Short-Stay Income Feasibility Report™ (Lender-Grade Version)

Subject Property: 3 Bedroom House, Plymouth (PL6)

Operator Type: New Operator

Date: 1st November 2025

1. Purpose of This Report

This feasibility report provides a lender-grade income and operating sustainability assessment for the property identified above, based on verified local demand, competitive performance benchmarks, and operating cost modelling. The analysis demonstrates the property's income stability under multiple market conditions and provides a risk-adjusted view suitable for underwriting, mortgage placement, and broker/packager use.

2. Local Market Demand Drivers

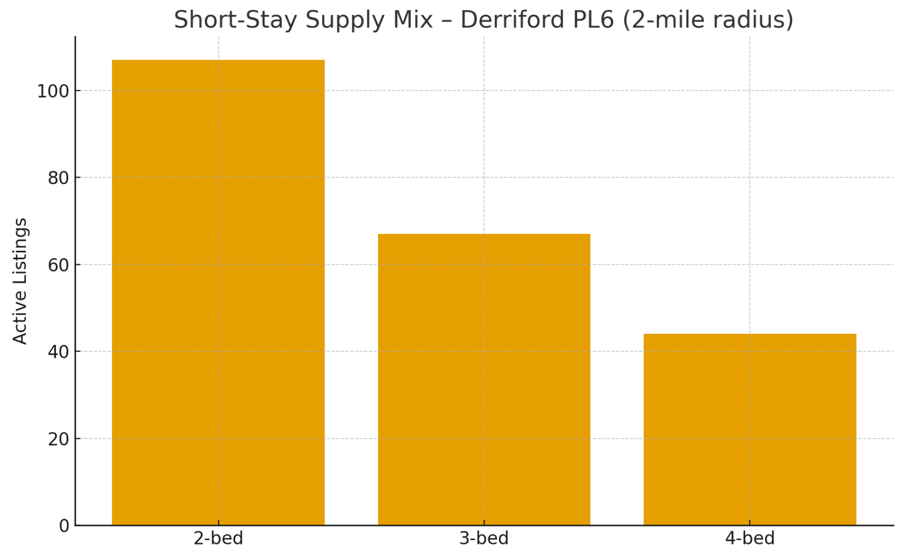
The subject property serves the PL6 employment zone, which hosts one of the South West's largest concentrations of essential-sector workforce accommodation demand. Demand is driven by:

- Derriford Hospital – 10,000+ employees including rotating clinical and agency staff.
- Plymouth Science Park – high-tech research, biotech, digital, and engineering firms.
- Babcock Marine / Devonport Dockyard – large rotating contractor workforce.
- Seasonal shipyard servicing cycles and contractor accommodation requirements.

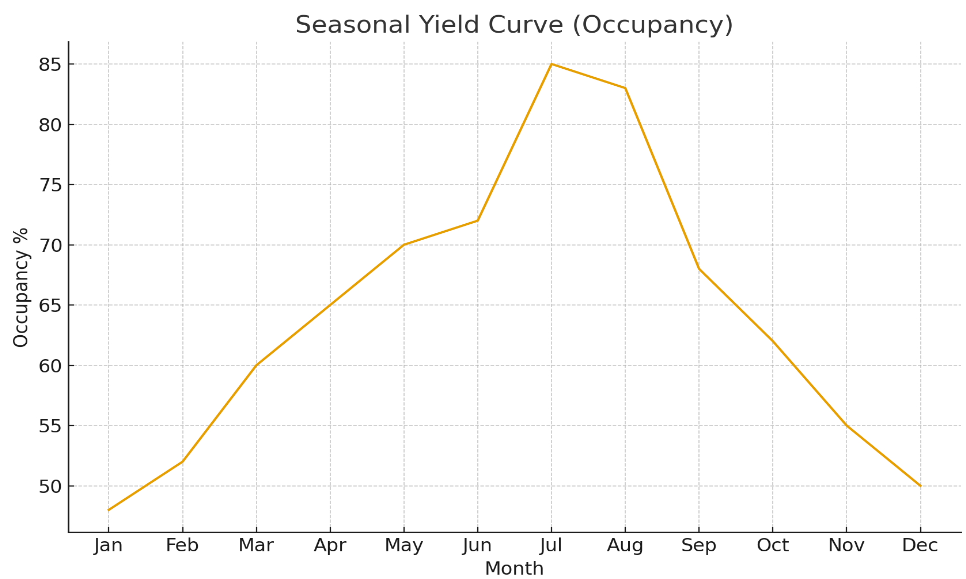
This demand is non-discretionary and not dependent on leisure tourism, which materially improves income stability.

