



17 January 2018

Planning Department,  
Waverley Borough Council,  
The Burys,  
GODALMING. BY EMAIL

Dear Sirs,

Application 2018/0408

The Georgian Hotel, Haslemere.

Following our reading of the recent viability report by Fleurets we write to indicate our observations on this and the matters it raises. We are concerned should this document be used in formulating a decision on this planning application.

The document is biased towards the objective of proving that a reduction from 43 rooms to only 12 is viable based on the past performance of the hotel in order to facilitate an approval to the removal of 31 rooms from this essential hotel facility to Haslemere (ie a change of use). Given that the report has been commissioned and paid for by the Applicant this is not surprising.

A comprehensive report should have also considered the viability of the hotel with its present number of 43 rooms given its value as a town asset necessary to support the local economy which has little local employment. No evidence has been submitted to show that the existing 43 room hotel cannot be adequately profitable. Indeed, using the PWC & STR Provincial UK Hotels Forecast figures for average daily rates, revenue per available room and occupancy rates provided by Fleurets. It would appear that under competent management, the Georgian House Hotel could easily become profitable based on 43 rooms. The problems around hotel viability arise when room numbers are small, management is spread too thinly and economies of scale are not available.



The development of tourism is an acknowledged objective of WBC to enhance the local economy as well as the additional local trade that a local hotel produces.

The stated brief *'does the new pipeline of hotel stock into the catchment area exceed the number of rooms being lost ?'* is not a relevant question. More appropriately *'does the pipeline meet the projected hotel room requirements of Haslemere?'* should also have been addressed.

To consider an area of 12.5 miles (20 km) radius of Haslemere which includes such distant and well provided areas as Guildford, Aldershot, Petersfield and Billingshurst seems too large an area. By contrast Haslemere is a 'relative desert' in terms of hotel provision. Considering an area of 10km radius km radius would have been more appropriate we feel.

In considering the possible future demand for hotel rooms reference should have been made to the fact that Haslemere is acknowledged as a 'gateway town' to the South Downs National Park. There is no mention of the importance to hotel business of the SDNP.

Proximity of the Georgian House Hotel to the main line station means that long distance visitors without a car can easily access this hotel accommodation and support the economy of the town centre. The Georgian Hotel would provide a different offering than the Lythe Hill Hotel which is also located outside the town.

The value of the social benefit of the Georgian Hotel to the town has been completely neglected in the analysis.

Considerable weight is given in the report to the poor past performance of The Georgian Hotel in terms of occupancy and room rates achieved (revpar). Since the additional 31 rooms were added to the hotel in 2001 there has been little if any attention paid to refurbishment or upgrading of rooms and the hotel generally throughout the Hollybourne and subsequent ownerships. The report acknowledges that these rates and the sales of food and drinks have been poor for this affluent town. The very clear conclusion that can be drawn from this is that the past hotel management has failed to keep the hotel attractive and has been the cause of the hotel's demise at the two times it was put into administration. Cirrus has indicated the necessity of upgrading hotel rooms every five years.



This necessity to regularly update and increase accommodation is borne out by significant refurbishment and expansion of facilities at the following hotels – (all with more than 12 rooms) :-

Bishops Table Farnham

Frensham Pond Hotel

Manor House Hotel, Godalming

Legacy Hoggs Back Hotel

Holiday Inn and Gorse Hill Hotels, Woking.

Newlands Corner Hotel (formerly a Hollybourne asset)

Old Thorns Hotel, Liphook

Lythe Hill Hotel

Station House Hotel

Only hotels of a high standard, whether 2,3 or 4 star rating, will be well patronised and be profitable  
All the above hotels have many more than 12 rooms.

The Society considers that it is essential to properly assess the future level of demand/prospects for the refurbished 43 room hotel in Haslemere and not to only consider a reduction to 12rooms in order to facilitate the conversion of the 31 room block at the rear and the removal of existing car parking spaces into a profitable residential development.

