



Dorset Holiday Cottages Ltd.

dorsetcoastalcottages.com

dorsetseasideholidays.com



Photograph courtesy of Mark Simons

Information for
prospective
holiday property
owners

A Local Dorset Agency

Dorset Holiday Cottages Ltd.

We are a local agency offering prospective owners two brands which cater for the differing requirements of the holiday-maker attracted by Dorset's fabulous coast.

Dorset Coastal Cottages accepts only traditional cottages in or near villages within 10 miles of the coast to provide a taste of country living.

Dorset Seaside Holidays offers holiday homes within 1 mile of the sea. Whilst geographically more confined its remit is wider; it accepts high specification contemporary houses and flats in seaside towns as well as properties in villages that fall inside the 1 mile criterion. Thus any Dorset Coastal Cottage that is within a mile of the sea qualifies for inclusion in both brochures and websites.

Charles & Jennie Smith
Founders of Dorset Holiday Cottages



We are an agency large enough to support wide advertising and host superb websites yet small enough to know all the properties and owners personally.

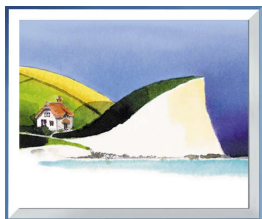


Flexible Availability to Owners

We never forget that it is your property and that many of you buy a holiday home for personal reasons and income is secondary. In essence we have no restrictions on when you use your property but we expect to have the house for a minimum of 13 weeks between April and October.

dorsetcoastalcottages.com

Traditional cottages within 10 miles of the coast



E: hols@dorsetcoastalcottages.com

Telephone: 0800 9804070

Mobile calls: 0330 4403077

Fax: 01929 460125

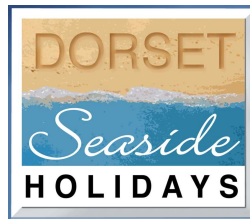
We began Dorset Coastal Cottages with a handful of properties in 1992.

From the outset the focus was on classic Dorset cottages in or near villages and close to the coast. Over time this has been further defined:

- Well located cottages of character and charm.
- A garden or area for sitting out with garden furniture.
- All linen, towels, electricity, gas and oil etc. must be provided and are included in the rent.
- High standards of interior furnishing and fittings with high levels of maintenance.
- Modern kitchens and bathrooms - a minimum bathroom ratio of 6 people to 1 bathroom, ideally 2 to 1.
- TV with DVD, washing machine, microwave, fridge and freezer.
- Extras to maximise letting: dishwasher, hi-fi, broadband, off-road parking, near pub and shop, accepting children of all ages and dog(s).

dorsetseasideholidays.com

Holiday homes within 1 mile of the sea



E: hols@dorsetseasideholidays.com

Telephone: 0800 6349000

Mobile calls: 0330 4403066

Fax: 01929 460125

Many of our clients like to be very near the sea and would prefer a choice: an apartment or house in a seaside town with open coast close by or a rural property with a seaside town nearby. Very high standards in both types of property are required as outlined below:

- Well located, high quality properties.
- An area for sitting out is desirable.
- All linen, towels, electricity, gas and oil etc. must be provided and are included in the rent.
- High standards of interior furnishing and fittings with high levels of maintenance.
- Modern kitchens and bathrooms - a minimum bathroom ratio of 6 people to 1 bathroom, ideally 2 to 1.
- TV with DVD, washing machine, microwave, fridge and freezer.
- Extras to maximise letting: dishwasher, hi-fi, broadband, off-road parking, near pub and shop, accepting children of all ages and dog(s).

These lists may seem daunting but the 'take it or leave it' days of holiday home rental are well and truly over. Our clients are discerning, in a hurry and willing to pay for quality, the definition of which is not static; it is moving ever upwards to compete with the highest quality in hotels and B&Bs.

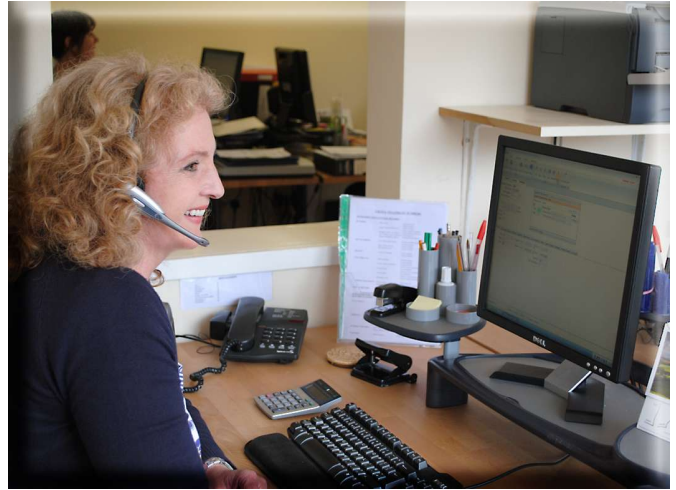
Why Choose an Agent?

