



Friday, March 18th, 2011

Dear Kieran,

In response to our discussion regarding demand for lodges in our North of England region, whilst it's difficult to put a figure to demand as this would mean recording every single enquiry that comes into the business, I can however tell you the year on year performance of the region for 2010 and current levels for 2011.

Market Demand

2010 Bookings (Versus 2009)
North of England 6.73% up

(n.b. The above figures are in comparison to a 35% record year in 2009)

Our latest web stats show that within the last 28 days there was 12,336 days searched for in the North of England, with only 1021 units of accommodation on the system. Narrowed down further to the Yorkshire Moors and Coast we can see that 2,407 days were searched for, with just 384 units available, clearly showing an imbalance in demand out weighing supply.

As you can see by the above figures there's been a massive increase in demand from 2009 onwards, with the only restricting feature being product type hindering performance. The very fact with such an influx of new customers in 2009, meant we've expanded our database by nearly 50%, giving us a whole new audience to target. The type of audience added is far more 'high end', and as such all luxury lodge accommodation is in high demand. In fact it could be argued that the 2010 percentage figures could be much greater if we were to have a suitable number this high end product to satisfy demand, as many dates throughout this year have been fully booked.

Market Supply

As I've said before, we suffer from a real shortage in demand in luxury lodges, especially with hot tubs, across the UK especially in the North of England; in fact this is one our key development areas. With a huge catchment area within a 3hr drive time Ladycross Plantation is perfectly placed to take advantage of this influx in demand.

I hope this helps paint a picture of the case of supply and demand that we are seeing in our portfolio. I'm confident if the lodges are of a similar standard to the plans you have relayed to me they will be perfectly positioned to be a huge success within our portfolio and a firm favourite with our customers.

Yours Sincerely

Robbie Davies
Business Development Manager, Lodges, Parks & Apartments

0000 / 2011 / 0 / 1 / 1 / PR 21

Hoseasons

Tuesday, 12 April 2011

Re: Ladycross Plantation Lodge Development

Dear Kieran,

Many thanks for your recent dialogue regarding the development of lodges on your Ladycross Plantation site, near Whitby. As we have discussed, there is an unprecedented demand within the UK tourism industry for such developments.

This is an area of the market which I am sure you are aware of is extremely buoyant at present. The holiday market in the UK has been changing and more so over the last 18 months than ever before. The demand for high specification accommodation, in superb locations up and down the country, has reached an all time high and many existing operators are now seeing the benefits of expanding their luxury developments in terms of more units and better returns on investment and of course the ability to attract a new, younger more affluent audience to holidays right here in the UK.

The traditional UK holiday season of Easter to the end of October is now becoming something of a thing of the past and it is evident of late that more quality accommodation is now beginning to come onto the market suitable for all year round breaks and in particular a huge increase in 3 and 4 night short breaks. This also provides a superb boost for local tourism as visitors are now taking holidays at times of the year traditionally not as popular as the main summer school holiday weeks.

The North Yorkshire Moors has been a popular destination for Hoseasons visitors for many years, in fact traditionally one could argue, the most popular across the UK! As the market has undoubtedly moved and customer expectations have also shifted, we now find ourselves with a shortage of top quality, premium accommodation in the region. We know that there are many couples and small families looking for a relaxing holiday and who want to enjoy the beauty, wildlife, history and heritage which are in abundance in and around your area. The type of product you are looking to bring to market being of a high specification, with hot tubs, makes your proposed development of lodges a very interesting prospect indeed.

I hope this outlines the fact that there certainly is overriding demand for top quality accommodation in your area and I have no doubt that such a development would bring a whole new audience of visitors looking for an upmarket holiday at a premier location to the area. In a local area steeped in history and outstanding natural beauty we would wholeheartedly support your development and we do wish you every success and hope that the outcome will be favourable.

If I can be any further assistance please don't hesitate to give me a call. My direct line telephone number is 01502-502538. My email address is robbie.davies@hoseasons.co.uk.

Yours sincerely,

Robbie Davies
Business Development Manager – UK Lodges & Parks