



**Parc Pelenna, Neath Port Talbot  
Business Case**

for

Trivselhus UK Holdings Ltd

June 2024

DRAFT

Inspiring Built  
Environments

Viability in Planning  
Development Management  
Regeneration  
Planning Consultancy

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## 1. Introduction

Continuum have been instructed by Trivselhus UK Holdings Ltd (Applicant) to undertake a business case assessment of the proposed holiday resort at Parc Pelenna, Neath Port Talbot.

Estates Farm, also known as the Parc Pelenna development lies to the northeast of Neath, covering 108 acres of mainly wooded land with two large paddock areas. A single holiday lodge has been built on the site under a previous planning permission. The site is located close to Neath, mid-way between the Brecon Beacons and the Gower. The site is perfectly located for tourism accommodation and near many tourist attractions as well as existing sports and outdoor pursuits. The site has an existing planning permission for holiday lodges and will utilise the local countryside for walks, bridleways and cycleways. In addition, local businesses will benefit by supplying goods and services to the site and its occupiers. Parc Pelenna will add to and enhance the tourism offer within the area, which will help develop and sustain the tourism sector in Neath Port Talbot Borough.

*“Tourism perhaps more than any other industry relies upon the integrity of the natural environment. In Wales, beautiful landscapes and coastlines are the very foundation of tourism. Realising the potential of the environment will always be a key priority in the development of tourism”.* (Sustainable Tourism a Framework for Wales).

The proposed development at Parc Pelenna will provide a type of holiday accommodation unique to the area. The high-quality scheme will deliver 120 sustainable holiday lodges with a main hub building that includes a swimming pool and restaurant. Parc Pelenna will be an all-year-round holiday resort promoting existing businesses and tourist attractions, offering the holiday maker numerous recreational retreats whatever the weather.

The purpose of this report is to undertake a business case assessment of the proposed holiday resort in order to understand the economic benefits of the tourism scheme as well as outline the profitability / viability of the scheme. The report will first analyse the market factors in relation to the holiday resort. It will then explore the socio-economic benefits of the scheme and then finally assessed the estimated financial performance of the scheme.

The assessment of the profitability / viability of the scheme does not constitute a formal valuation and is exempt from regulations set out in the RICS Valuation Professional Standards (the Red Book) (2021). However, the assessment does follow the valuation approaches as outlined in the Red Book.

## 2. Confidentiality

This report is confidential to the Client, and their advisors. It has been prepared in accordance with Continuum's terms of engagement.

This report has been prepared on the basis that it will be made publicly available should our Client, require it to be as under our terms of engagement.

No party other than the Client is entitled to rely on this report for any purpose whatsoever and we accept no responsibility or liability to any other party other than the client in respect of the contents of this report. This report must not, save as expressly provided for in our terms of engagement, be recited or referred to in any document, or copied or made available (in whole or in part) to any other person without our express prior written consent.

This report should not be disclosed to any third parties under either the Freedom of Information Act 2000 (sections 41 and 43 (2)) or under the Environmental Information Regulations.

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### 3. Summary of Development Proposition

Estates Farm, also known as the Parc Pelenna development lies to the northeast of Neath, covering 108 acres of mainly wooded land with two large paddock areas. A single holiday lodge has been built on the site under a previous planning permission.

The proposed development consists of 120 holiday lodges, hub building that includes a restaurant and swimming pool, associated infrastructure and landscaping. The scheme will incorporate direct access to bridleways and cycle ways. The table below outlines the proposed development at the site:

Type	Beds	Units	M2	Sq ft	Total M2	Total Sq ft
Type A Lodge	2	41	92.9	1,000	3,808.9	40,999
Type B Lodge	3	14	125.5	1,351	1,757.0	18,912
Type C Lodge	3	8	120.5	1,297	964.0	10,376
Type D Lodge	3	40	125.5	1,351	5,020.0	54,035
Type E Lodge	4	17	149.7	1,611	2,544.9	27,393
Hub Building	N/A	1	980.0	10,549	980.0	10,549

**Appendix 1** outlines the masterplan of the proposed scheme.

The scheme is anticipated to be developed out for a holiday resort operator / investor to purchase and run. Each property is designed to be let to 4 to 8 occupants and will be finished and fitted out to achieve a 5-star Visit Wales rating.