There are plenty of routes to market holiday homes and some owners are happy to operate solo. However, the rental market is highly competitive; clients require not only high standard properties but well functioning websites and efficient booking systems. A charming response on the telephone and a prompt reply by email and post are essential. Doing all that, frequently against tight deadlines, is why owners choose to benefit from the marketing, office systems and experience of a well qualified agent. In the past we have often taken over from a DIY owner who has then **earned more, net of our commission**, than they did previously!

Advice on making your property 'Holiday Ready'

Benefit from our experience:

- **Buying or converting:** we know what our clients like.
- **What furniture and fittings will maximise bookings.**
- **How to ensure your property is respected.**
- **Builders/plumbers etc:** our narrow focus on area means we have names we trust.
- **Repairmen:** those who come when they say and those who don't.
- **House security:** Storage of the items you will require for your own holiday.
- **Keys:** number of sets and key handling.



Choosing an Agent. How do we compare?

You may have contacted other agents and gone through the following process. We are confident of favourable comparison with our competitors so suggest the following: Pretend to be a client; look at brochures and websites. Enter "Holiday Cottage Dorset" or similar into Google and click through to those sites that you know or appeal to you. Go right through to the point of actually booking a property. Is the website helpful and simple or cumbersome and obstructive? Ring the office and ask for a brochure - check speed of response to the call and brochure arrival. Ring again and ask searching questions about an assumed holiday requirement, eg. fussy relations from USA. Compile a short list of agencies to interview. We are confident it will include us.

Why Choose Dorset Coastal Cottages or Dorset Seaside Holidays?

The chances are that if your property is right for us then we are right for you. There are very few agencies with such a narrow focus on area, location, property type and quality as ourselves. **Our tight property selection criteria ensures that our clientele know exactly what they can expect.** Added to that, we are local and proud to be so. Our loyal, well motivated staff live in and love Dorset. It is a family business being run in the second generation by two brothers. Our Office Manager has been with the business since the beginning. Our relationship with our owners is personal but always professional. We hope that your agent-checking procedure showed this professionalism.

We are small enough to know all our properties and owners personally, yet large enough to afford:

- A continuous advertising presence in carefully chosen newspapers and magazines.
- To employ a local public relations company that promotes our activities with national coverage.
- A high search ranking on Google and other search engines plus paid-for presence as required.
- The best software system available for holiday home agencies.
- **Freephone telephone and no credit card charges.**
- Membership of Cottageline, a group of independent agents who work together to market holiday homes across Britain thus offering national coverage along with local knowledge.

How are we able to offer such high standards of service and charge less than other agents?

- We own our offices outright and have no mortgages or bank loans.
- By having long-standing staff, we reduce our training costs and increase our efficiency.
- We re-invest profit in systems that give us greater efficiency wherever possible.

‘...if your property is right for us then we are right for you.’

So...Down to Brass Tacks

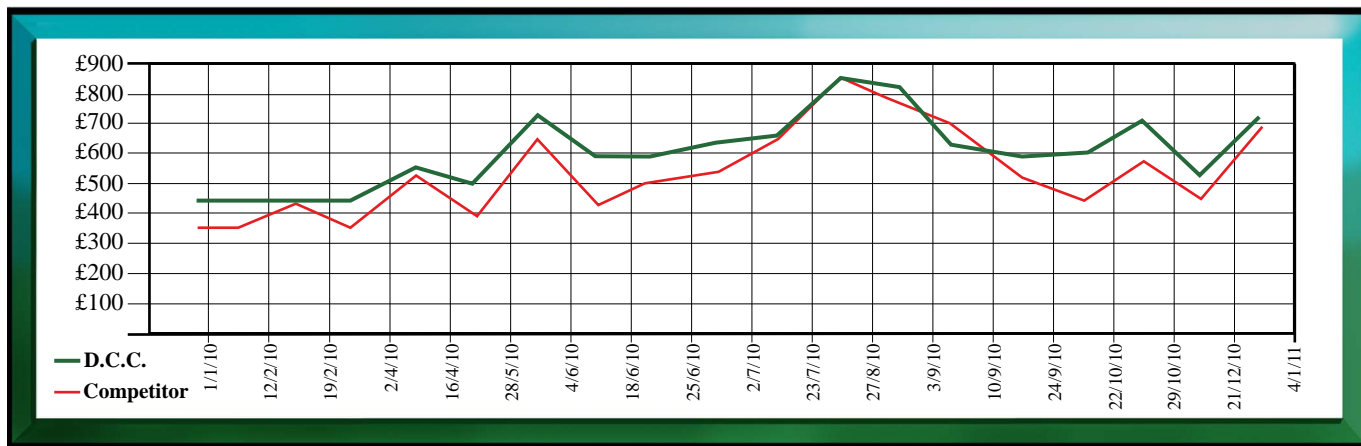
Commission Rates and Net Returns

Our commission is 15% + VAT for the 12 school holiday weeks (excluding February half-term) and 20% + VAT on the remainder.

