

F E R G U S O N
P L A N N I N G



Private and Confidential

7th August 2019

Fiona Walling
Local Review Body
Scottish Borders Council
Council HQ
Newtown St Boswells
TD6 0SA

Appeal Ref. 19/00013/RREF

Dear Fiona

Erection of Three Holiday Lodges, Hallrule Farm – Local Review Body

We write in relation to the above proposal and your letter dated 17th July 2019. The project team (Client: Claire MacTaggart, Ray Licence Architects, Bright Light Marketing & FP) have all reviewed the matters raised and we will now respond to each matter in turn (appending supporting information where relevant).

Given this submission details financial and other sensitive information we would kindly request that it be kept private and confidential and for the aid of the Local Review Bodies decision making process only please. If any aspect requires to be made public we would request the related financial information provided be redacted.

In advance of the Members visit the Appellant will peg out the general location of each lodge within the valley for context.

Responding to each point raised in turn:

1. Utility Connections

As part of the original development appraisal it was clear to our Client that the site can be serviced appropriately in terms of utilities. Within Appendix 1 you will see a utility & sequential site plan which indicates where and how each of the utility connections would be provided to the site.

The plan shows the following sources being within close proximity of the subject site:

- A 3 Phase Electricity Connection Point
- A Private Water Borehole (owned and operated by the Appellant)
- BT and Highspeed Broadband and Satellite Options (Refer to appended BorderLink Connection Letter)
- Septic Tanks and Soakaway Drainage for each lodge
- Heating would be via Air Source Heat Pumps attached to each lodge

Main Office:

Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:

61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk



FERGUSON PLANNING



Electricity Supply

The electricity supply for the lodges will be subject to application to Scottish Power for a new supply to each lodge to be taken from the local high voltage network. Each lodge will be separately metred.

Water Supply

A survey and bore hole test has been carried out by Holequest Ltd and a report prepared confirming that sufficient water suitable for domestic use is available from an underground spring. The water has been quality tested and approved.

Waste Water Drainage

It is proposed that all waste water will be treated by individual sewage treatment plants with outfall piped to soakaway systems to each lodge. SEPA have confirmed that this is acceptable and porosity tests will be carried out at Building Warrant stage to confirm the areas of soakaway required.

Rainwater run off from the lodge roof will be minimised by the Sedum roof covering absorption and the surplus stored for use in flushing toilets in the lodges.

Lodge Heating

The lodges will be heated by either ground or air source heat pumps linked to underfloor heating pipes. The design of the lodges with large areas of south facing glazing and high levels of thermal insulation will minimise the need for high energy input for heating. In addition, all rooms will have a heat recovery ventilation system rather than extract fans.

Digital Connectivity

All lodges will have high speed broadband outlet points built into every habitable room, this is now a Building Control requirement for every home.

2. Sequential Site Selection

We would start by outlining that the Appellant provided a sequential site overview plan and commentary within the original submission (eg. refer to Planning Statement pg 13). The sequential plan with the original application marked up the use of the buildings within the farm steading and immediate fields.

To provide further clarity on the matter the Appellant has provided a plan which again denotes the use of each building within Appendix 1. We will also lodge by hard copy two larger A1 plans which indicate the buildings uses and utility connections which we hope will be of assistance in advance of the Members Site Visit.

As can be seen there are no buildings within the farm steading vacant and all are being used as part of the substantial farm operations.

The Planning and indeed the Appeal Statement also went into some detail as to the conflict between trying to operate a 5* Holiday Accommodation within and near to a farm steading in terms of overall ambience and residential amenity. The two do not fit well side by side in terms of form or function.

Main Office:

Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:

61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk



F E R G U S O N P L A N N I N G



The immediate fields are not only prime agricultural land they are more exposed in the landscape than the subject site. They are again an essential component of the operational farm at lambing/calving season as well as for livestock needing greater care (following illness for example). The steading and related buildings are fully occupied and all needed to service the farm which extends to well over 1,000 acres.

The other lands are not within the control of the Appellant and then one sequentially arrives at the subject site.

