



Sanderson  
Weatherall

# HOLIDAY & CARAVAN PARK MARKET REPORT









# What a difference a year makes

by Adam Burkinshaw

There is no doubt the caravan and holiday park sector has seen something of a slow down over the past year, and with hindsight this was inevitable following the unprecedented highs that followed the Covid pandemic and the Bank of England's resolve to control inflation. However, whilst transactional activity has decreased, particularly in the second half of 2023, those fewer transactions, predominantly of established trading parks indicate that values remain robust for well-located and prime holiday park assets. There has been a considerable reduction in the sale of undeveloped park assets and we are seeing reports of some parks that are part completed or in the early stages of development finding conditions particularly difficult.

The return of higher interest rates, a period of very high inflation and the cost of living crisis have all added to the challenge and taken their toll with an overall slow down in the volumes of caravan and lodge sales, squeezed margins and higher operating costs for businesses. On the whole the average household has significantly less disposable income for discretionary spends.

A notable trend in 2023 has been the decline in activity from the corporate and investor market with the majority of large groups taking stock of acquisitions made in the preceding 24 months and consolidating their position, adjusting to increased interest rates, reduced caravan sales volumes and margins. A positive for some is that many well funded and long established private operators

who have been squeezed out of the market by large corporates in recent years now see an opportunity to bid competitively for parks but without the same level of competition. Although, the quality of the asset and location has to fit their requirements. We have also seen a number of smaller parks transacting to lifestyle operators and have witnessed a number of new entrants to the market who are motivated by the resilience the sector has always demonstrated and opportunities that come about when less 'froth' exists in the market.

Experienced and longstanding operators are well aware that pitch fee income and park occupancy are key drivers of park businesses and that these elements come to the fore during more challenging market conditions. Sales revenue represents the icing on the cake, though and is typically less stable in the short to medium term but looked at in the long term is also a very valuable component. Operators with a business model underpinned by pitch fee revenue and occupancy tend to fare better in a poorer market than ones that rely heavily on the profit from caravan sales as these track the economic cycle more closely and are subject to short term and significant fluctuations. Whilst in recent years parks with untapped development potential and /or spare land with scope for development have attracted premium values on account of the potential profits available from new sales, with the focus back on underlying trade we are seeing purchasers attribute less value to undeveloped pitches and untapped potential.



The ongoing administration of a large national group continues to cause uncertainty in the sector, both for park operators and funders. The number of parks (including a number with development opportunities) coming to the market is unprecedented and the outcome of the proposed sales will undoubtedly have an impact on the wider market. We have already seen an increased level of scrutiny of businesses from funding institutions who are looking to lend or increase their exposure to the sector.

However, it is pleasing to report that it is not all doom and gloom and we are still seeing a good level of transactional activity. Although transaction volumes are lower, we have completed a number of sales throughout 2023 at values in excess of the asking prices which demonstrates there remains a demand for attractive parks in strong trading locations. It is likely that transactional activity may remain subdued certainly through the early part of 2024 with fewer corporate purchasers currently seeking new opportunities. However parks with established trading records offering ongoing

potential will remain an attractive proposition in the market and we are confident that our expertise and knowledge of buyers who are currently active in the sector will enable us to continue to achieve successful park sales on behalf of our clients.

In the following report we share a number of our park sales over the last 12 months and include a selection of parks that are currently available for sale. Other than those listed we also often market parks on a confidential basis, and with new instructions coming for 2024 we recommend that you make contact with us to register your details in order to be made aware of new opportunities as they become available.

Please do not hesitate to contact us to discuss your park business or if you require an appraisal for sale or a formal valuation for other purposes which will be provided in the strictest of confidence.







# Duo of Lettings Completed on Behalf of Forestry England

2023 saw our specialist caravan and holiday parks team complete two lettings on behalf of Forestry England.

Bracelands Caravan and Camping Site is a 25.7 acre (10.4 hectare) park in the popular rural leisure and tourism area of the Forest of Dean. The long-established campsite operates year-round and included 520 pitches, with glamping pods and safari tents.

