ongoing challenges posed by inflation impacting on the cost of materials, supply constraints, dramatic utility cost increases, recruitment challenges and increasing wages costs. These challenges have to be balanced against affordability, taking account of the cost of living crisis and its impact on the disposable income of the sectors clientele. Recent interest rate rises are likely to provide further downward pressure increasing the cost of borrowing, which whilst still historically low, is considerably more expensive than it was 6 months ago.

It is almost impossible to predict what 2023 holds and whilst it appears to be widely accepted by many operators that trading levels are unlikely to match the highs seen in 2021 and 2022, we consider the market for parks is likely to remain strong whilst demand for parks continues to outstrip supply.

We look forward to seeing what 2023 brings and in this report we are pleased to share with you a sample of transactions that Sanderson Weatherall have been involved with over the last year along with a selection of parks that we are presently marketing for sale.

Please do not hesitate to get in touch with our team if you would like to discuss your park business or should you be looking for new opportunities in 2023. Much of the transactional activity in the market takes place confidentially so it is always good to talk.

Parks for sale



Touring holiday park, Devon
 (Ref: DVN1931)



Superb mixed use leisure business,
 Lincolnshire (Ref: YRK1884)



Static & touring holiday caravan park,
 Suffolk (Ref: YRK1918)



Holiday lodge park, Herefordshire
 (Ref: DVN1930)



Holiday lodge development, Devon
 (Ref: DVN1890)



Static and touring holiday park
 Cornwall (Ref: DVN1902)



Holiday park, Suffolk
 (Ref: YRK1895)



Residential mobile home park,
 Nottinghamshire (Ref:YRK1922)



○ — Parks for sale



Newly established holiday park, Devon
(Ref: DVN1924) — ○



Static and touring caravan park,
Northumberland (Ref: YRK1908) — ○



Established static holiday park,
Northumberland (Ref: YRK1893) — ○



Leasehold holiday park opportunity,
Gloucestershire (Ref: DVN1928) — ○



Leasehold holiday park opportunity
Wiltshire (Ref: DVN1929) — ○



Residential mobile home park,
West Midlands (Ref: YRK1921) — ○



Established static holiday park,
Lancashire (Ref: YRK1933) — ○



Holiday lodge park, Devon
(Ref: DVN1932) — ○



Touring parks with potential attract premium prices

Throughout 2022 the caravan and holiday park sector has seen many exceptional and headline sales achieved resulting from unparalleled demand with strong levels of interest shown across all types and size of holiday park. Pleasingly for park owners this has seen many sales transact well in excess of quoted guide prices and expectations.

Touring caravan parks have been no exception. In particular Sanderson Weatherall have brokered the sale of several parks where there was deemed to be clear scope for commercialisation and further development including the potential hope for a change of use to statics or lodges. These opportunities have attracted exceptionally strong levels of interest resulting in premium prices being achieved at levels well in excess of what would have been anticipated assuming a long term continuation as a touring park.

Large and established touring caravan parks exhibit many attractive characteristics such as occupying locations in or near to very well established tourist destinations, existing planning permissions covering a large land area and significant land holdings including recreation and/or amenity land that may hold scope for further development, subject to planning. In addition, many parks have seen considerable growth in trading levels in recent years on the back of pent up demand and new demand created during and following the Covid pandemic. However, it is undoubtedly the potential and hope value for further development or transition of the park businesses that has been the primary driver in the competitive interest and peak prices seen in these transactions.

In the last 6 months Sanderson Weatherall completed the sale of 3 large established touring parks. Utilising our expertise and knowledge of the market we were able to set and carry out a structured sale process from the outset in order to target and maximise competitive interest between the most active buyers in the market.