Specialist holiday home developments such as Parc Pelenna are designed to be run for holiday letting and occupation all year round. These type of holiday developments help to reduce the amount of second home property owners in the local area, giving better facilities for holiday makers, a controlled environment where activities can take place and more importantly for the local community, reduce the number of second home buyers. It is widely acknowledged that the purchase of second homes increase local property prices and reduce the ability for local young people to own and in turn stay in their local community. Second Homes are usually only occupied for a few weeks a year and therefore do not benefit the local community or businesses.

The holiday lodges will be built to a minimum of EPC B rated, will incorporate the latest sustainable technologies and will have timber elevations. The lodges will be completed to a very high standard and will allow holiday makers to enjoy the lodges all-year-round.

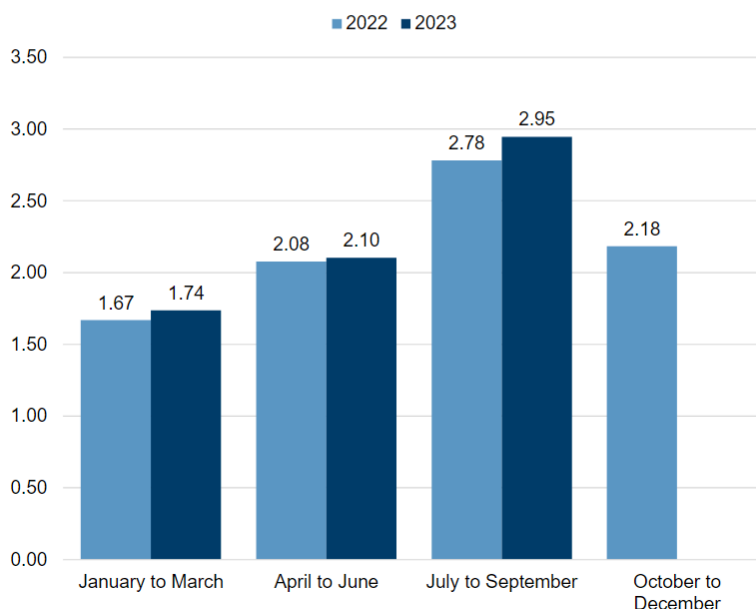
## 4. Market Factors

### 4.1 Evidence Demand

#### What evidence of demand do you have for your product or service?

The latest domestic tourism statistics (March 2024) outlined that Great Britain residents took 6.79 million overnight trips in Wales between January to September 2023, equating to 19.46 million nights during these trips. When comparing 2023 to 2022, 2023 has seen a growth in volume of trips to Wales as shown by the graph below:

**Figure 2: Volume of trips to Wales in millions by quarter of visit (January 2022 to September 2023, revised)**



Source: *Great Britain Tourism Survey and Domestic Tourism Statistics, 2024.*

In terms of January to September trips per year, 2023 saw a 4% increase when compared to 2022.

Domestic and overseas travel intentions in 2024 are relatively positive, with intentions to take a spring (April to June) and summer (July to September) holiday or short break are higher than in the equivalent period in 2023. With the UK Tourism Consumer Tracker Survey (Wales profile) finding that:

*“Financial barriers appear to be less dominant than a year ago – the proportion of UK residents ‘hit hard’ by the cost of living crisis, or ‘being cautious and careful’, are both declining. The prevalence of cut backs on UK and Wales spring/summer trips have also dropped since 2023 – for example, the proportion saying they are likely to ‘choose cheaper accommodation’ falling from 42% in 2023 to 32%.”*

The latest Tourism Barometer (2024) outlined that 2023 was quite a challenging year for the industry with one in four business (25%) having more visitors in 2023 compared to 2022 and 42% had the same level. One third (33%) had fewer.

In terms of more localised demand statistics, Neath Port Talbot had a total of 1.51 million tourism visits in 2019 (pre-Covid levels / latest data publicly available) which equates to 10.3% of all tourism visits to South West Wales. Of the 1.51 million tourism visitors about 0.36 million were staying visitors with 1.15 million day visitors. From 2010 to 2019 visitor days and visitor numbers (combining day trips and overnight stays) have both increased by more than 11% (Neath Port Talbot Destination Management Plan 2023-2028).

In terms of the visitor profiles, the Neath Port Talbot Visitor Survey in 2022 found that the main reason for visiting the area was to take part in outdoor or sporting activities (65%). The survey also found that 65% of visitors came from Wales, with 31% from England, 1% from Scotland and Northern Ireland and 3% from overseas.