3. Local Supply Composition (Within 2 Miles)

Property Size	Active Listings	% of Local Market
2-bed	107	49%
3-bed	67	31%
4-bed	44	20%



4. Seasonality yield curve



5. Comparable Market Benchmarks

	Lower Performers	Typical Operators	Strong Performers
ADR	£95	£115	£135
Occupancy	55%	68%	78%
RevPAR	£52	£78	£105

6. Sensitivity Analysis

ADR Sensitivity at 68% Occupancy:

£105 ADR → £26,040 gross
£115 ADR → £28,520 gross (Base Case)
£125 ADR → £31,000 gross

Occupancy Sensitivity at £115 ADR:

Occupancy	Estimated Gross Income	Estimated Net Income
50%	£20,988	£12,168
60%	£25,185	£14,155
70%	£29,382	£16,932
80%	£33,580	£19,710
90%	£37,778	£22,408

The very optimum case would see a clever operator achieving beyond the standard ADR by adopting a series of income strategies, which in turn could translate into 100% occupancy across the full year with weekly cleans and zero OTA costs – this is totally feasible by, for example, finding a corporate long stay guest. This would see an optimum gross income of £41,125 and net income of £34,587, being 84% margin

The standard net margin ranges between 50% to 70%

7. Operational Cost Model

Housekeeping per turnover: £55
Laundry per turnover: £24
Average Length of Stay (Base Model): 3 nights
OTA Commission (blended average): 11.25%
Consumables: £15 per month
Maintenance Reserve: £50 per month

Housekeeping and laundry costs vary regionally but these numbers are based on our actual supply costs for these services – typically these costs do not attract vat as the providers are small enterprises which tend not to be vat registered.

Average length of stay is a key driver – the longer this is the less turnarounds that need to be undertaken. The average LOS for this area is as per the table above

New operators typically achieve 25% direct bookings in year one, growing to 50%+ as repeat business builds. This has a knock on effect into the OTA (online travel agency such as Airbnb) costs annually.

Typical consumables are shampoo, dishcloths etc but can include welcome packs for higher value properties

One key benefit of short term rentals is that due to the volumes of turnarounds after guests leave, there is always eyes on the property. This means that whilst there is always a small amount of maintenance each month the quality of short term rentals remains high avoiding large unexpected maintenance costs, and helping maintain the capital value of the property.

Utility costs vary from property to property dependent on their efficiency but Rightmove in Nov 2025 estimate a 3 bed semi-detached house would have an annual energy bill of £1,695.

Council tax v Business Rates is another real cost – a large number of operators are moving across to business rates where it is legitimately possible for a single property operator to end up with a zero annual rates bill if small business rates relief is applicable, with operators needing to undertake their own specific advice on this.

8. Risk & Mitigation Summary

• Higher OTA dependency initially → mitigated through contractor account acquisition.
• Operator currently developing systems → mitigated through structured onboarding and process templates.
• Supply competition exists but demand remains non-discretionary and year-round in PL6.

9. Operator Capability Assessment

Capability Factor	Score
Experience Level	2 / 5
Operational Systems	3 / 5
Housekeeping Reliability	3 / 5
Pricing & Yield Management	2 / 5
Local Market Understanding	4 / 5

Overall Capability Score: 2.8 / 5

** In order to ascertain this we would need to be given further information on the operator and their proposed plans

Overall Capability Score: 2.8 / 5

This suggests a moderate operational ramp-up period, typically stabilising within 4–7 months. Once stabilised, performance is expected to align with the 'Typical Operators' benchmark shown above.

10. Lender Positioning Statement

Based on verified local demand, comparable performance data, and operational cost modelling, the subject property is expected to generate **£16,932 – £22,408** net operating income available to cover annual debt repayments. Income is driven primarily by essential workforce accommodation, not discretionary tourism, resulting in a resilient and sustainable income model appropriate for mortgage underwriting and funder consideration.