Members will see on the site visit that the entrance/track is largely already in place and the location of the lodges are hidden in the valley. The development area itself is of a very low quality in agricultural or landscape terms and used as an access track between fields. All environmental matters were reviewed during the application by statutory consultees and all found no objection to that proposed.

A similar case was made to the Local Review Body by Ferguson Planning for two bespoke holiday cottages on the hill at the Rink Farm near Galashiels. This proposal again, like that proposed, sought to raise the bar both in terms of design and type of holiday accommodation in the Scottish Borders. There are many strong and similar examples within the Highlands but little to none in the Scottish Borders.

If the tourism market is to grow in the Borders it needs to raise the number of 4-5* holiday Destinations available in order to compete and to ultimately attract more visitors to the region. Visitors demand the highest level of accommodation and comfort.

The Highlands has been leading the way for some time and again those 4-5* exemplars are often set within more remote or unique landscapes not in the middle of towns or operational farm steadings for example.

The Rink Hill is now nearing completion and of the highest standard. It already is in the running for architectural design awards. We are in no doubt that it will be an instant success and an all year round destination. One can visit their facebook page (Rink Hill – Tweed Valley) for further information.

The Appeal before you seeks to follow suit and grow the high end holiday lodge market in the Scottish Borders. There are slight differences in the style of accommodation and again will open up a new part of the market in that regard.

The following photographs illustrate the use of all farm buildings at Hallrule Farm, it demonstrates that all buildings are in use as part of the operational farm for livestock, storage of farm produce and machinery, farm administration or stabling for horses. All surrounding land local to the farm buildings is in use for livestock and needed for calving and lambing seasons.

Main Office:

Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:

61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk



FERGUSON
PLANNING



General View of Farm Operations & Livestock and Hay Sheds



Main Office:
Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:
61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk



FERGUSON
PLANNING



Livestock Sheds



Main Office:
Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:
61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk



FERGUSON
PLANNING



Main Office:
Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:
61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk



FERGUSON
PLANNING



Machinery and Parts Store (Next to Stables)



Stables / Administration Buildings (next to farmhouse)



Main Office:

Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:

61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk



FERGUSON
PLANNING



Lambing/Calving Fields (Prime Agricultural Land)



Main Office:
Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:
61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk



3. Rental & Occupancy Information

We understand Members are keen to learn a little more on the operational and in turn financial viability of the proposal. While the supporting Business and Tourism Reports originally provided the information the Appellant seeks to provide further clarity and update on the matter.

Attached within **Appendix 2** is an updated report from Bright Light Marketing tourist consultants together with the cross related Business Plan. A synopsis of the answers to questions raised is provided below

“Comparator figures for occupancy rates and rents for the Scottish Borders, together with projected occupancy rates and rents for the proposed accommodation subject to this review.”

Comparator figures for occupancy rates

VisitScotland do produce annual occupancy figures these are for the Scottish Borders but as they cover 1 to 5 Star accommodation collectively, and not break down each star rating for the region. VisitScotland do provide figures for 5-star occupancy across the whole of Scotland and also occupancy based on pricing. These are outlined below:

Scotland Accommodation Occupancy by Price in 2017 (VisitScotland)

Tariff	2017
Unknown	34.92%
Up to £299	41.37%
£300 to £499	42.82%
£500 to £799	52.29%
£800 or more	76.66%

Scotland Accommodation Occupancy by Star Rating in 2017 (VisitScotland)

Grading	2017 Occupancy %
1 Star	15.04%
2 Star	54.53%
3 Star	55.85%
4 Star	55.97%
5 Star	95.05%
Unclassified	45.93%

These figures clearly show that the higher the price that you charge and if you are 5 Star the higher the occupancy you will receive.

Main Office:
Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:
61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk



F E R G U S O N
P L A N N I N G



While it is appreciated that Members sought potential comparator information in the Scottish Borders at the level of accommodation proposed the response to that question is that it has proven difficult to do as they largely do not exist currently within the Scottish Borders or data is not available.