The table below outlines the most recent bed stock survey (2022) for Neath Port Talbot:

**Table 1: Neath Port Talbot Bed Stock Survey Summary**

	Number of Individual Operators	Number of available bedrooms/ units/ pitches	Number of available bed spaces
<b>TOTAL</b>	<b>132</b>	<b>962</b>	<b>2887</b>
Serviced (Hotel/B&B)	31	615	1435
Self-catering (Cottage, Cabin/ House)	94	250	1028
Camping and Caravanning	7	97	424
<b>Breakdown by Area</b>			
Afan Valley	29	153	800
Port Talbot	27	304	782
Neath	24	300	685
Swansea Valley	30	119	328
Vale of Neath	12	55	201
Upper Amman Valley	6	17	65
Dulais Valley	4	14	26

Source: *Tourism Update Report, 2022.*

Overall, from the above statistics, there is a large demand for tourism in Neath Port Talbot, which appears to be on an upward trajectory and that the Welsh tourism industry appears to have recovered from both Covid-19 and cost of living effects on the industry.

The Neath Port Talbot Destination Management Plan 2023-2028 undertook a recent SWOT analysis of the tourism industry and found that there is a current lack of high-quality accommodation and limited private sector engagement. The Destination Management Plan's SWOT analysis found that key opportunities was for transformation impact of private sector investment, such as Wildfox Resort.

The proposed development at Parc Pelenna will provide a new type of holiday environment that is currently not available. The main competitor to Parc Pelenna will be the Wildfox Resort in Afan Valley which is currently under construction. The Wildfox Resort is a £400m adventure resort which will incorporate over 550 lodges, a hotel, apartment hotel, food and beverage offerings alongside supporting leisure facilities. Works commenced on site in 2023, with expectations for the resort to be completed by 2027. However, the lodges at Parc Pelenna will be of a higher quality and tailoring to a different market for those wanting to enjoy the outside, but in a more tranquil surrounding. Both Wildfox Resort and Parc Pelenna will complement each other, bringing more than one type of



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holiday maker to the area, as well as providing much needed higher quality tourism accommodation in Neath Port Talbot.

Overall, there is a strong demand for higher quality tourism accommodation in the area which the proposed scheme will seek to meet.

## 4.2 Main Competitors

### Who are your main competitors?

The current holiday park offering in Neath Port Talbot consists mainly of lower-quality accommodation that includes timber clad static caravans and lower-quality timber lodges. Examples include L&A Outdoor Centre, Riverside Holiday Park and Bryn Bettws. Although the proposed scheme at Parc Pelenna would compete with the current offering (as well as hotels and other self-catering accommodation), the proposed scheme would also attract different tourists who are seeking a higher quality more tranquil experience.

The majority of the tourism accommodation available are either hotels located in the larger towns or small self-catering accommodation and second homes. The proposed scheme offers a different type of accommodation to the majority of the hotel accommodation and would attract a different type of tourist, so the hotels are not a full direct competitor. In terms of the self-catering accommodation, these are more of a competitor in terms of location and type of accommodation provided, however, none of the nearby self-catering accommodation consist of a high-quality holiday park with supporting amenities such as a swimming pool. Again, the proposed scheme is likely to attract a wider pool of tourists compared to the surrounding self-catering accommodation.

Examples of average weekly prices for surrounding self-catering accommodation can be found in the table below:

Address	Beds	September Weekly Price
Norton Views by Afan Valley Escapes	3	£1,041
50 Castle Drive, Aberdulais, SA11 3UY, United Kingdom	2	£1,092
Afan Valley Holiday Home Mountain Biking & Hiking - Yr Hafan	3	£1,008
The Nest by Afan Valley Escapes	2	£947
Forest Loft by Afan Valley Escapes	2	£952

The estimated average rental values for the proposed scheme have been priced at a similar level as the above and shows the competitive nature of the scheme.

As stated earlier, the main competitor will be the Wildfox Resort which is seen to be a good addition to the tourism offering in the area. The Parc Pelenna scheme however is differentiating itself from Wildfox Resort by being of higher quality and tailoring to a different market for those wanting to enjoy the outside, but in a more tranquil surrounding.

