



Valuation Office
Agency

DVS Property Specialists
for the Public Sector

Valuation Report Market Value Assessment of Mooring Agreements



Report for:
Crown Estate Scotland

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1. Introduction

I refer to your instructions dated 11 May 2022 and my Terms of Engagement letters dated 21 June and 9 August 2022.

I have now valued the property and I am pleased to report to you as follows.

2. Valuation Parameters

2.1 This instruction has been undertaken for Crown Estate Scotland (CES).

2.2 Purpose of Valuation

It is understood that you require a review of moorings fees in light of the requirement to obtain 'market value' as defined per Section 12 of the Crown Estate Act 2019 (see below). It is understood that the revised fees are likely to be implemented with effect from 1 January 2023. It is further understood that the fees were last reviewed in 2010.

2.3 Subject of the Valuation

The subject property valued is the owner's interest in moorings licensed under the Crown Estate Scotland's seabed licensing scheme for private mooring holders and constituted Mooring Associations. The total number of moorings licensed under the scheme varies from year to year, with current figures are as follows:

- Private Mooring Licences: 471 agreements, licensing 559 moorings
- Mooring Associations: 123 agreements, licensing 3,698 moorings.

The property, therefore, is the location of each mooring for which a licence is granted to permit the licensee to affix a mooring to the seabed.

2.4 Date of Valuation

The date of valuation is 16 August 2022 (see Validity note at 5.5 below).

Please note that values change over time and that a valuation given on a particular date may not be valid on an earlier or later date.

2.5 Confirmation of Standards

The valuation has been prepared in accordance with the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards and RICS UK National Supplement, commonly known together as the Red Book.

Compliance with the RICS professional standards and valuation practice statements gives assurance also of compliance with the International Valuations Standards (IVS).

2.6 Agreed Departures from the RICS Professional Standards

There are no departures beyond those restrictions on the extent of investigations and survey, and the assumptions, stated below.

2.7 Basis of Value

CES require a review of the mooring fee in light of their requirement to obtain “market value” in terms of section 12 of Scottish Crown Estate Act 2019, as follows:

12 Meaning of “market value”

(1) In section 11, “market value” means the estimated amount which it would be reasonable to pay in respect of a relevant transaction based on the assumption that the transaction is agreed to —

- (a) on the day on which the determination of the estimated amount is made,
- (b) on an arm’s-length basis,
- (c) after proper marketing,
- (d) between parties each of whom has acted knowledgeably, prudently and willingly,
- (e) on a day on which a person other than a manager is offering to make a transaction equivalent to the relevant transaction in relation to an asset which is similar to the asset to which the relevant transaction relates, and
- (f) where the relevant transaction is a grant of a lease, on appropriate terms of lease.

(2) But where a manager enters into an agreement under which a relevant transaction may or is to occur more than 10 years after the day on which the agreement is entered into—

- (a) subsection (1)(a) does not apply, and
- (b) the estimated amount is to be determined on the day on which the relevant transaction may or is to occur.

(3) In the application of section 11 to a relevant transaction made in pursuance of—

- (a) an agreement within the meaning of paragraph 15 of Part 3 of schedule 4 of the Crown Estate Transfer Scheme, “market value” has the meaning given in that paragraph,
- (b) an agreement within the meaning of paragraph 25(1) of Part 4 of that schedule, “market value” has the meaning given in that paragraph.

(4) The Scottish Ministers may by regulations modify—

- (a) the definition of “market value” in subsection (1),
- (b) the application of that definition in subsection (2).

(5) In this section, “relevant transaction” is to be construed in accordance with section 11(1).

This definition is considered to be consistent with the RICS definition of **Market Value (MV)**. RICS VPS 4, para 4 defines MV as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

On occasion, it may be agreed that a basis of value requires to be modified and a Special Assumption added, for example where there is the possibility of Special Value attaching to a property from its physical, functional, legal or economic association with some other property. Any Special Assumptions agreed with you have been captured below under the heading Special Assumptions, in accordance with VPS 4, para 3 of the professional standards of the Royal Institution of Chartered Surveyors and will be restated in my report.

2.8 Special Assumptions

There are no special assumptions.

2.9 Nature and Source of Information Relied Upon

In addition to relying upon VOA held records and information, I have assumed that all information provided by, or on behalf of you, in connection with this instruction is correct without further verification – for example, details of tenure, tenancies, planning consents, etc.

My advice is dependent upon the accuracy of this information and should it prove to be incorrect or inadequate, the accuracy of my valuation may be affected.

You have supplied the following information for the moorings:

- Property reference number / address
- Location plan / OS grid references
- Locations of moorings within Clyde Moorings Committee area
- Individual lessee / association
- Type of mooring
- Copy current agreement template and details of any significant variations in previous agreement types still in use.
- Contact details at Bidwells, CES' outsourced property manager for marine leisure seabed agreements.

2.10 Date of Inspection

As agreed, the property has not been inspected.

2.11 Extent of Investigations, Survey Restrictions and Assumptions

An assumption in this context is a limitation on the extent of the investigations or enquiries undertaken by the valuer. The following agreed assumptions have been applied in respect of your instruction, reflecting restrictions to the extent of our investigations.

- As agreed with you, no inspection of the property was undertaken and the advice and valuation has been prepared on a 'desk-top basis', i.e. it is provided on the basis of 'restricted information'.

