


# Farm Diversification

OUR GUIDE TO FARM DIVERSIFICATION FOR HOLIDAY LETTING



Part of the  **SYKES** HOLIDAY COTTAGES family

## **What is farm diversification?**

In its simplest form, it is where existing farming businesses can explore generating further revenue through a new avenue, such as holiday letting.

## **Why should I consider it?**

According to Farmers Weekly, "Higher demand, coupled with concerns about post-Brexit support for agriculture, has made farm diversification into letting cottages, barns, annexes and apartments more attractive".

Come 2025 many subsidies change or disappear, leaving farmers and landowners with a gap in their income. Demand for staycations are at an all time high, meaning now is a great time to start planning for your future by investing in the holiday let industry and generate more income as well as add value to your land.

## **Am I in the right location?**

Location is definitely important, but VisitBritain's latest statistics say that about 60% of successful holiday lets are outside prime locations and people are keen on the peace and quiet and space that a 'farmstay' can bring.

Our area is blessed with lots of land and farms, many of which have unused barns, outbuildings and space - ideal for holiday letting.





## What are my options?

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### Building Conversions



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### Glamping Pods or Shepherds Huts



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### Log Cabins and Lodges



## Building conversions

One of the most popular options is to convert an existing outbuilding such as a barn, stable, or cowshed into a holiday let. Having an existing structure in place makes it easier in terms of turnaround time, although you should do some due diligence with a surveyor or adviser to check the condition of the building.

## Glamping pods or Shepherds Huts

These quirky dwellings have increased in popularity, and are targeted mainly at couples as they are 'petit and bijou'. They can also be transportable, so ideal to move around farmland to find the perfect quiet spot. Furnishings should still be high quality though, and guests still have expectations for separate bathroom and kitchen areas.

## Log Cabins and Lodges

A great option for those looking for something modern and effective to add to their existing land. They are very popular as many of our guests prefer the modern single-storey layout, outside decking, and the possibility of adding hot tubs.

Guests also value a peaceful farm location as an option to some of the busier Lodge parks that exist all over the UK. Lodges can be very high spec and luxurious, and command high rental income during the busier months, whilst giving a peaceful stay on farmland.

## What Planning permissions do I need?

The first consideration is what level of consent the new venture will require. With an existing cottage or barn, it is usually covered under the "change of use" category. A new-build or significant alterations will need full planning permission although obtaining permission for converting existing buildings is usually straightforward. Planning is also more likely to be simple compared with siting new buildings on a greenfield site (such as lodges). If you are building from 'scratch' the site is the first consideration - planners would prefer a discreet location for new buildings, but potential guests love an open site with a view.

We would advise you to contact the local planning officer early, before spending on plans and surveys. Your planning contact will also talk you through permissions for routing power, water and sewerage systems.

In Cumbria we also work with Rural Futures (<http://www.ruralfutures.co.uk/>) who are a great first stop for a discussion on your thoughts and to advise you on the way forward.

## What are the tax benefits?

Holiday letting can bring a number of beneficial tax breaks. If you register your property and meet the criteria to be classed as a Furnished Holiday Let (FHL), then you may be able to claim capital gains tax relief and small business rate relief as well as a number of other tax-related benefits as outlined in our Furnished Holiday Lettings Tax Guide.





# Why let with us

We are trusted by our owners to take care of them and their property and ensure that they achieve all the support they need to get an excellent return on their investment. We charge realistic commission rates, dependent upon the number of units, and the number of weeks you wish to let for.

No one knows the Lakes quite like we do, our guests see us as the concierge of the Lake District. With over 1,500 hand-picked holiday cottages across our four Lake District brands throughout the Cumbria and the Lake District, we have hundreds of happy owners and guests. We also have previous experience on working with farmers and landowners on developing their land for letting benefit.

## **Loyal Customers**

Our loyal base of customers revisit time after time and recommend us to their friends and family and see us as 'professional and friendly, luxury and upmarket, traditional'.

## **Personal Service**

We offer a personal service and a bespoke approach to our owners including; a dedicated Owner Relationship Team, who will get to know you and your property and be on hand for any queries you may have, from choosing your short break options, to how to maximise your income and offer advice on how best to present your property for your guests.

## **Flexible letting**

We'll explain all the requirements you need to consider - practical and legal, and you can let with us on a flexible basis - from a few weeks to the whole year.

## Award-winning website

Your property will feature on our award-winning website to get your property in front of the right audience. We proactively market across all platforms including social media, PCP, targeted email marketing.

## Part of the Sykes Holiday Cottages family

As part of the bigger Sykes Holiday Cottages family, we also benefit from the marketing 'clout' of a large business, but with the personal touch of a local company. So you and your guests get the best of both worlds.

## Our services

We can also offer a full managed service, organising housekeeping and maintenance of your property as well as offering help and advice on compliance from insurance to fire safety.

Contact us for a no-strings conversation about how we can help you take the first step into Farm diversification on your land.