Postern Hill Caravan & Campsite is set out over 12.35 acre (5 hectares) and offered a long established touring and camping site developed with 170 pitches set within the forest.

Leasehold transactions are relatively rare within the sector and Sanderson Weatherall were

selected by Forestry England as specialists in the field on the back of our long established experience within the sector. Understanding our clients requirements for a leasehold disposal of the parks meant we could target our strategy to attract suitable proposals from prospective tenants. Following a widespread marketing campaign, we generated an unexpectedly high level demand for both parks, which resulted in a closing date and extensive shortlisting process alongside our clients in order to proceed with a chosen tenant.

The lettings continue to demonstrate the attraction of holiday parks within the in the UK.

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We are thrilled to have found, with the help of Sanderson Weatherall, such great operating partners for these two sites. Our partners are committed to investing and expanding the camping offer, working with the Forestry England brand, and bringing a new sense of life back into these sites. This is an exciting time for Forestry England Camping as we look to develop and expand more campsites and glamping offers across the country, seeking out professional and experienced operating partners to collaborate with us.

Forestry England

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# FOR SALE



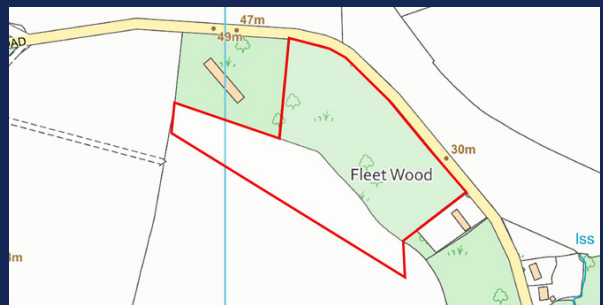
**Touring & static park**  
Isle of Wight (DVN1945)



**Mixed static & touring park**  
Somerset (DVN1948)



**Static holiday park**  
North Yorkshire (YRK1937)



**Undeveloped residential park opportunity**  
Dorset (DVN1953)



**Recently developed park**  
Suffolk (YRK1895)



**Static holiday park**  
Kent (DVN1944)



## Parks for sale



**Mixed holiday park with expansion potential**  
Isle of Wight (DVN1919)



**Prime Lake District property & land**  
Lake Windermere (YRK1940)



**Touring holiday park**  
Devon (DVN1931)



**Residential park home development opportunity**  
Lincolnshire (YRK1934)



**Static & touring holiday park**  
Norfolk (YRK1918)



**Holiday lodge park**  
Herefordshire (DVN1930)



**Residential park**  
North Devon (DVN1941)



**Touring & holiday home park**  
Cornwall (DVN1920)



# NOT ONLY PARK SPECIALISTS

Holiday Cottages across the country have long represented a popular offering to the short term casual holiday maker, with their popularity growing over the last few years. Noticeably so over the last 12 months the Holiday Parks and Leisure team at Sanderson Weatherall have seen an increase in the number of single let properties and holiday complexes being acquired due to the attractive income and returns they can offer. This has been further evidenced across the wider sector where we have seen established parks converting redundant buildings into holiday lets to capitalise on the buoyant trading conditions.

Although it may seem at first glance that caravan parks offering hire fleet units may differ from holiday cottages, both business are based upon self catering holiday accommodation and therefore closely related. It is fair to say that the types and quality of holiday accommodation have broadened considerably over the years, with the location, tariff and marketing of the accommodation being more important than ever in a very competitive market.

Whatever the type of holiday accommodation, our specialist team across the country would be delighted to have a confidential conversation to discuss the wide range of services we offer.



**For Sale**  
**Holiday Cottages, Farmhouse and Land**  
**North York Moors (Ref: YRK1956)**



# Reading the Runes

## Food for thought

by William Reynolds

In response to elevated levels of inflation, the Bank of England applied a steep and sustained rise in interest rates between February 2022 and August 2023 with the Base Rate being increased by a factor of 20 from 0.25% to 5.25%. However, the upward spiral is now halted with CPI inflation showing a strong downward trend perhaps pointing to better news for the future direction of interest rates?