- It has been assumed that good title can be shown and that the property is not subject to any unusual or onerous restrictions, encumbrances or outgoings.
- It has been assumed that the property and its value are unaffected by any statutory notice or proposal or by any matters that would be revealed by a local search and replies to the usual enquiries, and that neither the construction of the property nor its condition, use or intended use was, is or will be unlawful or in breach of any covenant.
- No environmental assessment of the property and neighbouring properties has been provided to or by the VOA, nor is the VOA instructed to arrange consultants to investigate any matters with regard to flooding, contamination or the presence of radon gas or other hazardous substances. No search of contaminated land registers has been made. However, where an inspection was made and obvious signs of contamination or other adverse environmental impact were visible this will have been advised to you, further instructions requested and the observations captured in the report.

Where such signs were not evident during any inspection made, it has been assumed that the property (including its site) and neighbouring properties are not contaminated and are free of radon gas, hazardous substances and other adverse environmental impacts. Where a risk of flooding is identified during any inspection made, or from knowledge of the locality, this will be reported to you. The absence of any such indication should not be taken as implying a guarantee that flooding can never occur.

3. Property Information

3.1 Situation and Description

The total number of moorings licensed under the scheme varies from year to year. The current figures are as follows:

- Private Mooring Licences: 471 agreements, licensing 559 moorings
- Mooring Associations: 123 agreements, licensing 3,698 moorings.

The moorings are located around the coast of Scotland in the undernoted Local Authority areas. An up-to-date map showing the locations, the asset profile and further details is available on the CES website for Marine Leisure, which notes that: "Whilst navigation in coastal waters is a public right, the laying of a permanent mooring, or other equipment to hold a vessel, requires consent from the relevant landowner. For seabed, this consent will nearly always come from Crown Estate Scotland... We operate a licensing system to provide security of tenure for boat owners, whilst protecting the interests of other marine users.... we work closely with bodies representing the sailing and boating community to prevent unregulated moorings remaining. We can take legal action to have them removed to protect the safety and interests of other marine users."

Mooring licensees also need to obtain statutory navigation consent from the Scottish Government, a Harbour Authority or the Clyde Moorings Committee to ensure that their mooring will not constitute a hazard to navigation.

The moorings locations, lying within the Local Authority areas shown below, are listed in Appendix 6.1, with those located in the Clyde Moorings Committee area listed in Appendix 6.2.

Local Authority	Private Moorings	Mooring Associations
Aberdeenshire	4	0
Argyll and Bute	326	63
Dumfries and Galloway	2	2
Dundee City	1	1
Fife	3	5
East Lothian	0	1
Highland	113	39
Inverclyde	2	3
Mixed Local Authority	1	1
Moray	1	1
Western Isles	6	2
North Ayrshire	12	5
Total	471	123

It is understood that moorings in the greater Clyde area and in the area around Oban are the most sought after and busiest. These have greater catchment area for potential users, have on-shore facilities and are in generally safer sailing areas. Elsewhere on the west coast tends to be more exposed, harder to reach and a greater skill-set is required. The east coast has more moorings in harbour situations.

It is understood that the majority of the moorings locations are deep-water situations where swing moorings will be appropriate but that there are a number where trot mooring or running mooring may be used.

3.2 Tenure

Owner's interest in fees payable under licence agreement provisions where the right to affix a mooring to the seabed is granted.

There are three types of mooring licence available, these being:

- Individual, suitable for private individuals
- Commercial, a licence for businesses such as ferry operators, boatyards, charter boats and diving vessels (*NOTE: THESE ARE NOT INCLUDED IN THIS VALUATION REPORT*)
- Associations. Crown Estate Scotland helps set up Moorings Associations for groups of ten or more moorings to provide a degree of local management. The Associations are given a seabed agreement enabling them to manage their members' moorings within a specific area. Associations provide a degree of security as pressure on areas traditionally occupied by moorings increases and the annual charge is less than the fee for an individual mooring.

The Mooring Agreement terms include the following salient details:

- **Position and Purpose of Mooring**
 - *Private moorings*

The Licensor grants the Licensee the right to lay down, maintain, repair and renew one mooring ("the mooring") on the seabed below mean low water springs at ****. The mooring is to be placed at **** in the approximate position shown red on the annexed plan and signed as relative hereto or in any other position The Licensor may require. The maximum number of permitted moorings is one. The mooring may be used solely to moor a private vessel not more than **** metres long which belongs to the Licensee. The mooring may not be used for commercial purposes.
 - *Moorings Associations*

The Licensor grants the Association a non-exclusive right (as explained in clause 8) to give permission to Association members to:

 - (a) lay down and maintain a maximum of **** moorings ("the moorings") on the seabed below mean low water springs at **** within the area shown outlined **** on the annexed plan, corner points of area at ****, ("the mooring area"); and
 - (b) to repair and renew the moorings.
- **Length of Agreement**

The Agreement runs from **** until ended by either party giving written notice to the other under Conditions 3, 6 or 12.
- **Payment of annual fee**

By close of business on 1st January each year the Licensee must pay The Licensor £****. The Licensee must pay the full annual payment for any part of a year that the Agreement is in effect. All amounts of money stated or referred to in the Agreement exclude VAT, which is payable in addition.
- **Reviews**
 - Pre 2020 agreements: "The mooring fee rate is subject to review at [1st January 2015] and at five-yearly intervals afterwards"
 - Post 2020 agreements: "The Licensor mooring fee rate will be subject to review from any date prior to 1st January 2025, at the Licensor's sole discretion, thereafter on the 1st January 2025 and every fifth anniversary thereof."
- **Notice**
 - Private moorings: The Agreement will continue in force until brought to an end by either party giving the other at least one month's written notice.
 - Moorings Associations: The Agreement runs from 1st January 20** until it comes to an end

3.3 Title Restrictions

There are no title restrictions that I have been made aware of.

3.4 Planning

I have made no enquiries of the Planning Authority and no information has been received on the property's planning status and potential.

