

## APPENDIX 4 – Draft Full Viability Evidence

Applicants will be expected to produce the following information as part of a planning application for change of use from holiday accommodation to residential use within the defined Holiday Accommodation Areas. It is recommended that the viability evidence statement should be produced by a suitably qualified person who is able to provide an objective and informed assessment.

### 1) General Information:

Name of and address of Applicant including telephone and email
Name and address of property subject to this viability test
What is the nature of your controlling interest in the property, the land it sits on and any adjacent land or properties?
How long has the establishment been trading in its current or most recent form? Please provide dates.
Age and condition of the building
Approximate investment on refurbishment and maintenance to the property totalled for each year over the last 10 years

## 2) Trading Information

Number of trading weeks per year over the last 3 years
Total number of available bed spaces per year over the last 3 years
Total number of sleepers per year over the last 3 years
Please supply evidence of your marketing activity over the last 12 months together with what is planned for the next 12 months. This should include evidence of website entries; numbers of site hits; an understanding of how social media has been utilised to drive web traffic; copies of brochures, adverts and entries in accommodation guides. Where applicable, justification should be provided as to why various marketing methods have not been used.
Please supply a copy of your Business Plan. If you do not have one then, as a bare minimum, please provide a summary of your Business Activity and Target Markets over the last 12 months and what is planned for the next 12 months.

**3) Financial Information**

Audited Profit and Loss Account covering the previous three years.
<i>Abridged Accounts may be acceptable subject to agreement with the Development Management Team</i>
Net income from rooms
Net income from food and beverages
Any other net income generated from the business
Net achieved room rate
Trading profit before interest, tax, depreciation and amortisation
Breakdown of annual running costs for the business over the last 3 years including: wages, utilities, rates, food, beverage, additional guest services, administration costs, laundry, insurance, business to customer marketing, bank interest/charges, staff training and any other operating costs
Number of people employed including applicant and applicants family split full time and part time

#### **4) Business planning and performance against targets**

If no recent trading history exists, an annual business plan with cash flow projections is expected to be submitted, which could include (where applicable) a business plan used to secure a bank loan/financial investment and should also include the detailed running costs outlined above under the 'Financial Information' section. However, if a Business Plan does not exist then applicants should provide written justification as to why one has not been prepared.

#### **5) Details of the physical condition of the property**

Where the physical condition of the property is being used as a reason for impacting upon the future viability of the business, a surveyor's report incorporating the costs of repairs should be submitted. These costings should be competitive and where possible details of tradesman's quotes should be submitted.

#### **6) Commercial marketing of the business**

Evidence should be submitted that there has been a realistic attempt to sell the business normally over a minimum 18 month period. It is expected that the business should be marketed at a realistic and competitive price. The evidence should include:-

- Details of the agent used to market the business for sale, including whether they have any local or specialist expertise, and evidence of passive/ active marketing.
- Copies of advertising material to include sale particulars, website entries, brochures, etc,
- Details of dates advertised, records of responses received, what interest has been shown and why any offers have been rejected,
- Details of owners' brief to agent on the marketing of the business and agreed sale price.

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