## 4.3 Product Differentiation

**How is your product or service different from your competitors (quality, type of service, market etc.)?**

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As identified above, there are very few holiday parks of this scale, currently in operation in the Vale of Neath and the ones in operating are of low quality. The proposed development at Parc Pelenna will provide a new type of holiday environment that has strong ethos of high quality and sustainability. The holiday lodges will be built to a minimum of EPC 'B' rated and built as sustainable lodges. The lodges will have sympathetic timber elevations which will blend in with the local environment. The holiday lodges are also built to same specifications of a house and are therefore not seen as a temporary structure like normal timber holiday lodges or static caravan type homes. The main differential factor is therefore the high-quality lodges provided as well as a high quality design which blends in the natural environment.

The development is located adjacent to the National Cycle route 47 to the South of the site and route 46 lies to the North of the site. With the acknowledged increase in cycling activities in the area, the site is perfectly situated for cyclists, whether using Parc Pelenna as a base to explore the local area, or as an overnight stay en-route to other establishments. The existing cycling centre at Afan Forest can be accessed directly from Parc Pelenna across the countryside without the need of the cyclists to cross any main roads. This superior location will help differentiate the holiday park from other competitors and cycling is an area, as a business, Parc Pelenna wants to invest in.

#### 4.4 Tourism Strategies

##### How does your product or service link with national and regional tourism strategies?

The Welsh Government Priorities for the Visitor Economy 2020-2022 (Welcome to Wales) outlines the Welsh tourism vision for the future and provides clarity on the priorities for Visit Wales. The key ambition of the Welsh Government and Visit Wales is to grow tourism for the good of Wales through 4 goals:

- Economic growth that delivers benefits to people and places
- Environmental sustainability
- Social and cultural enrichments
- Health benefits



Source: *Welsh Government Priorities for the Visitor Economy 2020-2022.*

The Welsh Government priorities is to develop the tourism industry based on “*quality over quantity*”;

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*value over volume*". Key markets that the Government is seeking to expand is the staycation and international market. The priorities document identifies that the primary product gap in the Welsh tourism section is:

*"high-quality accommodation in many parts of Wales, so in line with our move to value over volume, we will work with current businesses to increase their occupancy levels and yield. We are looking for more than a basic bedroom – a place to stay should be a memorable and distinctive experience too.*

*We will also continue to focus on year-round products that help create the conditions for attracting and retaining a skilled workforce.*

*As well as expecting projects to deliver clear economic benefits, we will also expect them to contribute to sustainability and wellbeing by, for example, building in energy efficiency and accessible design from the outset."*

The Welsh Government also seeks integrated place-making, with development creating an iconic product that create destinations that reflect the distinctive character of places and provide the attractions, facilities and basic infrastructure that visitors look for.

The Parc Pelenna scheme links with the national strategies for tourism by seeking to deliver a high-quality luxury product, with *"quality over quantity; value over volume"*. The new development will help create economic growth but also ensure environmental sustainability, through high quality place-making, adoption of sustainable technologies such as PV panels and modern insulation technologies. The development will provide well-being facilities such as a swimming pool and bicycle hire and well help promote health benefits through new opportunities to enjoy outdoor leisure and promoting active lifestyles.

Parc Pelenna will be an all-year-round holiday resort promoting existing businesses and tourist attractions, offering the holiday maker numerous recreational retreats and activities whatever the weather. The offering is a unique and distinctive product which will help build on Neath Port Talbot's existing tourism infrastructure.

Sustainable Tourism a Framework for Wales states

*"Trend data suggests there is an increasing desire for a more authentic holiday experience and a greater interaction with local people and communities. Local cuisine, the desire to experience different cultures and to get off the beaten track, are becoming increasingly important factors in holiday choice."*

The sustainability model adopted by Parc Pelenna will help promote local businesses through promoting and delivery of locally produced food products to the marketing of local activities.

Neath Port Talbot Destination Management Plan (2023-2028) outlines the council's blueprint for how the council intends to sustain, grow and manage its visitor economy between 2023 and 2028. The Destination Management Plan identifies a number of weaknesses and opportunities which are as follows:

Weaknesses	Opportunities
Lack of high-quality accommodation.	Pipeline investment into catalyst projects.
Nearby competition (Gower and Brecon Beacons).	Potential to develop heritage and culture offer.
Limited resourcing of tourism function.	Create a vibrant events programme.
External perceptions of the area.	Integrate communities into visitor management plans.