I have assumed that there are no planning proposals that adversely affect the property.

3.5 Mineral Stability

No Mining Subsidence Report has been obtained.

3.6 Rateable Value

Moorings are exempt from rating valuation by virtue of Section 8AA of the Valuation and Rating (Scotland) Act 1956.

4. **Valuation**

4.1 Valuation Methodology/Approach and Reasoning

In approaching the valuation, I have taken into account the fact that the Mooring Licence fee is only a small part of the costs that the licensee will incur in the placement and operation of the mooring with the various elements noted as follows.

Mooring Licences

Scotland has a reputation for some of the best sailing in the world and a wealth of marine wildlife is found in Scottish waters, set amongst stunning scenery of the islands, coasts and lochs. The subject of this valuation comprises the consented moorings owned by the Crown around the coast of Scotland as described above.

Most of the seabed surrounding Britain is the property of the Crown and, in Scotland, it is administered by Crown Estate in Scotland. The CES website for Marine Leisure notes that: "Scotland has some of the best sailing waters in Europe and demand for mooring space is high. Whilst navigation in coastal waters is a public right, the laying of a permanent mooring, or other equipment to hold a vessel, requires consent from the relevant landowner. For seabed, this consent will nearly always come from Crown Estate Scotland. Anyone wishing to attach anything to the seabed is required to apply to CES for a lease and to pay an annual rental."

The current fees payable for the CES moorings licence for private individuals is £80 per annum. A reduced fee of £40 per annum is payable for moorings licensed via Associations, in recognition of the perceived advantages of these to the parties involved. As noted above, CES helps set up Moorings Associations for groups of ten

or more moorings to provide a degree of local management. The Associations are given a seabed agreement enabling them to manage their members' moorings within a specific area. Associations provide a degree of security as pressure on areas traditionally occupied by moorings increases.

It is worth noting that the CES Mooring Licence will relate to specific GIS co-ordinates which will be indicated on the relevant map by a red circle. The Licence will detail the maximum vessel size for the mooring and the onus is on the individual Licensee to ensure that the placement is safe, with a suitable "buffer zone" allowed for. No liability is accepted by CES in this regard. Whilst there is a likelihood that a mooring will drift to some extent over time (as wave and wind strength drag gear around depending on the exposure of the location), CES' agents will generally only require to become involved if there is any conflict to be addressed.

Moorings will generally be in use from April to September due to insurance requirements. They are non-assignable and cannot be sub-let. Where transfer is sought, a termination and re-grant of licence will be required.

Marine Licences

The CES mooring licence is only valid if navigational consent, in accordance with the Marine (Scotland) Act 2010 and the Marine and Coastal Access Act 2009, has also been granted (that is, where the mooring is not likely to be regarded by the Scottish Government as an obstruction to navigation). The Acts are administered by Marine Scotland Licensing, to whom application must be made. Note, however, that a Marine Licence from Marine Scotland is not required for the placement of moorings within the jurisdiction of a Statutory Harbour Authority. In those instances, it is the Statutory Harbour Authority that is responsible for issuing any consents / licences that may be required. This is detailed under section 25 of The Marine Licensing (Exempt Activities) Order 2011.

Marine Licence applicants must provide a map clearly illustrating the location of the proposed mooring and, for a moorings area, must provide a chart clearly illustrating the area boundary. Marine Licences granted for moorings are valid for up to 6 years and licensees are required to re-apply to Marine Scotland at least two months prior to the expiry of the licence.

The current fee for a Marine Licence for a private mooring is £65 for its six year duration. In applying for the Marine Licence, notice of the application must be also be published in at least one newspaper local to the site of the intended mooring. The advert must state what the application is for and describe its precise location. It must give details of where a copy of the application, and maps of the relevant area, can be inspected by members of the public, and must note the date by which any representations should be made and the relevant address. Costs of placing such public notices will vary according to the location and distribution of the publication and also depends on the size of the advert. The indicative costs for such notices appear to range from around £200 for the smallest advert in a local paper with a fairly low circulation up to around £600 for a larger piece in a publication with a greater coverage.

Taking both the Marine Licence fee and the costs of advertising into account, therefore, the total cost ranges from £265 to £665 depending upon the cost of the relevant advert. This equates to an annual cost of around £44 to £110 per year.

In Statutory Harbour Authority locations, the mooring licensee will not also have to obtain a Marine Licence but must make application to the Harbour Authority, who will issue the relevant consents / licences for their own location. The requirements of each Harbour Authority will vary, as will any costs associated with procuring these consents.

In the greater River Clyde area, a stakeholder body (the "Clyde Mooring Committee") has been established and is chaired by Clydeport's "Senior Manager – Marine Operations" (Harbour Master). This gives a number of advantages to the sailing community in this locality. Within this area **only**, CES' managing agents will arrange for the licensing of moorings and do not make any charge for this "additional service".

Works

Once the relevant permissions to attach a mooring to the seabed have been obtained, the licensee will place the actual mooring "Works" to the allocated spot. At a typical swing mooring the installation works require: a suitable mooring anchor of weight and type appropriate to the required holding strength; a riser chain of say 1.5 times the maximum height of the water at high spring tide, with swivel to correct for boat spin; mooring buoy(s) to allow the vessel to locate and connect to the mooring; lines, shackles and mooring pennant. Similarly, in a trot mooring situation, a length of heavy duty chain will be placed along the seabed, secured by suitable mooring anchor equipment, to which multiple risers will be attached to buoys and connections at the surface (say anything between three and twenty moorings). For running moorings, the requisite Works are placed so that vessels are secured between two fixed points and on pulleys which are used to haul the vessel close to the shore where it remains secured afloat.