Quite clearly, the impact of higher interest rates, utility price increases, fiscal drag and inflation itself all combine to leave households with less disposable income putting downward pressure on demand resulting in the calming of the 'tiger of inflation'. The medicine prescribed (a little late?) appears to be working.

Generally, expectations amongst many are that in turn, interest rates might fall back to the sort of levels last seen less than two years ago, in line with the trend over the last 10-15 years... and they might?

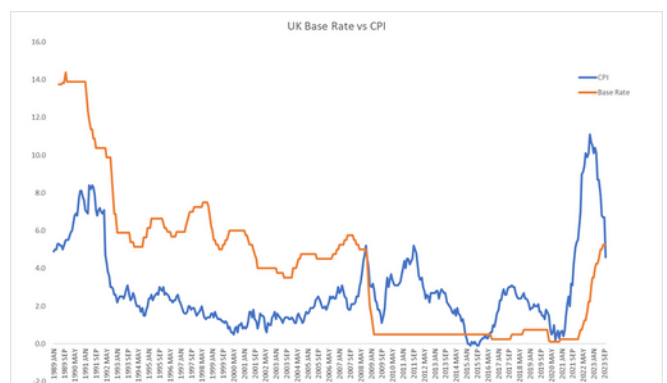
However, an historical analysis suggests that the last 10-15 years saw a sea change in policy as a response to un-precedented financial turmoil resulting in un-characteristically low interest rates introduced very strikingly alongside the financial crash that took place in 2008/2009. There appear to have been nascent attempts by the Bank of England to stem the tide and commence a return to a higher interest rate regime between late 2017 and early 2020 but this was then stymied by the Covid pandemic.

Have interest rates now gone up too far and must they now come down?

The trend over the last 10-15 years looks markedly different to that in the previous 20 years and whilst the current juxtaposition of interest rates and inflation suggests there is room for interest rates to be cut, the historical evidence also suggests the depth of any cut may be somewhat less pronounced than may be anticipated (barring further unprecedented events or a shift in economic convention).

Will further un-precedented events occur and/or is a paradigm shift in economic convention the order of the day? Alternatively, will the status quo that existed before the 2008/2009 financial crash prevail?

In the words of Bob Dylan, "The answer my friend is blowin' in the wind."





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**Messingham Grange Golf Course & Holiday Park**

Established golf course and holiday lodge letting business with permission for a total of 56 holiday homes on a site in excess of 140 acres. Significant scope for further development stp.



**Whalley Villa Holiday Park**

56 pitch holiday home park close to the attractions of Blackpool with an owner's twin unit home.



**Sandy Hills Caravan Park**

Coastal 25 pitch static holiday caravan park adjacent to the beach and village amenities in Norfolk. Sale agreed within 7 days to an existing park operator.





### **Rigg Farm Caravan Park**

Beautiful location on the Yorkshire Coast. A four bedroom house with attached barn set within 5 acres with permission for 30 static caravans and 9 touring caravans. Sold to a new entrant to the market



### **Proctors Stead Caravan Park**

Superbly located mixed caravan park on the Northumberland Coast AONB. 8.5 acres site with 20 static caravan pitches and field used to accommodate up to 75 touring caravans. Sold to a new entrant to the market.

## **The Camping and Caravanning Club expand with acquisition of Thornton's Holt Campaign Park**

Thornton's Holt has been superbly re-developed and enhanced across the attractive 13.5 acre site with modern eco facilities including rainwater harvesting and solar water heating. The owners have established a strong trading business that generates a high volume of repeat business from holiday makers. With 175 caravan and camping pitches, caravan storage, shop and café the park benefits from a superb trading location close to Holme Pierrepont, the National Water sports Centre and is also within easy reach of Nottingham.

The opportunity was brought to the market with a guide price in excess of £3.25M and as anticipated generated a great deal of interest from existing park operators, new entrants to the market and groups.