The Surrey Hotel Futures 2015 Study by Hotel Solutions and commissioned by Surrey CC indicates an increasing demand for hotels in this area and it suggests measures that local authorities should take to ensure the retention of existing hotel facilities threatened with change of use applications and to facilitate the construction of new hotels. There are relevant conditions in the existing Local Plan and the New /Draft Local Plan LPP1 &2 to which we have referred in previous correspondence.

Attention is also drawn to the South Downs Visitor Accommodation Review carried out by Hotel Solutions for the South Downs National Park. This refers to a 5km buffer zone around the SDNP, in which Haslemere lies, as having an important role as a gateway to the National Park. Haslemere station is noted as a Gateway Station.

The Review indicates that in the summer months hotels are at full capacity with business being turned away but to meet the needs of accommodation providers, they should focus on boosting off peak demand in terms of additional business in spring, autumn and winter, especially during the week.



It seems to us that the Georgian House Hotel has had inexperienced management, lack of investment and ineffective operation of the bar and restaurant in order to justify a change of use and to access a development gain. This building is an important asset of the community and from the figures provided by Fleurets, we believe that under responsible ownership and capable stewardship, it can be returned to profitability. As justification of this statement, we would offer the following evidence:-

If we accept the figures from the Fleurets report for average provincial UK hotels forecast (PWC UK Hotel Forecasts & STR, page 6 of the report), using the number of rooms, average occupancy, average daily rates and under competent management, this hotel should generate annualised accommodation revenues of £876,000 (compared to assumed actual of £545,000). This does not take account of associated additional bar and restaurant sales. The additional £330,000 of income from 43-room accommodation (and excluding contribution from the bar and restaurant) would have relatively little additional marginal cost and so would migrate to the bottom line, thus massively increasing the profits of the hotel. Using average provincial UK hotel figures will likely understate the income from accommodation in the South East (compared to the UK as a whole) and in an affluent (as opposed to average) town, meaning that this extrapolation of the Fleurets figures is likely to be conservative.

We would also point out that although Fleurets have gone to some lengths in an (unconvincing) attempt to justify their view of the lack of viability of a 43-room operating model, they offer no evidence to justify their conclusion that a 12-room model would be viable.

The Society in the interests of the town does not want to see the Georgian reduced to 12 rooms and not fulfil the economic and social requirements of the town nor to experience the proposed reduction in hotel parking at the Georgian.

It is believed that the hotel was bought with the intention of getting a change of use of the rear block approved for residential development purposes. The administrator when Lannister House acquired the hotel was bound to accept the highest offer without any regard to the intentions of the purchaser. It is suggested that the hotel is openly marketed for purely hotel use to determine whether there is an experienced hotel operator willing to make the 43 bedroom hotel work profitably. This would require the appointment of an independent agent to market the property with all offers disclosed to WBC and if a genuine offer was received this would indicate the viability of a 43 room hotel and that there was no reason to grant a change of use for the 31 rooms in the rear block. This would also test the claim that there was only one offer to buy this character hotel in the centre of Haslemere.



**To Conclude** – The above observations are noted to demonstrate that if for almost 20 years The Georgian Hotel had not been poorly run without any significant expenditure to keep it in a state attractive to visitors it probably would not have gone into administration twice and could have been a very profitable business and warrants serious consideration being given to its continuance as a refurbished 43 room hotel. Other hotels in the area have undergone or are having significant refurbishment and extensions indicating that other hotel groups are confident about future business which is further bolstered by the relatively new South Downs National Park – aspects not addressed by the submitted viability report. To summarily decide to reduce its size from 43 to 12 rooms without justification and further consideration would incur the loss of an important facility in Haslemere and a contributor to the local economy. This would also be contrary to stated WBC Policies.

Yours faithfully,

John Greer (Vice Chairman, The Haslemere Society)