As well as the costs associated with the actual placement of the moorings, there will be ongoing costs associated with their upkeep and maintenance. Annual inspections can be carried out by certified moorings inspectors to check the integrity of the Works and make recommendations in respect of any necessary repairs or replacements.

Costs for all of these will vary with location and, for example, depth, vessel weight and the type of seabed terrain.

Shore access

Moorings licensees will also require access to and from the shore. In some locations a service is available. If access is required over private land, this may require an agreement with the owner. The licensee may also need somewhere to store a tender and a vehicle.

4.1.1 Crown Estate Scotland Objectives

I have also considered the extent of the provision of moorings rights as granted by the Crown together with the considerations under which these are granted. Crown Estate Scotland appoints a managing agent to administer the moorings licensing scheme. The primary benefits of this arrangement are the provision of a regulated system with security of tenure and a means of resolving any conflict. (Crown Marine Officers will also deal with any unlicensed moorings.)

The primary purpose of CES is to maintain and to seek to enhance the value of the Scottish Crown Estate and the income arising from it (see basis of value at 2.7 above). In doing this, Crown Estate Scotland must act in a way best calculated to further the achievement of sustainable development in Scotland, and seek to manage the Estate in a way that is likely to contribute to the promotion or the improvement in Scotland of sustainable development goals. Fees have historically been low and have been reallocated, by the Scottish Ministers, for the benefit of the community.

Group licences scheme for areas of seabed let to Mooring Associations started in the 1980s. These Associations have local management and office bearers (all voluntary), are more accountable, make annual returns to CES' managing agent and can allocate and re-allocate moorings without the need for further application. It is understood that the Associations pay for the number of moorings actually in use rather than the number consented.

Accordingly, I have also considered reasons other than pure valuation factors and willingness to pay, that being what the beneficial owner may be willing to accept as an appropriate fee level to help achieve their wider objectives together with the benefits of easier administration and the public benefits. It is not uncommon for owners of large-scale portfolio assets, for reasons of business efficiency, to operate fairly straightforward scales of rates and charges where the individual asset value is relatively low or nominal. These have the advantage of being more easily understood and operated, and avoid incurring the costs of negotiation for each and every dealing.

4.1.2 Evidence Considered

The particularly unusual characteristics of the subject property make its valuation more difficult than normal. The situation whereby virtually all of the seabed around the coast of Scotland belongs to the Crown means that there is no directly comparable transactions evidence of fees payable for the right to attach a leisure mooring to the seabed in similar circumstances. *(NOTE: Commercial Mooring Licences differ markedly from these leisure moorings insofar as these are for those operating businesses utilising the mooring(s), such as ferry operators, boatyards, charter boats and diving vessels. The fee payable for commercial mooring licences are agreed on a case-by-case basis.)* The conditions for these leisure moorings are such that there is no real "active market" whereby potential users bid in a competitive situation thus establishing the appropriate market rate(s).

This type of market is not fully transparent, full details on transactions are often not publicly available and, if available, may be out of date or inaccurate. Accordingly, I have had to examine a wider range of other information sources and market indicators to help inform an opinion as to a realistic fee level for these mooring licences.

Moorings hire

Where there is information available, it generally relates to the hire of complete moorings by visitors to various locations who wish to overnight there. I have examined this data predominantly to explore whether there are significant variations in fee across these locations. There are examples available of moorings available via clubs, associations, hotels or other owners and the levels of rates they charge for moorings. The information available often indicates a range rates for members and non-members, and for various vessel sizes. They will also give rates for daily, weekly, monthly and annual stays. Some situations will have extremely limited facilities, whilst some will have a range of amenities such as launch service, storage of dinghies ashore and access to club facilities. These rates are for the whole of the actual mooring facility (the Works) that has been laid and so, in reality, are to cover for the cost of the mooring itself, its annual maintenance costs and, of course, also includes the CES charge for the right to lay a mooring in that particular spot. They may also include for transport to and from shore.

The overnight visitor rate varies but in most locales they appear to be predominantly around the £10 per night mark although some are more – say £12 to £15 per night. There are a very small number where rates are significantly higher, although there appears to be some caché with these specific situations, and in various locations they are free or asking a voluntary donation only.

Similarly, when looking at the rates payable for longer stays, there is a range dependent upon the relative advantages of the actual location and the range and quality facilities that are made available.

The information available for inland lochs appears to reflect a similar approach to fee levels.

There is very limited information available relative to moorings changing hands but it is understood that this occasionally does happen. As noted above, a mooring licence cannot be assigned or sub-let but must be terminated and re-granted. Where sales of moorings are considered, these will include for the whole of the mooring placement as described above, including the likely re-grant of licence to the purchaser.

The Crown Estate and other licensors

The seabed surrounding England, Wales and Northern Ireland is also owned by the Crown and is administered by The Crown Estate, who indirectly licence over 10,000 moorings. The majority of these lie within specific areas which are block leased or licensed to a moorings operator such as local harbour authorities, boat clubs or associations. These bodies then license individual moorings to users, setting their own fees for these which may include for all of the mooring Works and for other facilities. In some locations, The Crown Estate operates mid-stream or piled moorings, which are administered by separate bodies. There is a waiting list for moorings (in varying length categories) and The Crown Estate charges £30 to join this list.

The Crown Estate negotiates agreements and ground rent payments with operators and these can vary markedly according to the specific situation. In some locations there will be a fixed amount relative to the area leased, there may be a charge related to percentage of turnover (anything from 10% to 50%), or there may be a hybrid approach involving a fixed payment plus a turnover percentage. The ground leases are each negotiated separately, on a case-by-case basis, and there is no “one-size-fits-all” approach. Whilst the Coastal Team at The Crown Estate were unable to provide me with details of any of these payments, they did note that many are increased periodically by reference to inflation indices such as CPI (Consumer Prices Index).