The plan then identifies 6 strategic priorities which are as follows:

- Developing a distinctive responsible destination
- Transforming awareness and perception of the area
- Supporting thriving businesses and workforce
- Vibrant communities
- Promoting sustainable and active travel
- Working in partnership more effectively

The Neath Port Talbot, Recover, Reset, Renew – Corporate Plan 2022-2027 sets out a clear vision and direction of travel to assist recovery, specifically a move towards the ‘reset and renew’ phase with an emphasis on young people’s wellbeing, thriving communities, ensuring that the local environment, culture and heritage can be enjoyed by future generations and that local people are skilled and have access high quality, green jobs.

The Neath Port Talbot Local Development Plan (LDP) 2011-2026 acts as the overarching planning policy document for the county and sets out the planning policies and land use allocations that will shape the future of the county Borough area. The LDP vision states that:

*“The County Borough’s rural areas and valley communities will be supported and revitalised through encouragement of new and expanded economic activity through provision for sustainable small-scale employment, including tourism initiatives capitalising on existing successes such as the strategic tourism destinations at Margam Park and the Afan Valley”*

Parc Pelenna will offer a social interactive environment and accommodation of the highest quality promoting new sports and activities in a spectacular safe and controlled environment currently not available in the Vale of Neath. It will help build on the Destination Management Plan by helping increase overnight visitors in the area due to the high-quality design of the scheme and unique facilities drawing in a wider tourism base, especially the family market, pet friendly market and ‘work-and-play-cations’ market. The increase in overnight visitors will help increase tourism spend in the local economy. The development will provide fast reliable internet connectivity and build on growing environmental awareness through adopting sustainable technologies and enhance the natural environment.

#### 4.5 Price & Promotion

**Price & Promotion: Promotion, advertising and intended promotional activity with budget costs.**

To maintain an all-year-round business, a pricing and promotion strategy will be employed by Parc Pelenna. The main consumer market of the strategy will be the following:

- Families;
- Work-and-play-staycations;
- Pet friendly travel; and
- Cycling tourist.

Through work undertaken by leading tourism operator Landal Green Parks, it is estimated that once stabilised and established, the scheme would maintain occupancy levels of on average 76% through targeted marketing and utilising the latest booking system technology. Wales tourism accommodation occupancy surveys: July to September 2023 found that self-catering accommodation for businesses with more than 11 beds achieved

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occupancy levels of 91%. This data is during the peak season of July to September but shows the strong demand for this type of use.

Pricing per a long weekend and week has been researched in the local area and will be aimed at the top end of the market due to the facilities provided on site and high-quality scheme. Pricing per week will vary upon the season and the average price per week has been estimated by Landal Green Parks as follows once the facility is stabilised and established:

Type	Beds	AWR
A	2	£819
A Luxe	2	£884
B Luxe	3	£1,066
C	3	£921
D	3	£959
D Luxe	3	£1,125
E Luxe	4	£1,339
Total/Avg.	2-4	£1,012

The above average weekly prices are at a similar level to the surrounding self-catering accommodation and shows the development is competitively priced.

The latest booking system technology will allow prices to fluctuate depending on demand, season and website traffic.

Promotion pricing strategy will be utilised during certain times of the year, reducing the price by a percentage amount for a limited duration to increase sales and website traffic. To increase revisiting and brand loyalty, a promotional pricing tactic to reward revisiting by customers by a percentage discount will be utilised.

Parc Pelenna will also offer the opportunity to book and plan activities through the online booking system with other local outdoor pursuit companies, as well as link Parc Pelenna's website with these local companies own website to increase website traffic.

In terms of a budget cost for advertising and promotion activities, it is hard to estimate an exact number currently. However, the estimated stabilised operating costs of the facility is 40% of revenue which equates to £2,388,267. It is estimated that a marketing budget would range from £200,000 to £500,000 per annum.

## 5. Socio-Economic Benefits

### 5.1 Bed Space and Occupancy Rates

The average amount of bed spaces per lodge is 4 to 8. This gives a total estimated amount of bed spaces for the 120 holiday lodges of 672 (average of 5.6 per lodge).

