



APPENDIX 3

ASSESSMENT OF CARTER JONAS REPORT DATED 7 MARCH 2019

WA/2018/0408 Georgian Hotel, Haslemere

We strongly object to and disagree with the points made in the letter from Carter Jonas on behalf of the applicants to Waverley Development Control dated 7th March 2019.

We see this as a thinly veiled attempt by two self-described property developers (LinkedIn C.V.s) to run the hotel down in order to demonstrate lack of viability. Through this ploy, they are looking to obtain partial change of use to residential and to profit thereby from the development value uplift. Since the acquisition of the hotel from the administrators of Hollybourne Hotels, there has never been stewardship by an experienced, committed or professional hotelier.

Policy LT2 was clearly designed to prevent this type of abuse and to stop diverse, important and attractive town centre commercial operations being turned into a monoculture of residential accommodation. The preamble to LT2 specifically references this. Furthermore, the proposed substantial reduction in parking provision, being 'visitor related facilities' (LT2) and associated with the Georgian is also contrary to the policy LT2, 'The council will seek to retain visitor-related facilities'. This is not addressed by Carter Jonas.

The aggressively self-serving submission by Carter Jonas in their letter of 7th March 2019 on behalf of the applicant attempts to justify their fulfilment of policy LT2. In their section A, 'Marketing Campaign and the Discharge of Policy LT2', they argue this justification on the grounds, inter alia, that the property was marketed extensively by the administrator prior to its acquisition by Lannister House. This process having taken place then, absolutely does not prove that the 43-room 3* hotel was not viable in the hands of a competent hotel operator. Rather, it indicates that Lannister House probably overpaid for the business in the speculative hope that they would gain permission for partial residential development. Whilst the property was marketed, the administrators have confirmed there were 20 or so offers. The offer accepted was said to be best for the creditors, not necessarily best for the town. Due to confidentiality, the administrator is not prepared to confirm in writing offers from other hoteliers. Therefore, in order to prove that no hotel operator would be able to make the enterprise viable, we consider it essential that it be marketed now with details being available to the Council to determine whether any bids could be received to run the hotel as a 43-room business. Only this action would fulfil the requirements of policy LT2.



The viability report from Fleurets referred to by Carter Jonas and produced under the instruction of the applicants, fails to give due weight to the fact that the existing hotel management was, from the very start, far from experienced and according to many recent customer reviews of the hotel, far from competent. Neither did the hotel benefit from being part of a group with the attendant economies of scale and operation. It is therefore unsurprising that it is claimed that the hotel was not profitable, either under Lionhouse Hotels or subsequently, under Lannister House, both operating with the same management.

Carter Jonas references 410 new hotel rooms coming to the market in the local area. This is to try to justify, as a distraction from the main hotel viability question, the removal of the 31 rooms in the Georgian extension. We absolutely dispute this figure as it includes rooms as far afield as Guildford, Woking and beyond, which by no stretch of the imagination are local or even within the borough. Furthermore, there is no acknowledgement of the significant growth in the hotel accommodation market generally, nor of the substantial refurbishment and expansion of several local hotels (Station, Punch Bowl, Frensham Ponds, and Lythe Hill hotels), which is indicative of strong local demand confirmed by the Surrey Hotel Futures Report 2015 commissioned by SCC, but not referred to.

PART B EXCEPTIONS TO LT2

- The proposal does 'offend' LT2. It removes, without justification, 31 hotel rooms and denies the facility of lower priced rooms for people who require that level of accommodation as against the 5* accommodation proposed at Lythe Hill hotel. Limiting capacity to only 12 rooms is a further unacceptable restriction.
- Suggesting a £500,00 benefit is a completely unsubstantiated statement.
- The statement regarding job generation defies logic. The benefits to the local community from a 12 room hotel will only be a fraction of the benefits from a 43 room hotel.
- More staff are required to service the 43 roomed hotel – it cannot be claimed that a small 12 roomed hotel so will employ so many.
- It is understood that the Red Book is an RICS valuation. A higher Red Book valuation mentioned by Carter Jonas could indicate the hotel has potential to perform better than suggested by Fleurets and Adams Integra reports that appear to only allow for restaurant and bar seats and not for the 120 function room seats.
- Currently contractors use the hotel because it is cheap due to its very run down state. Refurbishment will allow higher room rates to be charged resulting in higher profit and different clients interacting with the local economy and 'contractors' staying in other locations such as Aldershot where many working in Haslemere currently stay. Also without doubt the additional numbers of guests possible with 43 rooms will spend more money than guests from only 12 rooms.