According to The Crown Estate, the majority of the moorings are situated in the more popular areas, where their value is invariably enhanced by additional facilities provided. They license only a small number of moorings individually, noting that users tend to prefer harbour/marina facilities.

Poole Harbour Commissioners charge a range of prices for their moorings and include for The Crown Estate Levy at £118 per annum, with a Registration Fee of £26.75 (a total, therefore, of £144.75 in year 1).

The Duchy of Lancaster will grant the right to affix and maintain a mooring at the Lancashire Foreshore for pleasure craft for personal use only with a current charge of £100 per annum, although it is understood that this is due to be reviewed in March 2023.

Scottish Canals moorings are more akin to marina situations and their use is priced on a matrix basis according to an extensive variety of factors. Whilst they are not similar to the CES moorings (and, again, these are for the whole mooring and not just the right to lay a mooring), it is worth noting that they have regard to market rates at each location and will make annual increases in accordance with CPI to maintain levels between formal reviews.

The **Highland Council Harbours Authority** is responsible for the harbours of Gairloch, Helmsdale, Kinlochbervie, Kyle of Lochalsh, Lochinver, Portree, Uig, Eigg, Muck and Rum, and also manage many other small piers, harbours and jetties throughout the Highlands. Most of these harbours are involved in the fishing industry, ferry operations and general cargo but they also cater for private leisure craft when these are not carrying goods or passengers for hire or commerce and not fishing for gain. Berthage rates are published annually in their Schedule of Rates and Dues. Rates for a single visit to any of these harbours range from £13.18 to £31.86 depending on size of vessel, and include free berthage for a second consecutive night at any Highland Council marine facility. Corresponding rates in 2010 were £8.25 to £20.09. The increase over the relevant period, therefore, is 55% or an average of 5% per annum compounded. I have not been able to establish with the Authority what the basis was for the increases applied, and no specific reason for this was forthcoming. These fees are, of course, in respect of the whole of the facility and not just the mooring right.

Seabed Ground Rents

I have considered whether it may be appropriate to relate moorings fees, for the right to attach a mooring to the seabed, to other seabed ground-rent situations around the coast. In this regard I have investigated rates payable for seabed and foreshore solum in a range of situations but have found no directly or reasonably comparable evidence upon which to apply any potential correlation. Moorings rights are granted for specific spots on the seabed, at GIS co-ordinates indicated on the relevant chart by a red circle. The extent of the area of seabed which this effectively occupies, or sterilises, varies enormously according to both depth of the water that it occupies and the length of the largest boat that will be moored from the centre point of each mooring. Any ground rent information available relates to the leasing of very specific square metre areas, to which rates are easily analysed. In all of the circumstances, there is insufficient comparability upon which to base any meaningful conclusion.

CPI and CPIH

I have considered the Consumer Prices Index (CPI) since the fee level was last set in 2010. Although not a direct form of evidence relating to the specific type of property here, the CPI is the official measure of inflation of consumer prices of the United Kingdom, produced in line with international standards, as provided by the Office for National Statistics (ONS). It tracks changes in the cost of living over time and can, therefore, help to give an indication of market trends where direct evidence is lacking. During the period from June 2010, based on CPI estimates from the ONS published in May 2022, inflation has risen by around 25% (an average of roughly 2.5% per year, compounded). Information available from some marine-related sources outwith Scotland have indicated that their tendency is to apply an indexation factor to fees periodically but I have no hard evidence of this.

An alternative credible measure, which is the ONS' lead measure of inflation, is the Consumer Price Index including Owner Occupiers' Housing Costs (CPIH).

Using CPIH, inflation has risen by around 33% over the period June 2010 to May 2022 (an average of roughly 3.25% per year, compounded).

4.1.3 Valuation Conclusions

In approaching the valuation, I have started with the basic valuation approach of considering what the licensee would be willing to pay for the right to affix a mooring to the seabed, taking into account the other costs involved. The current fees were set some time ago and it is realistic to assume that the rates should be increased over the intervening period, at least in terms of other cost-of-living indexation mechanisms.

I have examined a range of sources to help build a picture of the likely fee that users would be willing to pay whilst in accord with Crown Estate Scotland's wider objectives. Although there is a distinct lack of hard evidence and the approach is much less straightforward than in more normal markets, there is sufficient information and indicators available to reach reasoned conclusions as to the appropriate fee level payable.

I have considered whether there should be a uniform rate applied all around the country or whether there should be a more granular approach to the rates of fees charged. I would suggest that CES could consider a future breakdown to more specific locations according to perceived advantages and demand, although clearly this would involve a very extensive review to establish an appropriate matrix and it could well be the case that the costs of this exercise are prohibitive compared to any potential income advantages.

Within the current situation, however, it is considered realistic to make some allowance for the more explicit differences between those moorings lying within the Clyde Mooring Committee area and those outwith this location. As described above, those within this wider Clyde area have the advantage that CES' managing agents will arrange for procurement of the requisite consents and make no charge for this service. In all of the circumstances, it is likely that users would be prepared to pay a slightly enhanced fee rate in recognition of this benefit.

Taking all of the available information into account I consider it that the revised level for the current mooring fee outwith the Clyde Mooring Committee area is realistically stated at £110 per annum and that the fee within the Clyde Mooring Committee area is realistically stated at £150 per annum. Given the extremely low monthly equivalents that these analyse to (£9.67/month and £12.50/month) for the right to use an area of land/seabed, I consider these entirely reasonable.