We do not increase these rates if we become involved with arranging housekeeping; we charge a monthly fee (see page 10). We do not offer discounted rates to tempt you in and then raise the rate later, we think that this is unprofessional.

There is a natural tendency for owners new to holiday letting to be **mislead by peak summer rent levels**. Whilst this is important, the real question is 'what will my net return be?' Rent levels at other times of the year, occupancy and commission rates as well as the peak rent provide a clearer picture.

This graph shows our peak rent and that of a typical competitor at £850 for the summer school holidays.



Take Note

- Both agencies have the same summer peak rent but the competitor has lower rents at almost all other times.
- Most agencies charge 20% on all rental income **whereas for the 12 peak weeks we only charge 15%**.
- A good property lets for upwards of 20 weeks and 10 short breaks in a year.

The owner's net return on the example shown is £11,350 for the competitor and £13,270 for Dorset Coastal Cottages and Dorset Seaside Holidays. **A difference of £1,920 or 17%!**

Rents are paid to owners monthly, within 5 working days of month end, once the full rent has been received. Note that final payments on our forward bookings are received 8 weeks prior to the holiday and thus rents are passed on to owners at that month end. Many agencies retain income until near or after the holiday.

Rents

Rent levels are set with reference to the largest agencies since they tend to establish the going rate for holiday homes nationally. This is then refined through our own experience. Demand usually exceeds supply for the school holidays especially for large properties. In the remaining weeks there is generally a surplus of properties in relation to demand. This is reflected in the rents where winter rents are half the peak.

Short Breaks (3 nights) are priced at two thirds of the weeks rent. Whilst the net return to owners is not large it does ensure your holiday home is used and more people are aware of it; also housekeepers continue to be employed.



As part of our commitment to provide properties with high standards, rents include all household linen and fuels including logs/coal from October to April if applicable.

Other Financial Considerations

Full details of our:

Joining Fee

Annual Renewal Fee

Optional Housekeeping Fee

Inland Revenue, Council Tax and VAT

implications are provided on a separate sheet.

Insurance: £2 million of Public Liability cover is required. A local broker very familiar with holiday letting properties is:

David Upshall, Dorchester - 01305 268883.

Occupancy

In recent years occupancy has tended to vary more than hitherto and now ranges between 20 to 30 full weeks and 10 to 15 Short Breaks if the property is fully available.

It can take a year or two to build a reputation; attractive homes in good locations tend to achieve higher occupancy. Sea views will guarantee high occupancy but are in very short supply in Dorset and command a correspondingly high purchase price.

Occupancy in the shoulder months varies from year to year. The school holidays are always in high demand but there is occasionally a dip in demand in peak periods. Having given priority to full week letting we then offer Short Breaks on a last-minute basis to ensure partial occupancy where we have the owner's authority to do so. Out of Season Short Breaks are increasingly popular.

Marketing

Our approach to marketing focuses on giving clients information that is clear and easy to act upon. August generally sells itself, so our task is to fill the remainder by attracting the more active holiday maker or those simply seeking the refreshing quality of Dorset's landscape.

Brochures:

Dorset Coastal Cottages complements the rural, unspoiled nature of Dorset by only offering character cottages in villages near the dramatic World Heritage Coast. The distinctive monochrome brochure is much liked by clients. We aim for next day delivery by first class post. The brochure supports the website by providing information that can be digested at the client's leisure.

Dorset Seaside Holidays has a more modern, stripped down, full colour brochure that promotes Dorset seaside activities and directs clients to find full details and booking facilities on the website. Previous clients of both brands receive the following year's brochures, in early October.

Advertising & Public Relations:

We have a year-round presence in the key weekend newspapers plus a selection of magazines and we retain the services of a local specialist PR company whose releases are frequently picked up by national and regional newspapers.

Websites: www.dorsetcoastalcottages.com & www.dorsetseasideholidays.com

They are much praised for their user-friendliness, succinct descriptions, colour photographs, clickable map and availability search. Booking requests can be made by email or telephone. Our telephone reply confirms the suitability of the property or suggests another. Our search engine registration is constantly monitored and is particularly strong on Google, reinforced by a paid-for presence.

Promotions:

We issue £20 vouchers to previous clients which are transferable. Costs are shared 50:50 with owners. If there is a dip in demand, we run a money-off promotion backed up by specific advertisements in the press and on Google. Commission is based on the reduced rent; participation is optional. The website has a 'Special Offers' page, on which owners with empty weeks can promote their own property. Our PR company often uses these for its weekly 'briefs'. Commission is based on the normal rent.