- The occupancy of rooms at other local pubs and hotels will indicate the demand and this centre town hotel with its character and appeal would not be able to benefit from peak demand times with only 12 rooms.
- Upgrading the listed building is long overdue after being run down for a long time – and since 2015 by the current ownership.
- There is no clear and eloquent explanation given. The Cirrus model provides a small number of rooms, a pub and restaurant able to seat 100 requiring a large number of parking spaces (see typical parking provisions below) similar to Fullers pubs and Uptons Station hotel, The Mill at Shottermill, Swan at Chiddingfold etc. A Cirrus type facility would require all the existing 45 parking spaces at the Georgian to be commercially viable but only 12 are left if the residential development is carried out. The adjacent public car park is regularly day and evenings used to full capacity and demand will increase due to the population expansion and two further town centre restaurants due to open. Cirrus cannot thus rely on clients using public car parks and this poses a serious question over the commercial viability of their proposed venture and the future of the hotel under that model. Will Cirrus sign a contract?
- There is nothing incongruous in a hotel providing lower and higher priced rooms – such choice is good and would enable the hotel to provide alternatives for visitors. The reference to low quality and poorly performing is in fact a reflection on the poor and inadequate management of the hotel by the owners since 2015. (see visitors' comments in the appendix). The construction of the 32 roomed annex would have been carried out because of the inadequacy of the original lower number of rooms in the old building and to increase profits. The repurchase of the hotel from administrators in 2017 was made with the full knowledge of its run down condition and need for refurbishment and experienced management. **This is a material consideration.** Sadly the repurchase was made in order to profit from residential development.
- The hotel is still receiving visitors even in its run down state with many promising to coming back after refurbishment. The hotel has an established business in a prime location which should prosper after refurbishment and under experienced hotel management.
- Cirrus, a pub with rooms specialist, have been invited to participate since the application was first made to try to address the lack of management experience instead of engaging with an experienced hotel management company who would require more than 12 rooms to manage and thus preclude the residential development of the annex. Engaging with Cirrus would still allow the applicant to carry out this residential development.



PART C MATERIAL CONSIDERATIONS

- The five year housing allocation has been met and there is no “high demand”.
- The 19 housing units allocated to this site within the curtilage of a listed building would never have been proposed in the draft LPP2, which is unapproved, if this application had not been made in early 2018. The proposal in the draft LPP2 has been challenged because it is counter to the policy of preserving the character of this unique historic and listed building and its setting within the designated conservation area. There is the possibility of this allocation being removed from an approved LPP2.
- It is preposterous and wrong to suggest that a three storey block of 3 storey town houses would be an appropriate scale, bulk, mass design to place in the curtilage of a listed building (**Policy HE3 applies and is relevant here**) and that it would not result in material harm to neighbouring property. We do not consider creating residences, flats and town houses, so close to a pub and restaurant/function room with an open terrace, noise and music, will provide the standard of residential accommodation per WBC policy.
- The tree officer considers that the proposals will be detrimental.
- As the local Civic Society we profoundly disagree with the HBO that the three town houses would not be detrimental to the setting and surrounding listed buildings. (refer to the appeal inspector’s decision in 1999 re proposed building adjacent Tudor Cottage.)
- We have no objection to the proposed alterations to the rear elevation of the hotel and agree that the upgrading and refurbishment will help to preserve the hotel, subject to the HBO’s detailed assessment of the proposals.
- The removal of part of the lawn area and replacement with car parking for the proposed residential conversion of the annex would not “preserve the special interest and setting of the listed building” contrary to Carter Jonas’s claim.
- Similarly to suggest that these proposals “would satisfactorily preserve the listed building and its setting and features of special architectural or historic interest in accordance with Section 66 of the Listed Building and Conservation Area Act 1990 is plainly wrong.
- The policy of LT2 has not been complied with because relative to the proposed removal of 31 hotel rooms and the proposed change of use it has not been demonstrated that the existing 43 room hotel cannot be made viable. It has not been acknowledged that the absence of any material upgrading of the hotel and inadequate management since 2015, and before has been the cause of its current low profitability.



- Also the evidence submitted has failed to consider or recognise the strength of the local hotel market as evidenced by other hotel operators' confidence demonstrated by upgrading and extensions and the potential business to be derived from the hotel's Prime Position and Haslemere's Gateway location to the recently created South Downs National Park. Also the requirement for a hotel larger than 12 rooms to service the local economy of the town has not been addressed by the submitted evidence.
- The proposals conflict with town centre conservation area objectives, listed building settings and the Haslemere Design Statement's requirement to preserve and create green space in the urban area. The proposals are in conflict with the limited public parking provisions in the town centre.