Individual / Moorings Associations fees

With regard to the differential applied to the fees charged to private mooring holders and those licensed via constituted Mooring Associations, I have found no evidence to suggest that there should be a departure from the previously established practice.

According to CES' managing agents, there is currently a network of around 120 Moorings Associations across Scotland, who play a key role in the management of these coastal waters. They regard "the management of moorings very much as a partnership and are extremely grateful for all the hard work and dedication of the volunteers who run local Moorings Associations, playing their part in the sustainable management of some of the best sailing waters in Europe".

In all of the circumstances, it appears to be reasonable and equitable to continue the practice whereby a 50% reduction from the individual rate is applied to the Moorings Associations rate.

Future fees reviews

Although essentially outwith the scope of this exercise, I have considered whether there should be a mechanism relating to the frequency and approach to review of fees. As noted above, it may be worth considering carrying out a more extensive exercise at some future point and adjusting fees in individual locations on a case-by-case basis according to demand level, but this may not be an efficient approach. A more realistic consideration may be annual, or other periodic, increases by reference to appropriate indexation factors, perhaps subject to an appropriate "collar and cap" provision, with an actual market review being carried out at longer intervals.

4.2 Opinion of Value

I am of the opinion that Market Value of the owner's heritable interest in the moorings fees for the subject property, in terms of the definition in Section 12 of the Crown Estate Act 2019 as at 16 August 2022, is as follows:

Individual mooring fee outwith Clyde Mooring Committee area	£110 (One Hundred and ten pounds) per annum
Individual mooring fee within Clyde Mooring Committee area	£150 (One Hundred and fifty pounds) per annum
Moorings Association mooring fee outwith Clyde Mooring Committee area	£55 (Fifty five pounds) per annum
Moorings Association mooring fee within Clyde Mooring Committee area	£75 (Seventy five pounds) per annum

4.3 Currency

All prices or values are stated in pounds sterling.

4.4 VAT

I understand that VAT does not apply to this transaction and my opinion of value reflects this. In the event that my understanding is found to be inaccurate, my valuation should be referred back for reconsideration.

4.5 Costs of Sale or Acquisition and Taxation

I have assumed that each party to any proposed transaction would bear their own proper legal costs and surveyor's fees.

No allowance has been made for liability for taxation, whether actual or notional, that may arise on disposal.

4.6 Market Commentary

As noted above, the valuation of the subject property, given its particularly unusual characteristics, is relatively more difficult and subjective than for more "ordinary" property types. Given that the whole of the seabed around Scotland's coast of is in Crown ownership, there is really no other directly comparable market to which one may refer for evidence of moorings fees payable in similar circumstances, that is, for the right to attach a leisure mooring to the seabed or other waterway.

Since there is no real "active market", with potential licensees bidding in a competitive situation and establishing market rates, reference has been made to a wide range of other information sources and market indicators to help to advise on the realistic fee level for these mooring licences.

Although there is a lack of hard evidence, having considered a wide range of material to help inform the relevant fee level in terms of “market value”, and taking into account potential willingness to pay as well as Crown objectives, there is sufficient information and indicators available to reach reasoned conclusions as to the appropriate fee level payable.

5. General Information

5.1 Status of Valuer

It is confirmed that the valuation has been carried out by [REDACTED] MRICS, and has been reviewed by [REDACTED] MRICS, both Registered Valuers, acting in the capacity of external valuer, with the appropriate knowledge and skills and understanding necessary to undertake the valuation competently, and in a position to provide an objective and unbiased valuation.

5.2 Conflict of Interest

Checks have been undertaken in accordance with the requirements of the RICS standards and have revealed no conflict of interest. DVS has had no previous material involvement with the property.

5.3 Restrictions on Disclosure and Publication

The client will neither make available to any third party or reproduce the whole or any part of the report, nor make reference to it, in any publication without our prior written approval of the form and context in which such disclosure may be made.

5.4 Limits or Exclusions of Liability

Our valuation is provided for your benefit alone and solely for the purposes of the instruction to which it relates. Our valuation may not, without our specific written consent, be used or relied upon by any third party, even if that third party pays all or part of our fees, directly or indirectly, or is permitted to see a copy of our valuation report. If we do provide written consent to a third party relying on our valuation, any such third party is deemed to have accepted the terms of our engagement.

None of our employees individually has a contract with you or owes you a duty of care or personal responsibility. You agree that you will not bring any claim against any such individuals personally in connection with our services.

5.5 Validity

This report remains valid for one year from its date unless market circumstances change or further or better information comes to light, which would cause me to revise my opinion.

I trust that the above report is satisfactory for your purposes. However, should you require clarification of any point do not hesitate to contact me further.