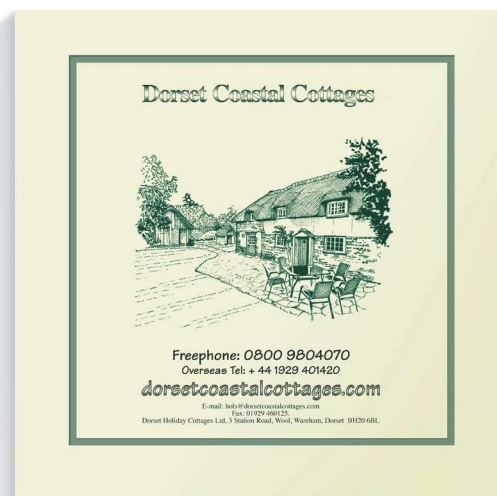
The Joining Procedure

Joining Dorset Coastal Cottages or Dorset Seaside Holidays has many different starting points - some owners require advice prior to purchase, some inherit a property, some have buildings for conversion.

We are happy to advise on all aspects at any stage. However it pays to have a thorough discussion as early as possible. Whilst we do not opt for English Tourism Council grading, we inspect thoroughly ourselves prior to acceptance and quite often require work to be done. In our Holiday Satisfaction Questionnaires, clients rate the properties and their locations on 5 point scales, the average of which we publish as soon as six have been returned.

You may join at any time simply by completing an Agency Agreement. A website entry is set up straight away and a brochure entry is prepared. Initially, your property may appear in a supplement mailed out with the brochure. A Joining Fee and small Annual Renewal Fee are payable (see separate Finance Sheet).

Although there is often work to be done on a recently purchased property, this need not delay acceptance and marketing by us, as long as we have a clear understanding of what work is intended and an agreed date by which it is absolutely certain it will be completed including a substantial safety margin. As work nears completion, the date from which the property is available for letting may be brought forward. We re-inspect prior to letting.



Housekeeping

For many potential owners the thought of investing large sums of money in a property to be used by a succession of clients, perhaps not seeing it themselves for long periods, can be very daunting. Take heart! Our experience is that properties of a very high standard are treated extremely well.

Client satisfaction is achieved via a threeway partnership: Owner, Agent and Housekeeper.

The housekeeper is contracted to the owner (sometimes is the owner!) to provide the cleaning and linen/towels for each changeover. They are the first point of contact for any problem at the property. They know the operation of the house thoroughly and ring the client to deal with any initial queries. They must be given a list of tradesmen to be called if there are problems.

We have two levels of involvement in housekeeping:

OWNER ONLY:

The owner is fully responsible for recruitment, replacement and holiday cover for the housekeeper at the property. In the event of a problem, clients report to and deal directly with the housekeeper and owner.

In this category, we can still offer an initial housekeeper recruitment service for a one-off fee.

DORSET HOLIDAY COTTAGES - OFFICE SUPPORT:

We advertise for and recruit a housekeeper on your behalf and supervise/motivate them. This service includes finding cover for sickness and holidays and paying all housekeeping, gardening and other outgoings on your behalf. We deduct these monies from the rent.

A monthly fee is charged for this service. In the event of serious problems, this fee covers the first 4 phone calls and first written contact to all parties. All subsequent calls, contacts etc. are charged for - see separate Financial Information Sheet.

Maintaining quality and standards is at the heart of our business

Our Quality Manager and her assistant monitor the **Holiday Satisfaction Questionnaires** posted to clients after their holiday. Issues are followed up with housekeepers and spot checks made as necessary.

An out-of-season Annual Inspection is carried out in conjunction with the housekeeper and all maintenance/ decorating requirements noted for completion prior to Easter.

Holiday Satisfaction Questionnaires are used to grade your property.



GRADED PROPERTIES MAKE HAPPIER HOLIDAYS



We carefully select and regularly inspect the houses on our books to ensure high standards. However, the true test is what our clients think of them.

**CLIENTS GRADE OUR PROPERTIES
ON A SCALE 1 TO 5 ON TWO CRITERIA**



PROPERTY STANDARD



LOCATION/ENVIRONMENT

Each house description shows up to 5 of these two symbols, providing a scale of excellence based on the previous year's clients' satisfaction.

Repairs

You can list your approved plumber, electrician, boiler maintenance etc. on the Agency Agreement. In the event of a problem, the client contacts the housekeeper. If the item is critical and minor (less than £60) she usually proceeds without authority. If it is more serious and you have chosen **Office Support** and are paying a monthly fee, the housekeeper contacts the office for assistance and in most cases we will liaise by telephone; otherwise she contacts you. Sometimes it is necessary to visit a property; this could be in response to a complaint from a client or to help with a repair. Call-outs are usually charged for.