Two sales undertaken with a confidential, targeted marketing campaign were South Lea Caravan Park and Lebberston Touring Park both in Yorkshire. Newhaven Holiday Park in the Peak District was fully exposed to the market. The result in all cases was significant competitive interest within days of launch, from a number of established park operators, leading to a strict timetable to enable viewings to take place before a closing was set for offers to be received. It was evident that the majority of operators recognised not only the attractive locations and quality of the parks but most importantly were drawn to the potential for added value and an intensification and change of use from their current operating models. Across these parks we were delighted to be able to complete transactions for our clients that on average were achieved at over 40% of their advertised guide prices.

The sales demonstrate the importance of appointing a professional agent from the outset in order to advise and set out the most appropriate sale structure for your business. This ensures that all future potential and hope value is fully exploited and the park is exposed to the right buyers to enable a competitive sale and bidding process to take place.

○ — Parks Sold



Stag Lodge Development



South Lea Caravan Park



Silver Carrs Caravan Park



Sherwood Castle Holiday Forest



Parklands Mobile Home Park



Coastal Retreat Lodge Opportunity



Mill Garth Park



Longnor Wood Holiday Park



Business Rates to increase by 16% in 2023



1 April 2023 will mark the start of a new business rates cycle; the 2023 Rating List. Valuation dates will be brought forward by 6 years and businesses can already view the proposed draft assessments that will take effect from this date.

Following the lifting of restrictions associated with the pandemic, a combination of pent-up demand caused by the enforced lockdowns and well managed Covid precautions there was exceptionally strong demand from visitors to parks across the country in 2021. This appears to have manifested itself in the Valuation Office Agency's opinion of values for the new List, with an average increase in caravan park assessments of 16%.

Rights of appeal exist against the new assessments which Sanderson Weatherall are able to review and provide advice on.

Furthermore, the start of the new Rating List will also herald the end of current rights of appeal back to 1 April 2017, so there is limited time to consider the accuracy of current rateable values. Opportunities to generate reductions include situations where there has been a reduction in the number of pitches or an increase in surrounding competition.

Contact rating@sw.co.uk for more information.



In the spotlight

Mobile Home Parks Pitch Fee Reviews

The pace of change to RPI in 2022 is illustrated below and brings into sharp focus the un-doubted attraction of pitch fee income from mobile home parks.

Whilst the Consumer Price Index already forms the basis for mobile home park pitch fee reviews in Wales, for some time now, the English government has said that it is committed ('as soon as Parliamentary time allows') to altering the basis of pitch fee reviews in England to reflect changes in CPI rather than RPI. This commitment appears to now be prioritised with a Bill sponsored by Sir Christopher Chope having now passed through the House of Commons and at its second reading stage in the House of Lords. The two tables presented enable a comparison of recent variances between CPI and RPI to be made.

Retail Price Index										
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct
2022	317.7	320.2	322.5	334.6	337.1	340	343.2	345.2	347.6	356.2
2021	294.6	296	296.9	301.1	301.9	304	305.5	307.4	312	312
Change %	7.84	8.18	8.96	11.13	11.66	11.84	12.34	12.30	11.41	14.17

Consumer Price Index										
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct
2022	114.9	115.8	117.1	120.0	120.8	121.8	122.5	123.1	123.8	126.2
2021	109.0	109.1	109.4	110.1	110.8	111.3	111.3	112.1	112.4	113.6
Change %	5.46	6.18	7.02	9.01	9.08	9.41	10.10	9.87	10.10	11.09

When are the RPI (or CPI) reviews due and how are they calculated?

The maximum RPI adjustment is limited to the RPI change in the previous year, even if the pitch fee has not changed for a number of years. The RPI figures for each month are usually published around the 16th or 17th of the month that immediately follows it.

When applying the RPI adjustment to a pitch fee review which is proposed to take effect on the review date, the figure that must be used in the calculation is the latest published 12-month RPI figure available before the notice of review is served. The notice must be served at least 28 clear days before the review date.

So, for example, if we consider a 1st April Pitch Fee Review Date ('PFRD'), the notice must be served at least 28 clear days beforehand which would require the notice to be served by 4th March.

