

Residential Asset Profile

1. Context

Crown Estate Scotland manages property – including buildings, land, coastline and seabed – on behalf of the Scottish people.

We work in a way that:

- Generates prosperity and value for all of Scotland;
- Supports the growth of sustainable business and industry in Scottish seas and on the coast;
- Makes places better for those who live, work and visit there;
- Promotes sustainable ways of producing energy, food, and other products; and
- Creates opportunities for people to use and benefit from the Scottish Crown Estate.

The Scottish Crown Estate Act 2019 requires us to manage the assets in a way that is likely to contribute to the promotion of improvement of economic development, regeneration, social wellbeing and environmental wellbeing. To do this, we need to understand the wider value delivered by the assets and our management activities.



Asset profiles have been developed for the Estate's 21 asset classes. The profiles include information on financial returns, the public benefits delivered through our management activities, and our view of the opportunities for wider value creation.

The analysis has been undertaken in-house, using qualitative assessment and expert judgment.

2. Asset summary

We maintain residential properties in rural and semi-rural settings across our estates in Glenlivet and Fochabers in Moray, Applegirith in Dumfries and Galloway and Whitehill in Midlothian. We support communities, providing tenancies in both small towns and on farmland. The portfolio is predominately characterised by traditional 'through to mid-twentieth century houses.

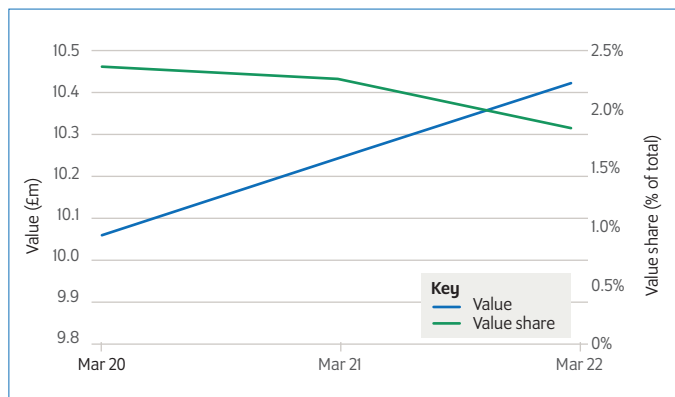
Asset information

No of agreements	59
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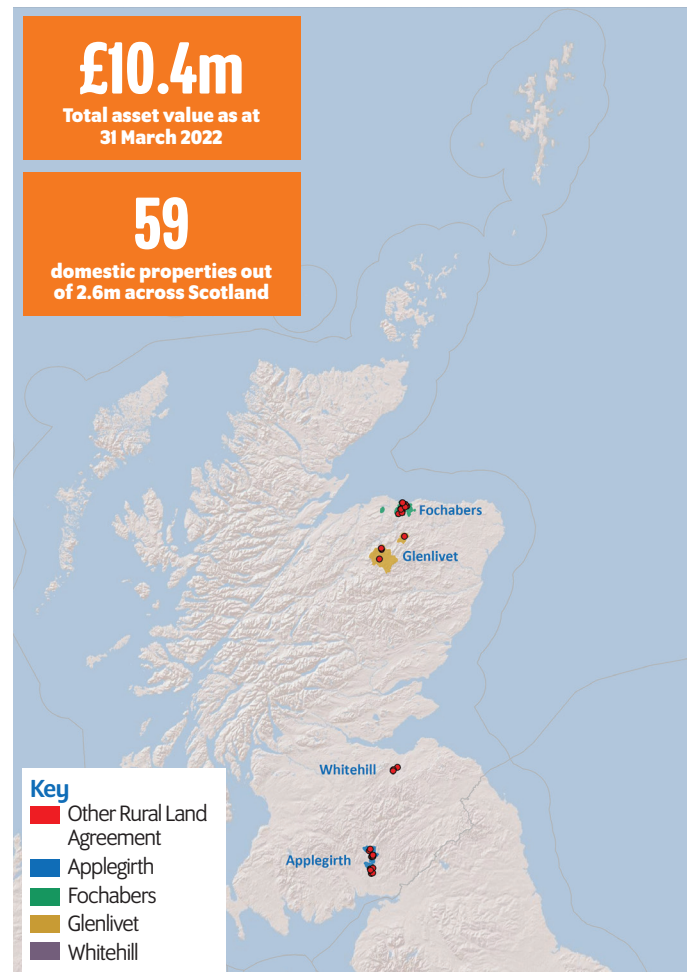
Financial information

