Horsepool Lodge

PA23/01704 – Resubmission Report

Following the recent refusal of planning under PA23/01704 for Horsepool Lodge change of use from holiday accomodation to residential property.

I am writing to provide more information to all parties involved in the decision making process.

# Background

Horsepool Lodge was built in 2009 in the garden of Horsepool Cottage.

My wife and I purchased the property from auction in 2012 after there was no local interest in the property prior when listed with Estate Agents.

We purchased the property as a second home and revenue stream to cover mortgage payments and costs by renting to family, friends and through local agents. The property has never made a profit.

Since Covid we decided to only let to family and friends due to the cleaning involved and not being able to rely on local people to undertake as we previously had items stolen by them and internal property damage/mis-use.

My wife and I have plans to retire to the area and would like to be able to live in the property and potentially find local part-time work. My wife is an Accountant.

My wife was born in the area and lived in the village of Hatt up to the time her parents divorced and she was forced to move to Hampshire aged 16. She still has many old school friends in the area.

# St Mellion Parish Council

The Parish Council were not supportive of the original application and were concerned the property could be used as a second home rather than lived in year round.

That is exactly what we are forced to do currently as we cannot live in the property year round due to the holiday accomodation clause.

Removing the Holiday accomodation will provide another habitable all year round property to the village without the need for construction.

The Council were also concerned about a precedent being set – but surely the 2 x huge Golf View Properties recently built, that I can see from my curtilage, counter any arguments for precedents being set by Council Planning.

The Government & Levelling Up Dept are at this moment trying to pass rules to be able to more easily convert holiday lets to dwelling houses and vice versa.

<https://www.gov.uk/government/consultations/introduction-of-a-use-class-for-short-term-lets-and-associated-permitted-development-rights/introduction-of-a-use-class-for-short-term-lets-and-associated-permitted-development-rights>

# Cornwall Council Key Issues (photo’s attached to support below)

Horsepool Lodge is not on the St Mellion Resort it is in the village of St Mellion and sited at the end of Church Lane on Dunstan Lane

Horsepool Lodge does not share a drive with Horsepool Cottage as mentioned in the original appraisal – both have independent drives/parking directly from Dunstan Lane.

Horsepool Lodge is not in open countryside – it is surrounded by Horsepool Cottage, St Mellion Tennis Club Courts with a Pitch & Putt Golf Course behind.

Regarding setting local precedents - the 2 recently built huge Golf View Properties on the edge of the village of St Mellion surely have set the precedent under the Policy 3 CLP for countryside building in the area.

Horsepool Lodge is now used as a second home with occasional lets to our family and friends for non-profit and to try and cover mortgage payments. It is no longer run as a small business therefore under our ownership we cannot provide accounts requested to justify viability of rental.

I have researched and attached a financial breakdwon of rental viability based upon Horsepool Lodge being purchased for the sole purpose of a holiday rental business as planning dictates – you’re welcome to get these ratified by an independent agency.

# Sustainability (photo’s attached to support below)

Horsepool Lodge is already built and would obviously have far less impact on the environment that building another property in the village would.

Horsepool Lodge does not look like a holiday rental it is a fully functioning house.

Horsepool Lodge has solar panels which provide all hot water for the property.

Horsepool Lodge has it’s own rainwater soakaways and cesspit.

St Mellion Resort has recently installed half a dozen electric rapid car charging points for the general public to use which are less than 100 metres away.

My wife and I will be looking for part-time work if this planning is accepted and we can live in the property.

There is a lit pavement all the way from the property to the bus stop 200 Metres away which many of the local resort employees use too.

The property cannot be blamed for lack of pavements or lighting to the church or primary school, surely that is down to the highways department. I believe the street sign on Church Road is for local traffic only – the only local homes are the three Horsepool Properties. This makes the road an ideal quiet way to walk/ride or even take a scooter to the village centre.

The property is in the village of St Mellion – it was built in the garden of Horsepool Cottage and adjacent to Horsepool Farmhouse which were both in situ way before the resort.

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Cost Analysis of Rental Viability

# Background

The house is situated near to the main entrance of St Mellion Resort and would only appeal as a holiday let to golfers due to location and the famous ‘Nicklaus’ Golf Course on its’ doorstep.

Due to the unreliable Cornish Weather and golf season, the property has historically only been let April – October

The occupancy was made up of paying guests, owners, owners family & owners friends.

The property faces stiff rental competition from St Mellion Resort which can offer very attractive deals to golfers including Dinner, Breakfast, International Cuisine & Special Events

# Costs Breakdown

This cost analysis is based annually over a 5 Year Fixed Rate Mortgage Period

Based upon current Nationwide Building Society figures HPL is currently valued at £290,000 approx.

Based upon a 5 Year Interest Only Buy to Let Mortgage at Barclays current rates.

(6.05% with 25% deposit)

The introduction of the new Holiday Let Guidelines the property would have to pay Council Tax (Band F) if rentals not exceeding 70 days per annum

Furniture/Decoration has been based over 5 Year Renewals/Refurbishment/Replacement

Annual Costs have been rounded up or down but are freely available and very realistic for the area

The Resort membership for Leisure & Golf is necessary to attract people to Horsepool Lodge.

# Annual Costs £28,559.00 total

Mortgage £13,200.00

Insurance £250.00

Utilities (Gas, Electric, Water) £2,000.00

St Mellion Cottage Membership (2 Golf & Leisure Passes) £3,000.00

Council Tax £3,209.00\*

Gardening £300.00

Broadband £300.00

TV Licence, CCTV, Sky & Netflix £1,200.00

Linen / Laundry £1,000.00

Changeovers & Welcome Packs £1,000.00

Window Cleaning £300.00

Furniture Write Off / Decoration £2,000.00

Gas/Electric/PAT/Fire Risk Testing Reports £400.00

Accountancy £100.00

Emergency Call Outs £300.00

# Potential Income

Based Upon similar local properties with similar facilities weekly rents can achieve £800 - £1200 per week. (average £1,000 per week – Oakridge Properties, St Mellion)

If we take two scenarios: (includes 15% letting agent fees)

Minimum Government Rental @ 10 weeks £8,500.00\*

Recommended Government Rental @ 20 weeks £17,000.00\*

Breakeven @ 33.59 weeks £28,559.00\*

(\*These figures would allow for a reduction in costs as no Council tax would be payable)

# Summary

HPL would have to be let out 33 weeks per annum to achieve a breakeven point. Prime season is approx 26 weeks of the year – so other weeks would have to be at a reduced rate. Thus making the break even point even longer

St Mellion Resort say their similar Lodge occupancy rate is approx 60% per annum.

If HPL were to achieve 60% it would still be loss making and not allow any peak season time for owners/friends to stay.

These above figures have also not allowed for the 25% mortgage deposit.

£290,000 invested in a high interest account at todays date would gross £17,429.00 profit per annum (6.01%) without doing anything. The first £6,000.00 of this would also attract capital gains relief.

In simple terms £290,000 put in a high interest account would achieve more returns than purchasing a Cornish £290,000 holiday let - hassle free!

HPL is way short of achieving realistic profitable returns and is therefore not viable as a holiday rental. This is why it took 2 years to originally sell and there was no local interest whatsoever!