The latest published 12-month RPI figure available before the notice was served would be that published around the 16th or 17th February which would reflect the change in RPI from January.

Hence, a 1st April PFRD would reflect the change in RPI relating to January rather than that relating to April as might be assumed on the face of it.

Pitch fee reviews are important facets impacting upon the valuation and sale of mobile home parks. If you would like advice on how they might affect either of these considerations, please do not hesitate to speak with us.



NB. This 'Spotlight' represents our understanding and/or analysis of the present position at the date of this report but must not be relied upon and no liability is accepted.

— Parks Sold



Broadstone Residential Park



Lebberston Touring Park



Friary Farm Caravan Park



Greenacre Park Homes

Picturesque North Yorkshire holiday park snapped up

Brickyard Lakes Country Park



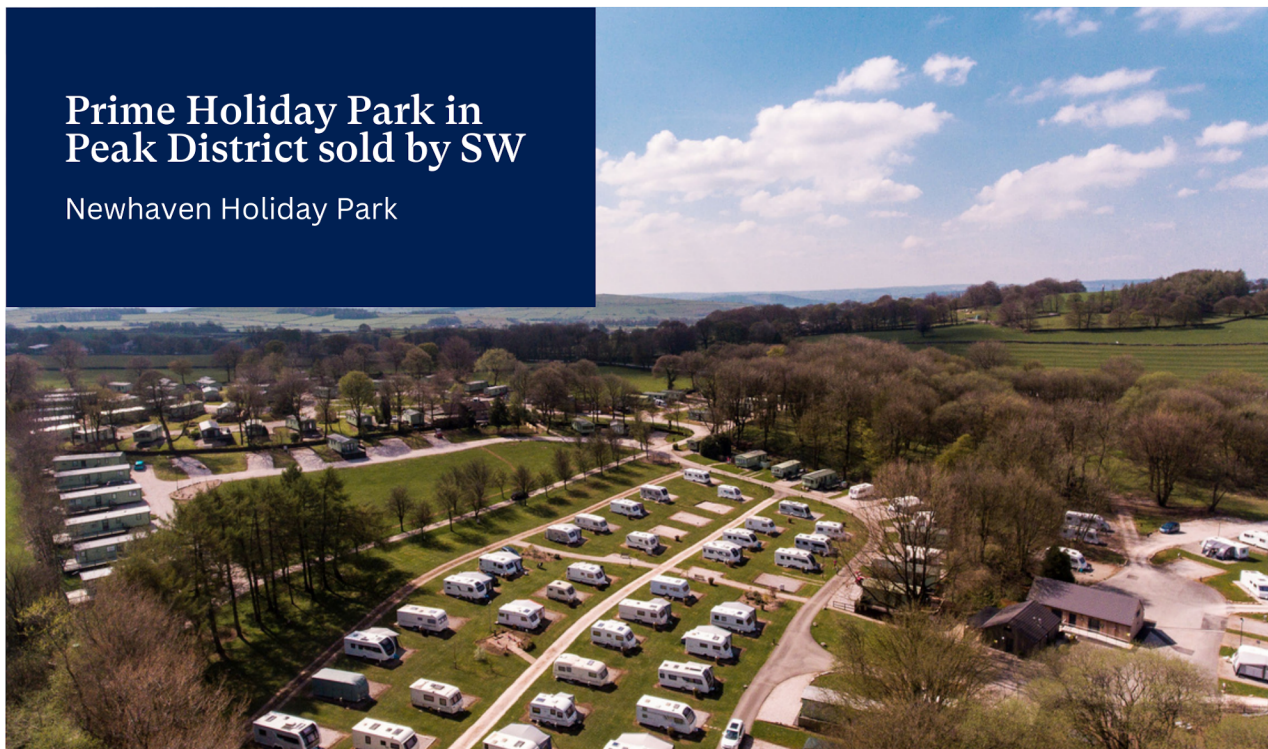
Sanderson Weatherall is delighted to announce the sale of Brickyard Lakes Country Park on behalf of private clients.