Value (March 2022)	£10.4m
Value share (% of total Estate value, March 2022)	1.8

Residential – change in value and value share over time

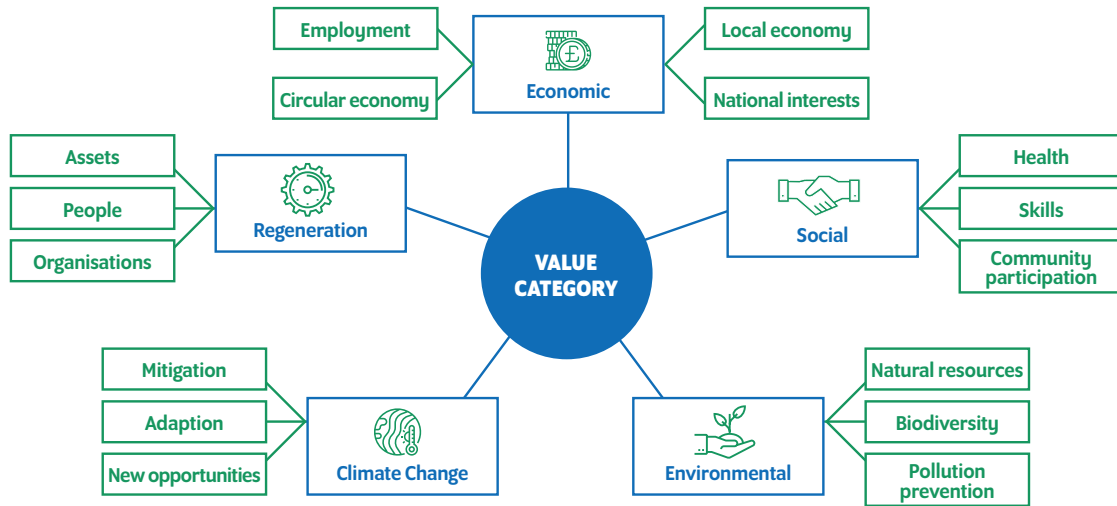


Residential asset map



Map correct as at November 2022. Under the Open Government Licence, we give free access to our open datasets and map which can be found on our [Spatial Data Hub](#) which gives access to view and download spatial data, PDF maps for download, and our

3. Understanding Value



Five value categories have been identified:

- Economic;
- Social;
- Environmental;
- Climate Change; and
- Regeneration.

Each value category has a set of three or four indicators. The indicators are relevant for all Scottish Crown Estate asset classes and also align with Scotland’s National Performance Framework and the UN Sustainable Development Goals.

Measures of success

Economic

- Employment** – jobs created or safeguarded
- Local economy** – local businesses are active in the supply chain and provide local employment
- National interests** – benefiting Scotland’s national economy / showing leadership
- Circular economy** – increasing efficiency / reducing waste in processes and products

Social

- Health** – reflects / promotes good health at local or national level
- Skills** – stakeholders gain valuable skills
- Community participation** – community is an active stakeholder and participant

Environmental

- Natural resources** – resources used / maintained in a sustainable way
- Biodiversity** – biodiversity is protected/strengthened
- Pollution prevention** – pollution is decreased / not increased