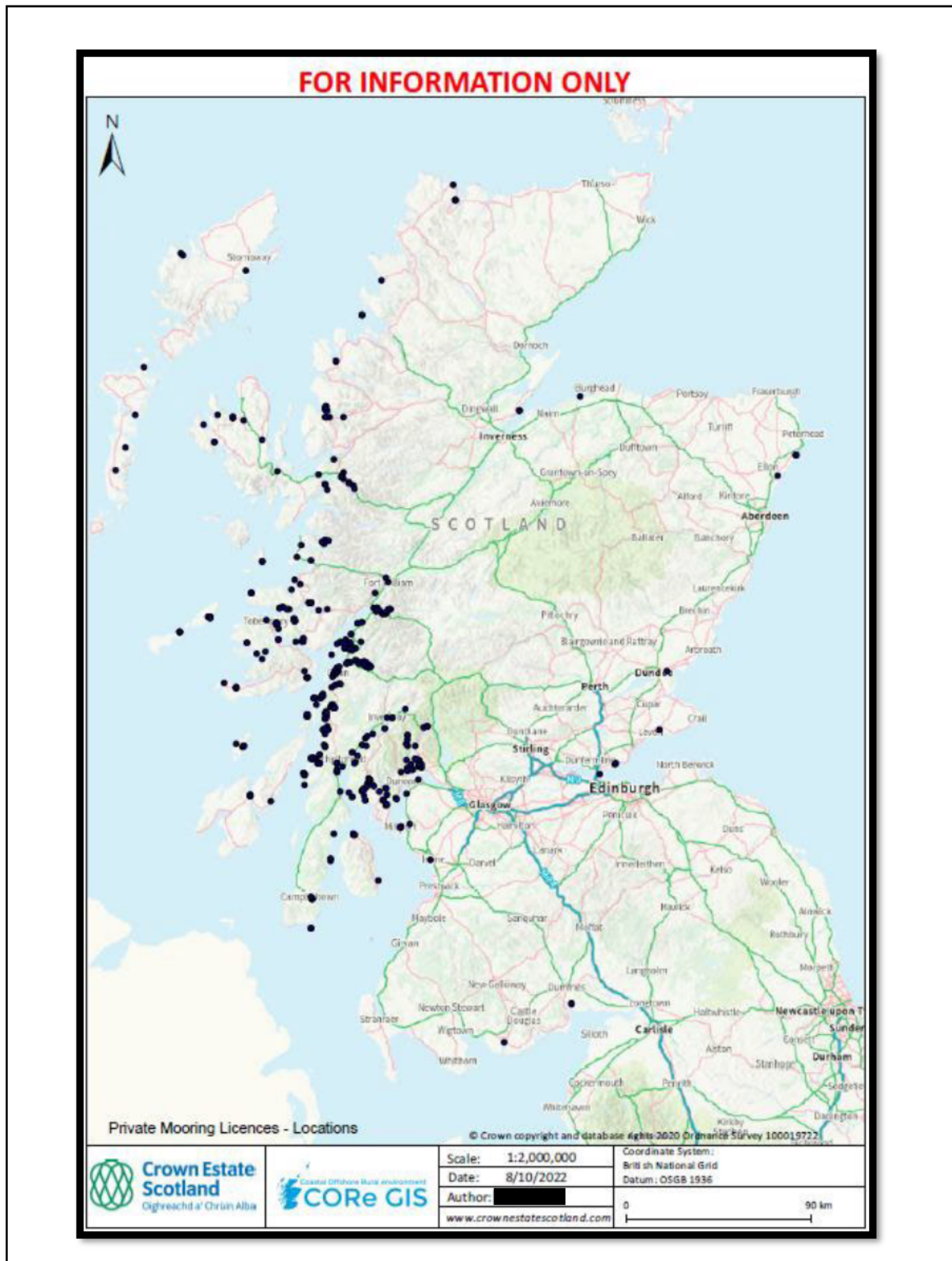


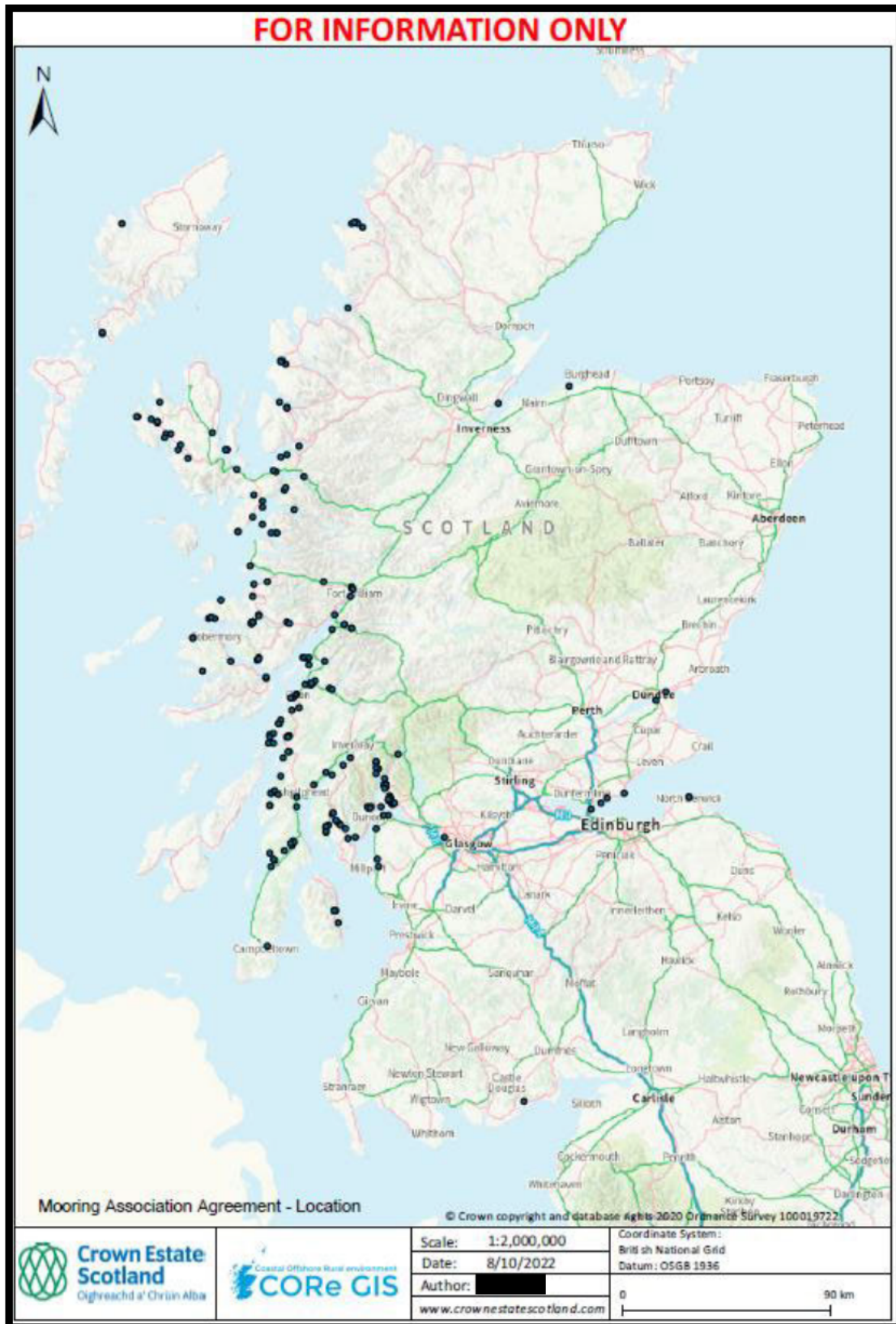
[REDACTED] MRICS
RICS Registered Valuer
Senior Surveyor
DVS