Brickyard Lakes has been developed over the last 4 years from its roots as fishing lakes and a touring caravan park into a high quality waterside holiday home development. It has planning permission for 47 holiday homes with over 90% of pitches having prime views with lakeside frontage. The development has been undertaken to a very high standard and has attracted premium caravan and lodge sales, though leaves scope for further sales for the new owners with 15 developed and vacant pitches. Planning permission has recently been approved for a further 6 static holiday caravans and a further application for 6 statics remains pending.

Adam Burkinshaw said “It was a pleasure to deal with the sale of a park asset of this quality on behalf of our long standing clients. The high quality development and superb location of Brickyard Lakes generated a significant level of interest from the outset with a deal agreed and secured within days of the marketing launch which was a great result for our clients and secured a superb new park acquisition for Prestige Country Parks to grow their portfolio”.

Prime Holiday Park in Peak District sold by SW

Newhaven Holiday Park



Sanderson Weatherall is delighted to have concluded the sale of Newhaven Holiday Park in the sought after Peak District National Park to national operator Park Holidays on behalf of our private client.

Newhaven Holiday Park is developed over 21 acres of attractive grounds, has permission to accommodate up to 194 caravans and 30 tents and is located in the heart of the southern Peak District National Park.

Bought to the market at a guide price in excess of £4M the opportunity generated a great deal of interest from existing operators and groups with a competitive bidding process and closing date resulting in multiple offers and the sale agreed to Park Holidays well in excess of the guide.

Adam Burkinshaw, Partner acting on behalf of the vendors said 'It was a pleasure to act for our longstanding clients in the sale of this superb high quality holiday park which benefits from such a sought after trading location along with scope to further develop the park and business. The park and its location perfectly complement Park Holidays nearby park, Ashbourne Heights and we wish them all the best with their most recent acquisition.'



Bewicke Main Residential Park



Bisley Park

○ — Parks sold



Ashbourne Camping and Caravan Site — ○



Kneps Farm Holiday Park — ○



Whitsand Bay Fort Holiday Park — ○



Cable Gap Holiday Park — ○



Portmile Lodges — ○



The Strangers Home & Holiday Park — ○

East Midlands Mobile Home Park sold by SW

During the summer of 2022, SW were delighted to act on behalf of private family vendors in the confidential sale of a substantial mobile home park in the East Midlands. Developed with around 150 homes, the park was capable of accommodating another 50 homes or so and was beautifully developed in a rural position on land extending to over 20 acres. SW Partner, William Reynolds who handled the sale comments that the park was of a scale that appealed to a variety of well-funded purchasers in the market with whom they are in regular dialogue and who continue to have a strong appetite to secure high quality assets of this nature.



Our expert team



Adam Burkinshaw
adam.burkinshaw@sw.co.uk
07714 680393



William Reynolds
william.reynolds@sw.co.uk
07809 321604



Andrew Bagnell
andrew.bagnell@sw.co.uk
07809 321602



Lee Southan
lee.southan@sw.co.uk
07712 438215



Rob Cohen, Rating
rob.cohen@sw.co.uk
07523 505841

enquiries@sw.co.uk

In addition to our specialist holiday and caravan park services, we offer a wide range of commercial property advice. Including:

- Agency
- Asset Based Lending
- Building Consultancy & Architecture
- Business Rates
- Compulsory Purchase
- Lease Consultancy
- Planning
- Property Management
- Property Valuation
- Machinery & Business Assets

Thinking about selling?

We've achieved some great results for our clients. Get in touch with our team for a confidential appraisal of your park.

Contact us

Devon Office

45 Bampton Street
Tiverton
Devon
EX16 6AH

01884 256 741

edwards.devon@sw.co.uk

Yorkshire Office

165 Long Street
Easingwold
North Yorkshire
YO61 3JB

01347 822 005

edwards.york@sw.co.uk



sw.co.uk



SW
Sanderson
Weatherall