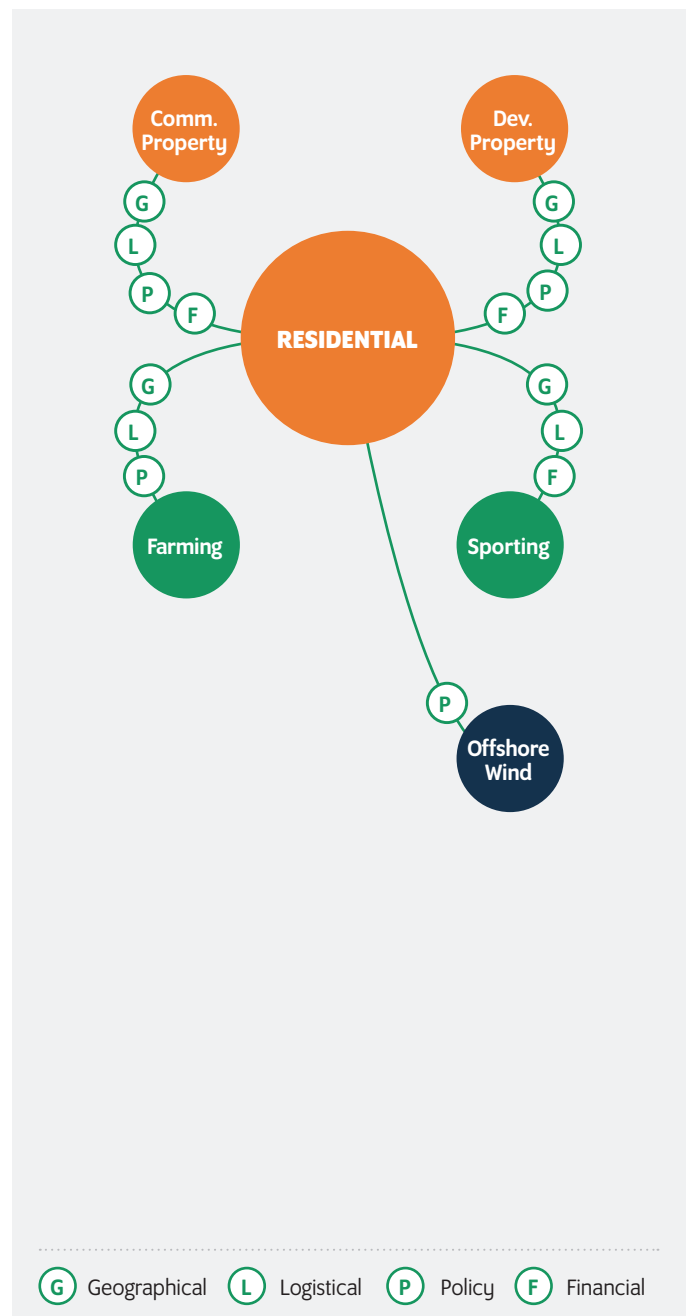
Climate change

- Mitigation** – low or zero emissions
- Adaptation** – actions increase resilience / reduce risk
- New opportunities** – new, low or net zero emissions activities/ businesses/products pursued

Regeneration

- Assets** – positive impacts on associated assets
- People** – people are enabled or empowered
- Organisations** – activities involve collaboration with other organisations