The Appellant has been in close dialogue with leading holiday letting agents Crabtree and Crabtree (Kelso) from the start of this project. When information in the Borders was sought by the Appellant the following reply was received:

Dear Claire

Thank you for your call. Given the lack of high quality holiday accommodation in the Scottish Borders in the style of the proposed lodges and in a similar exclusive location, I am afraid that we have not been able to produce any meaningful comparator properties.

Properties marketed by the likes of [Together Travel](#) (previously Natural Retreats) and [Stonehouses](#) will provide a better idea of achievable rates and occupancy.

We are constantly on the lookout for unique properties to meet the demand of the upper end of the self-catering holiday let market.

Please do not hesitate to put the planning team in touch if I can assist further.

Kind regards

Emma Crabtree

Crabtree & Crabtree
1 Bridge Street
Kelso
TD5 7HT

The Stonehouses accommodation in the remote area of Ullapool has been a source of inspiration for the Appellants. Again, when seeking to provide some useful context for Members the Appellant's got in touch with the owners.

We have provided their full response below and came as timely boost to the Appellants that this type of proposal is indeed a completely viable and profitable enterprise.

Main Office:

Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:

61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk



F E R G U S O N
P L A N N I N G



Dear Clare and David,

Thanks for phoning just now. The Stonehouses are 2 luxury, purpose built and unique holiday retreats that have been running since 2013 (when we opened our first property with our second property opening in 2014). Occupancy rates has far exceeded our expectations from the very first year, and I know that this is the same for other properties that are of similar quality (5 sat rated) and unique design both in rural and village settings.

Our occupancy rate in our first financial year was 87% and subsequent years the occupancy has been consistently above 95% - even while we have raise our rental rates. We are open throughout the year closing each property for only one week for an intensive maintenance period. Our view is that demand for such high end accommodation is far outstripping supply and that it attracts both domestic and international tourists to an area that they would not be likely to come to without such accommodation being available.

I do wish you the very best with your development and don't hesitate to contact us if you would like any other information that would be of assistance.



Best regards,

Gavin and Rachel Abnderson

Owners of the Stonehouses

The Stonehouses Ullapool

Unique luxury in the heart of the North West Highlands of Scotland

www.thestonehouses.co.uk

Main Office:

Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:

61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk



FERGUSON PLANNING



A comprehensive competitor audit was carried out as part of the Business Plan and this focused on similar accommodation in rural locations, below is a summary of the occupancy levels:

- **Croft 103 Durness** – 2018 occupancy was 82% at the time the competitor audit was carried out this is likely to be higher by the end of that year.
- **Knoydart Hide Mallaig** – estimated to be running at almost 100% occupancy.
- **Stonehouses Ullapool** – occupancy operates at 95% occupancy and they use the 5% down time to maintain the property.
- **Shepherds Cottage Cumbria** - A Corner of Eden, Kirby Stephen, in 2018 the occupancy was at almost 100% (pages 13-14).
- **Brockloch** Kikpatrick, Dumfries & Galloway – also on a farm occupancy for both properties in the 90% mark (pages 15 -16).

(Detailed content about each of these properties is in the accompanying tourism report pages 7 – 12).

PROJECTED OCCUPANCY RATES AND RENTS FOR HALLRULE

Please note these are based on a comprehensive business plan which included desk research looking at current and future trends in tourism and in particular self-catering and also a competitor audit of similar types of businesses across the UK.

PRICE AND OCCUPANCY - RECOMMENDATIONS AND UK PROJECTIONS

SEASONALITY AND LENGTH OF STAY

- Hallrule will be a 12 month tourism business – Especially if you communicate some of the key trends such as the 'Coorie in' for winter breaks.
- The Competitor Audit showed that in the UK the established model for top end 2 person properties is a 3 night weekend break - Friday to Sunday and a 4 night mid-week break - Monday to Thursday.
- The mid-week break is likely to appeal to a wider geographical market, the 2 to 3 hour radius and a wider age range of customers.
- Week long customers are much more likely to come from an even wider geographical area than the mid-week break.
- As Hallrule is a 12 month accessible product, we believe there is demand is all year round and there is no need to charge seasonal rates. A flat pricing structure provides clarity and consistency for customers and booking channels alike.