Landal Green Parks have estimated the number of guests and guest nights for the facility once it has been stabilised and established. This takes into account the estimated average occupancy level of 76% and is shown in the table below:

Guest Mix	Avg./Week	Avg./Year	Total Year with Occupancy Levels
Couples (no. of guests)	164	8,528	6,536
Families (no. of guests)	384	19,968	15,251
Total Guests	548	28,496	21,787
Total Guest Nights	<b>3,836</b>	<b>199,472</b>	<b>152,509</b>

### 5.2 Visit Wales Rating and Sustainable Homes

The ethos of the scheme is to build out high quality, sustainable holiday lodges. Parc Pelenna expect to work closely with Visit Wales to ensure that the scheme is built and managed to the highest standard. Parc Pelenna will make sure that the scheme meets the highest rating in all three elements of the rating system:

1. Quality of the business;
2. Consistency in key areas of the business;
3. Facility requirements.

It is expected that Parc Pelenna will achieve the 5-star rating because of the high-quality build and fit out of the holiday lodges and by providing facilities such as the hub building which includes a swimming pool.

The holiday lodges will be built to a minimum of EPC B rated and adopt sustainable building technologies. To ensure this, the lodges will incorporate the latest insulation and heating technologies. Each property will have solar / PV heating and electricity generating capabilities.

### 5.3 Jobs Created

#### 5.3.1 Construction

By applying industry standard inputs and multipliers, Continuum have estimated the amount of FTE jobs created in the construction industry during the development of the scheme. Using the industry standard housing FTE direct construction jobs created of 1.2 FTE per dwelling, the total direct construction jobs created are 144. The total number of indirect jobs (FTE) has been estimated using a 0.6 multiplier and induced jobs (FTE) based on a 0.4 multiplier (incl. indirect jobs). These multipliers are based on the Scottish Government Supply, Use and Input-Output Tables (2021) and is adopted by the GLA for commercial developments. The total number of FTE indirect jobs created is therefore 86.4 and induced is 92.16. The total number of FTE construction jobs (direct, indirect and induced) created by the development is 322.56.

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The Gross Value Added (GVA) of the construction of the development has been estimated by multiplying the GVA per employee figure by the number of jobs created. The latest ONS average GVA per employee in Neath Port Talbot is estimated at £29,600 for 2021 (this is the most recent figure at the Local Authority level). Continuum have adjusted the 2021 figure to 2024 based on the GDP deflator which is the standard adjustment method. The 2024 adjusted figure is therefore £33,866 and therefore the total GVA of the construction of the development is £10,923,672.

#### 5.3.2 Holiday Park

The holiday park is estimated to create 26 direct FTE jobs on site, the table below outlines the jobs created:

Jobs	No. of FTE Jobs
Site Manager	1
Assistant Site Manager	2
Pool, lifeguards and Site Maintenance	3
Receptionist	2
Activities Coordinator	2
Cleaning	6
Gardener	2
Catering	8
<b>Total</b>	<b>26</b>

The total number of indirect jobs (FTE) has been estimated using a 0.6 multiplier and induced jobs (FTE) based on a 0.4 multiplier (incl. indirect jobs). The total number of FTE indirect jobs created is therefore 15.6 and induced is 16.64. The total number of FTE jobs created by the completed development is 58.24.

The Gross Value Added (GVA) per annum from the 58.24 FTE jobs is £1,972,330.

#### 5.4 Business Rates

Annual business rates have been estimated based on comparable self-catering accommodation in the area as well as estimation of the 2021 rental value of the facility. The Riverside Caravan Park has a rateable value of £146,700. Continuum would estimate a 2021 rental value of the facility of around £180,000 (10% of net income at 2021 levels). Continuum therefore estimate the rateable value for the 120-unit scheme at £180,000. By applying the Welsh 2023/24 multiplier of 0.512, the total estimated business rates for the holiday park is £92,160 per annum.

#### 5.5 Tourist Spend in the Local Area Per Annum

Per annum tourist spend in the local area was estimated using the Neath Port Talbot Destination Management Plan data which estimates staying visitors spend per trip at £395.97. Continuum have then multiplied this by the annual visitors per trip per annum of 21,787. This generates an estimated per annum tourist spend in the local area of £8,626,998.

### 5.6 Summary of Estimated Socio-Economic Benefits

The table below summaries the estimated expected benefit outputs the proposed scheme will achieve:

Expected Benefit	Figure
Holiday Lodges (incl. existing lodge)	120
Bed spaces (total)	672
% Occupancy rates	76%
Annual Visitors per trip p.a.	21,787
Visit Rates Rating – star	5-stars
Sustainable Homes	Minimum of EPC ‘B’ rated and sustainable building technologies
FTE Direct Jobs Created (direct indirect and induced)	322.56
Gross Value Added of Construction	£10,923,672
FTE Jobs Created by Holiday Park (direct indirect and induced)	58.24
Gross Value Added of Holiday Park p.a.	£1,972,330
Est. Business Rates p.a.	£92,160
Est. Tourist Spend in the Local Area p.a.	£8,626,998