Connected assets

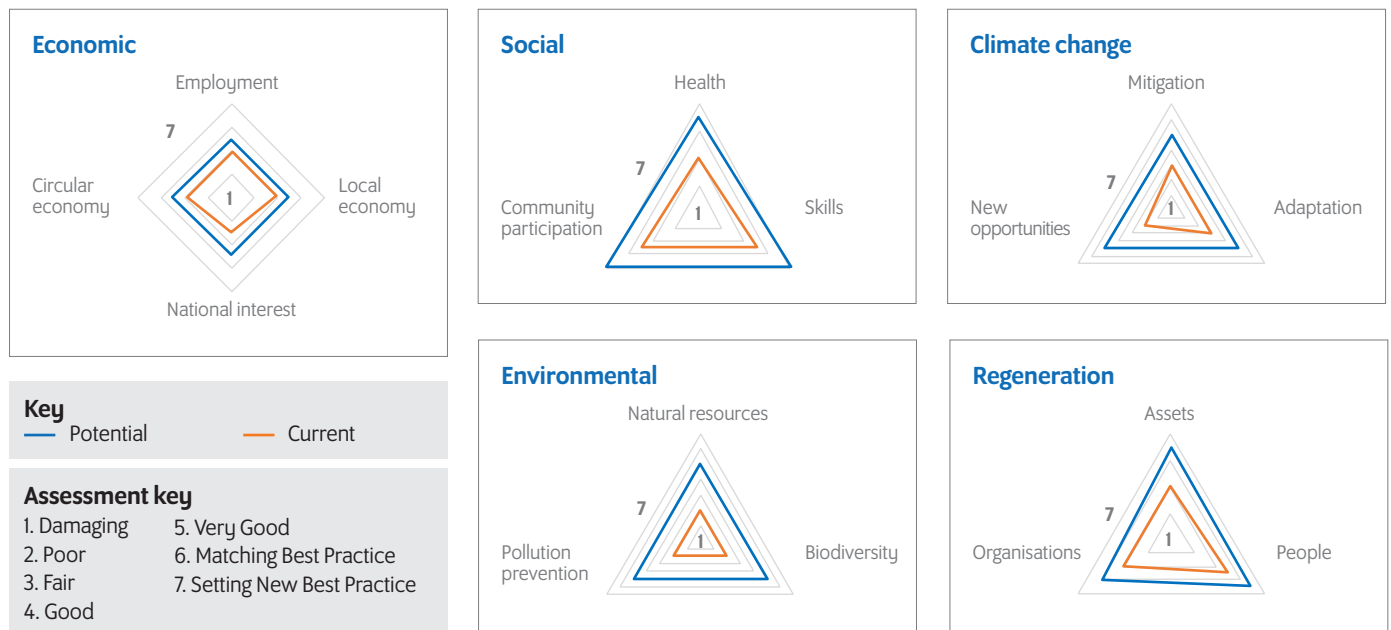


4. Potential for Wider Value

The diagrams below demonstrate the wider value currently generated by the asset class as a whole and indicate where we consider there is potential to deliver increased wider value. This is influenced by a range of factors including the inherent value of the assets, tenant activity, regulator activity and other external factors. For residential, key areas identified with potential for wider value include:

- **Social** – Particularly in relation to supporting local communities by keeping low-cost rental properties available in rural areas.
- **Climate change** – Opportunities to increase energy efficiency and lower emissions through improvements to housing stock and installation of renewable technologies.

Opportunities	Threats
<ul style="list-style-type: none"> • Demonstrate energy efficiency leadership in hard to treat properties; • Foster sustainable, mixed tenancy communities; • Help rural communities remain vibrant, providing homes for local people; and • Showcase traditional trades and local building skills. 	<ul style="list-style-type: none"> • Challenge of retrofitting older properties with energy efficiency upgrades; and • Rising inflation and impact on construction costs.



This full value potential is indicated by the blue line. The actual average performance of the assets as currently managed is shown by the orange line. The opportunity for delivering enhanced value is the stretch between the orange line and the blue line.

Where potential and actual performance are the same the orange line will hide the blue line beneath it. No weighting has been applied to any indicator.

5. Benefits delivered by Crown Estate Scotland

Our latest Corporate Plan sets out our four roles:

Investor

Investing in, for example, property development, as well as building external partnerships and supporting staff.

Asset Manager

Careful management of leases and agreements, as well as direct management of forestry.

Co-ordinator

Supporting other Scottish Crown Estate managers by, for example, coordinating spatial information.

Enabler

Empowering others by supporting local plans and projects, providing access to property and helping address barriers to sector growth.

For residential, some examples of our activities include:

Investor

- Improvements to housing stock e.g. double glazing and other energy efficiency measures.

Asset manager

- Providing affordable rural homes supports local population and benefits the local economy.
- We are still in the process of reviewing our energy efficiency strategy across all our residential properties and agreeing an implementation plan.
- Working with Scottish Government's agricultural holdings team on regulations for agricultural accommodation to address different standards between different types of residential letting.

The table below presents our assessment of the significance of the benefits that we currently deliver through these four roles. Our Corporate Plan sets out actions against these four roles. Over time, we expect the significance of benefits to increase as considerations regarding wider value are embedded into decision making.

RESIDENTIAL	Investor	Asset manager	Enabler	Coordinator	Key
Economic					Key Inactive Low Medium High
Employment	Low	Low	Inactive	Inactive	
Local economy	Low	Low	Inactive	Inactive	
National interests	Inactive	Low	Inactive	Inactive	
Circular economy	Inactive	Low	Inactive	Inactive	
Social					
Health	Low	Low	Inactive	Inactive	
Skills	Inactive	Low	Inactive	Inactive	
Community participation	Inactive	Low	Inactive	Inactive	
Environmental					
Natural resources	Inactive	Low	Inactive	Inactive	
Biodiversity	Inactive	Low	Inactive	Inactive	
Pollution prevention	Inactive	Low	Inactive	Inactive	
Climate change					
Mitigation	Low	Low	Inactive	Inactive	
Adaptation	Low	Low	Inactive	Inactive	
New opportunities	Low	Inactive	Inactive	Inactive	
Regeneration					
Assets	Inactive	Low	Inactive	Inactive	
People	Inactive	Low	Inactive	Inactive	
Organisations	Inactive	Inactive	Inactive	Inactive	

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