It is our view that this proposed model of 12 hotel rooms, which Adams Integra report refers to as having 40 restaurant covers and 25 bar covers will simply not work with the provision of only 12 associated car parking spaces. Furthermore, we are told the restaurant area proposed will be available for functions as at present. It already caters for up to 158, or 120 seated, according to their web site and is due to be extended. The Georgian has always been a popular venue for private functions being in such a central location in the town. In all cases within Haslemere where there is a pub, there are significantly more than 12 private parking spaces available for patrons.

The above are our comments on the list of speculative, spurious and subjective comments made by Carter Jonas and as further evidence we offer the following local examples of pubs and pub/restaurants with rooms and their private parking provision and which with the exception of the Lythe Hill Hotel do not have a facility for large functions:

Local town centre Pubs/restaurants

White Horse, Haslemere
 The Swan, Haslemere
 Mill Tavern, Haslemere
 Royal Anchor, Liphook

Car Parking

22 spaces
 20 spaces
 38 spaces
 48 spaces

Local town pubs/restaurant with rooms/hotels

Georgian House, Haslemere, 43 rooms
 Station House, Haslemere, 8 rooms
 Punch Bowl, Hindhead, 32 rooms
 Swan Inn, Chiddingfold, 11 rooms

45 spaces
 35 spaces
 59 spaces
 35 spaces



Nearby country pubs and pubs/restaurants with rooms /hotels

Lythe Hill hotel, Haslemere, 46 rooms	60+ spaces
Links, Liphook	49 spaces
Deers Hut, Liphook	82 spaces
Bell & Dragon, Churt, 18 rooms	52 spaces
The Welldiggers, Petworth, 14 rooms (A Cirrus pub)	40 spaces
White Horse, Chilgrove, 15 rooms (A Cirrus Pub)	45 spaces

Contrast these with pub/restaurant/function room model proposed

Georgian Hotel, Haslemere, 12 rooms	12 spaces
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Given the nature of the pub/restaurant/hotel business, it is our contention that a boutique hotel, bar and restaurant with over 100 covers will not survive without adequate private parking facilities for its guests. We contend that 12 spaces are totally inadequate. This really undermines the whole basis for and justification of the planning application and calls into question the objectivity of the reports produced for the applicants and the level of analysis undertaken by the co-opted experts.

Under paragraph C of Carter Jonas's letter, 'Material Considerations', we see again, a whole series of subjective and self-serving observations that seek to justify the encroachment of unwarranted development on this cherished and iconic listed building and on its neighbours in their current unsullied setting of the conservation area. An example of such an observation is 'that the proposed development would not result in material harm to neighbouring residential amenity'. The inclusion of 3 new three-storey town houses on the boundary of the property, well within the conservation area, adjacent to and overshadowing Tudor Cottage and the Greensands Way public footpath, calls into question the judgement behind this observation. A further point references the supply of new housing and yet we know that the borough already has sufficient provision to meet its 5-year housing targets. These observations are acknowledged to be the opinions of Carter Jonas, acting for the applicant. They are highly contentious and are so obviously biased and one-sided as to discredit themselves by their inclusion. As such, they should be discounted.

In the attempt to justify the grant of permission for development, Carter Jonas and Fleurets both support the concept of the 12-room boutique hotel and restaurant model for the Georgian.



There is no effort to identify the segmentation of the hotel market or to analyse the demand for and provision of different standards of hotel accommodation within the locality. This is a severe shortcoming in both submissions when analysing compliance with LT2 and undermines the credibility of both reports. Given the recent grant of permission for the massive expansion of the 5* destination hotel concept for Lythe Hill nearby, there will be an abundance of 5* accommodation locally. This would undoubtedly prove problematic for a new boutique Georgian business model and could itself jeopardise the economic viability of the proposed scheme. At the same time, the removal of the existing 43 rooms of a 3* standard would severely disadvantage visitors with more limited budgets as well as itinerant business people seeking accommodation of a modest standard. There are recent instances when the room booking at the hotel was near to full even in its run down condition illustrating the potential level of demand for its 3* accommodation.

An acceptance by WBC of such an arrangement, potentially reducing the provision of accommodation appropriate for the less affluent traveller, runs not only counter to the provisions of policy LT2 when considering segmentation within the hotel market but would also be seen as elitist, discriminatory and contrary to the fundamental values of Waverley Borough Council.

For all the above reasons, we urge the Planning Committee to discount the content of the Carter Jonas letter of 7th March and to refuse the application.