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Continuum have estimated the total RevPAR (gross rent times average occupancy level) for the scheme based on input from a holiday home operator, Landal Green Parks. In order to estimate the investment value, Continuum have assumed a stabilised rental value position. Continuum's assumed average rent per week, occupancy level, RevPAR and total annual rent are shown in the table below:

Type	Units	AWR	Occupancy	RevPAR	Total P.A.
A	24	£819	73%	£598	£746,142
A Luxe	17	£884	83%	£734	£648,608
B Luxe	14	£1,066	79%	£842	£613,078
C	8	£921	73%	£672	£279,689
D	20	£959	73%	£700	£728,073
D Luxe	20	£1,125	79%	£889	£924,300
E Luxe	17	£1,339	73%	£977	£864,083
<b>Total/Avg.</b>	<b>120</b>	<b>1,012</b>	<b>76%</b>	<b>£770</b>	<b>£4,803,974</b>

The total gross RevPAR income once the holiday park has stabilised is £4,803,974 which equates to £31.66 per sq ft.

Continuum have then estimated the additional income generated from the holiday park based on input again from Landal Green Parks UK. The table below outlines the average income generated:

Other (Spend)	Income	% of Total Spend	Spend/Head/Night			Total Gross Income based on 152,509 Guest Nights
			Low	High	Avg.	
F&B		65-70%	£3.0	£6.0	£4.5	£686,291
Gym (incl. Local membership)		5-10%	£0.5	£1.0	£0.8	£114,382
Activities		5-10%	£0.4	£1.0	£0.7	£106,756
Spa (incl. local day guests)		10-15%	£0.7	£1.3	£1.0	£152,509
Retail		3-5%	£0.4	£1.0	£0.7	£106,756
<b>Total</b>		<b>100%</b>	<b>£5.0</b>	<b>£10.3</b>	<b>£7.7</b>	<b>£1,166,694</b>

The total gross income generated from the holiday park is £5,970,668.

Continuum have then estimated the total operating cost at 40% of gross income based on their market knowledge. This accounts for all running costs associated with the holiday park. The total net income is therefore £3,582,401.

Continuum have then capitalised the net income by a net initial yield. The Knight Frank prime yield guide estimated regional budget hotels yields at 5.25%, prime leisure parks at 8% and good secondary leisure parks at

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9%. Taking into consideration the scheme will be a type of leisure park and that it will be a high-quality new build park, Continuum have utilised an 8% yield in their assessment of value.

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## 6. Conclusion

The Parc Pelenna scheme will provide 120 high-quality sustainable holiday lodges with supporting amenities (e.g. swimming pool and restaurant). The proposition will provide a new type of holiday experience that will be unique to the area and help improve the overall tourism offer in Neath Port Talbot.

The business case shows that the proposed scheme has limited competitors and that there is a high demand for this type of accommodation, due to it currently not existing in the marketplace. The business case also shows that the proposed scheme aligns with the Welsh Government and Neath Port Talbot's strategic aspirations for the tourism industry by:

- Providing *"quality over quantity; value over volume"*
- Creating economic growth but also ensuring environmental sustainability
- Providing well-being facilities such as a swimming pool and bicycle hire
- Promoting health benefits through new opportunities to enjoy outdoor leisure and promoting active lifestyles.
- Providing an all-year-round holiday offer
- Promoting local businesses

The Parc Pelenna scheme has been estimated to create the following socio-economic benefits, which highlights why the scheme should be given a planning consent:

<b>% Occupancy rates</b>	<b>76%</b>
Annual Visitors per trip p.a.	21,787
Visit Rates Rating – star	5-stars
Sustainable Homes	Minimum of EPC 'B' rated and sustainable building technologies
FTE Direct Jobs Created (direct indirect and induced)	322.56
Gross Value Added of Construction	£10,923,672
FTE Jobs Created by Holiday Park (direct indirect and induced)	58.24
Gross Value Added of Holiday Park p.a.	£1,972,330
Est. Business Rates p.a.	£92,160
Est. Tourist Spend in the Local Area p.a.	£8,626,998

Finally, the business case shows that the project has an estimated strong financial performance and is a viable proposition. With the appraisal assessment of the scheme showing that it generates a competitive land value and profit margin.