Main Office:

Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:

61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk



FERGUSON PLANNING



PRICE

- Following various research the Appellant is confident that their pricing structure is a realistic one. It is recommended that a charge out of £550 for the 3 night weekend break, £650 for the 4 night mid-week break and £1,200 for 7 nights.
- In year two this could rise to £1,250 for the week break.

OCCUPANCY

- Given the national 5 star self-catering averages for similar geographic locations and the occupancy levels of comparable properties in year one an occupancy level of 75% is more than achievable and this could be increased by 5% annually year on year to 90% in year three.
- Given the location and accessibility of Hallrule the potential for repeat visits is greater than for properties in more remote locations which is why we think a 5% annual increase is realistic.

Year One at £1,200 per week - 75% occupancy

Year Two - 44 weeks at £1,250 per week

Year Three - 47 weeks at £1,300 per week

Year One and Two - The short break prices are based on:
3 night weekend stay Friday, Saturday Sunday £550
4 night stay Monday to Thursday £650

Year Three - The short break prices are based on:
3 night weekend stay Friday, Saturday Sunday £575
4 night stay Monday to Thursday £675

Year One - Occupancy Projections

FULL CAPACITY	75%	80%	85%	90%	95%
All short breaks £1,200 x 52 weeks = £62,400	£46,800	£49,920	£53,040	£56,160	£59,280
All week £1,200 x 52 weeks = £52,000	£46,800	£49,920	£53,040	£56,160	£59,280
Combination average £1,200 x 52 = £62,400	£46,800	£49,920	£53,040	£56,160	£59,280

Year Two - Occupancy Projections

FULL CAPACITY	75%	80%	85%	90%	95%
All short breaks £1,200 x 52 weeks = £62,400	£46,800	£49,920	£53,040	£56,160	£59,280
All week £1,250 x 52 weeks = £65,000	£48,750	£52,000	£55,250	£58,500	£61,750
Combination average £1,225 x 52 = £63,700	£47,775	£50,960	£54,145	£57,330	£60,515

Main Office:
Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:
61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk



FERGUSON PLANNING



Year Three - Occupancy Projections

FULL CAPACITY	75%	80%	85%	90%	95%
All short breaks £1,250 x 52 weeks = £65,000	£48,750	£52,000	£55,250	£58,500	£61,750
All week £1,300 x 52 weeks = £67,600	£50,700	£54,080	£57,460	£60,840	£64,220
Combination average £1,275 x 52 = £66,300	£49,725	£53,040	£56,355	£59,670	£62,985

Conclusion

We hope that the additional information provided answers the questions sufficiently and that the wider Appeal package provides the clear justification in planning and in operational viability terms. There is a clear gap in the market in the Scottish Borders and this proposal seeks to address it.

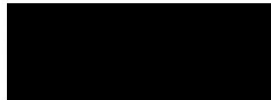
The concept is tried and tested in areas of high landscape quality such as the Highlands and Lake District and it is bringing the level or standard of holiday accommodation in the Borders up to that level and in order to attract that similar customer base. It will provide a timely boost to the local economy and with it many knock-on benefits for other businesses in the area.

The Appellant's have invested considerable time not only in the design but also in researching the proposal, taking advice from (national and local) tourism experts and in ensuring that it will be a complete success. They strive to provide a facility that will put the Borders on the map and ultimately something the Borders community can be proud of.

They have received numerous notes of support and interest in what they are seeking to do and again many plaudits received in the design approach taken.

For reasonings stated we kindly seek that the Local Review Body support the proposal currently under your consideration.

Yours Sincerely



Enc.