Adam Burkinshaw, Partner acting on behalf of the vendors said "Thornton's Holt provides a superb example of a traditional touring caravan and camping park focussed on providing caravan owners with open space and great modern facilities. We were delighted with the level of interest received and it was a pleasure to act on behalf of the owners Polly and Simon Jones. It was particularly pleasing to secure a sale to The Camping and Caravanning Club, one of the preferred buyers of the vendor from the outset. Our clients can now enjoy a well-earned break



with the knowledge that the park remains in safe hands for generations to come."

Vendors Polly and Simon said: "We were really keen to ensure Thornton's Holt continued to be a touring site that provided a warm welcome to our customers, and we felt The Camping and Caravanning Club would be the perfect organisation to take our legacy forward – it's a fairy-tale ending for us."

Sabina Voysey, Director General of The Camping and Caravanning Club, said: "We're really excited to acquire Thornton's Holt, to build on the fantastic business that Polly and Simon have created and to strengthen our Club Site network.

"The Club has a proven track record of successfully operating campsites for more than a century, building strong community links, and ultimately providing excellent sites for campers to enjoy their holidays."





### **Mill House**

Well located Nottinghamshire residential mobile home park with 23 park homes Northumberland.



### **Fangfoss Caravan Park**

A long established touring caravan park with 75 touring caravan pitches and a Grade II listed former station house situated close to the historic city of York.



### **Featherstone Park**

A recently redeveloped residential mobile home park with 27 homes sited.



### **Silver Sands Holiday Park**

Mixed static and touring holiday park in Cornwall on 8 acres. Consent for 30 static or touring caravans and 20 tents. Owner's 3 bedroom bungalow.



### **Lydiard Residential Park**

Residential park in Wiltshire on 5 acres for 37 park homes – confidential sale.



### **Eastlands Caravan Park**

An established holiday caravan park with 28 pitches located on the edge of Bridlington town centre. Additional 3 acres of land with further potential subject to planning.



### **Allendale Carvan Park**

A picturesque static holiday caravan park with 44 pitches and a former station house located in the heart of Northumberland.



### **Wilton Heights Quarry**

Former Limestone Quarry in the heart of the North Yorkshire adjacent to Dalby Forest suitable for a variety of uses, subject to planning.





## Give your park the best view

We are pleased to offer drone photography of your park as part of our marketing package.

## Business Rates

The Chancellor of the Exchequer's Autumn Statement has seen the extension of retail, hospitality and leisure relief, granting eligible businesses a 75% discount on business rates up to a cap of £110,000. Furthermore the Government are freezing the small business multiplier for properties with a rateable value of less than £51,000. These measures will greatly assist small businesses and independent operators, however for those properties with a rateable value of £51,000 and above, the multiplier will increase in line with inflation to 0.546.

We recommend that park operators review their business rates valuations each year and check that they are receiving all reliefs they are entitled to from the Local Authority.



Rob Cohen, Rating  
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07523 505841

## Other services

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

- Agency
- Asset, Advisory & Recovery
- 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.

### General enquiries

#### North office

01347 822005

[edwards.york@sw.co.uk](mailto:edwards.york@sw.co.uk)

#### South office

0117 338 1800

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# DON'T JUST TAKE OUR WORD FOR IT

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I have used Sanderson and Weatherall on numerous occasions for both acquisitions and disposals. Each time the level of service throughout the process is attentive, friendly and very well balanced when liaising between sellers and purchasers to achieve completion dates. Their broad contact base throughout the industry always delivers high levels of interest whenever we dispose of a park. I would highly recommend Sanderson and Weatherall if you are looking to buy or sell a park.

**Park Operator in Yorkshire and Lincolnshire**

Sanderson Weatherall provided an excellent service on the successful sale of our Derbyshire caravan park. The whole process from valuation, marketing, managing viewings, dealing with the offers and assistance during the legals, was handled professionally and efficiently.

**Retirement Sale for longstanding family owners**

Thanks for the recent valuation you completed for HSBC for one of my customers. The process was handled quickly and efficiently with no need for me to chase for updates. The pricing was competitive and the property and draft report were provided within a week of formal instruction, which I would consider to be exceptional service. The report was also of high quality and I would have absolutely no hesitations in engaging with SW to undertake future valuations for the bank.

**HSBC Relationship Manager**

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