Main Office:

Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:

61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk



F E R G U S O N
P L A N N I N G



APPENDIX 1 : Utility & Sequential Plan (inc. broadband letter)

Note. 2 X A1 Hard Copies will be delivered to Council HQ

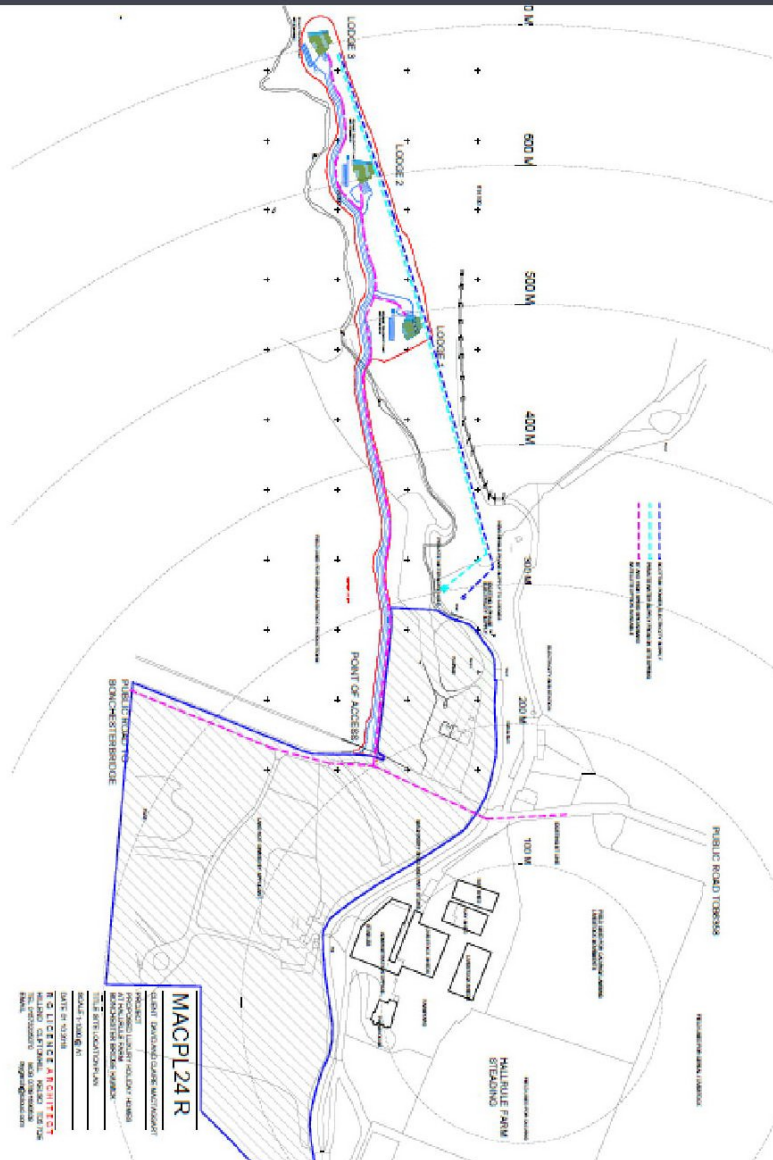
Main Office:
Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:
61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk



FERGUSON PLANNING



Main Office:
Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:
61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk



F E R G U S O N
P L A N N I N G



Borderlink Broadband Limited
Blackadder West
Duns
TD11 3LX
01361 413 333
support@borderlink.co.uk

1/8/2019

Hallrue Farm
Bonchester
TD9 8JF


Dear Mr McTaggart,

After our site survey and report from our engineers, we are pleased to announce that we can confirm we are able to provide yourself and the 3 new build properties with broadband speeds of 30mbit/s on our standard package, and 100mbit/s on our advanced/premium packages.

This is an exciting opportunity for us and we are delighted to be able to provide you with our superfast / ultrafast broadband service.

We look forward to hearing from you soon.

Kind regards,


Alex Cacciamani
Managing Director
Borderlink

BorderLink Broadband Limited, Blackadder West Farm, Duns, TD11 3LX
Company Registration No: 582522

Main Office:
Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:
61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk



F E R G U S O N
P L A N N I N G



APPENDIX 2: Tourism and Business Plan Addendum
(private under separate cover)

Main Office:
Shiel House
54 Island Street
Galashiels
TD1 1NU

NI Office:
61 Moyle Road
Ballycastle
Co. Antrim
N.Ireland BT54 6LG

T 01896 668 744
M 07960 003 358
E tim@fergusonplanning.co.uk
W www.fergusonplanning.co.uk