[REDACTED] MRICS
RICS Registered Valuer
Head of Valuation Services Scotland
DVS

6. Appendices –

Appendix 6.1 - Locations





Property_Name	LOCAL_AUTHORITY	No.	Property_Name	LOCAL_AUTHORITY	No.
Cruden Bay	Aberdeenshire	4	Carradale Harbour	Argyll and Bute	2
Ythan Estuary AB-26-10	Aberdeenshire	1	Carrick Castle	Argyll and Bute	2
1 Mooring Easdale Sound	Argyll and Bute	1	Carsaig Bay	Argyll and Bute	10
2 Moorings At Loch Na Cille	Argyll and Bute	2	Clachan Seil	Argyll and Bute	4
Achnacree Bay	Argyll and Bute	1	Clynder	Argyll and Bute	1
Airds Bay	Argyll and Bute	1	Colintraive	Argyll and Bute	1
An Doirlinn Loch Etive	Argyll and Bute	1	Coll	Argyll and Bute	1
Ardantrive Bay Kerrera	Argyll and Bute	2	Cove	Argyll and Bute	2
Ardbeg Point	Argyll and Bute	1	Craighouse	Argyll and Bute	1
Ardentallen Point	Argyll and Bute	1	Craobh Haven Loch Shuna	Argyll and Bute	1
Ardentinny	Argyll and Bute	1	Crarae Bay	Argyll and Bute	1
Ardentrive Bay	Argyll and Bute	1	Criagnish Lagoon	Argyll and Bute	2
Ardpeaton	Argyll and Bute	1	Cuan Sound	Argyll and Bute	1
Ardrihaig	Argyll and Bute	2	Easdale Bay	Argyll and Bute	8
Ardvaine	Argyll and Bute	1	East Glassard	Argyll and Bute	1
Arinagour Bay	Argyll and Bute	2	East of Eilean Buidhe	Argyll and Bute	1
Arrochar	Argyll and Bute	2	Eilean Buidhe Loch Shuna	Argyll and Bute	2
Ashfield Bay	Argyll and Bute	5	Faslane	Argyll and Bute	3
Ashfield Loch Sween	Argyll and Bute	6	Fearnach Bay	Argyll and Bute	4
Asknish Bay Loch Shuna	Argyll and Bute	5	Freeport	Argyll and Bute	1
Balvicar Bay	Argyll and Bute	2	Ganavan Bay	Argyll and Bute	3
Bay of Sanda	Argyll and Bute	3	Gare Loch	Argyll and Bute	4
Bendoran Bay	Argyll and Bute	1	Glaiceriska Bay	Argyll and Bute	2
Blair s Ferry	Argyll and Bute	1	Gunna Sound	Argyll and Bute	5
Blairvadach	Argyll and Bute	2	Heather Island	Argyll and Bute	1
Brenfield Bay	Argyll and Bute	1	Holy Loch	Argyll and Bute	1
Bull Hole	Argyll and Bute	1	Inveraray	Argyll and Bute	1
By Kames	Argyll and Bute	1	Island of Lismore	Argyll and Bute	2
Cairdow	Argyll and Bute	1	Island of Lunga	Argyll and Bute	4
Caladh Harbour	Argyll and Bute	5	Isle of Coll	Argyll and Bute	2
Camas Bruaich Ruaidhe	Argyll and Bute	1	Isle of Mull	Argyll and Bute	2
Campbeltown Loch	Argyll and Bute	5	Kames Bay	Argyll and Bute	2
Caol Ila Islay	Argyll and Bute	1	Kerrera Sound	Argyll and Bute	2
Caol Scotnish Loch Sween	Argyll and Bute	2	Kilbowie	Argyll and Bute	1
Cardingmill Bay	Argyll and Bute	1	Kilbrannan Sound	Argyll and Bute	1

Property_Name	LOCAL_AUTHORITY	No.
Kilmelford	Argyll and Bute	1
Kyle of Bute	Argyll and Bute	2
Kyles of Bute	Argyll and Bute	3
Linnburn	Argyll and Bute	1
Loch Craignish	Argyll and Bute	4
Loch Creran	Argyll and Bute	23
Loch Crinan	Argyll and Bute	2
Loch Eatharna, Isle of Coll	Argyll and Bute	3
Loch Etive	Argyll and Bute	28
Loch Feochan	Argyll and Bute	4
Loch Fyne	Argyll and Bute	14
Loch Gair	Argyll and Bute	2
Loch Gilp	Argyll and Bute	2
Loch Goil	Argyll and Bute	4
Loch Melfort	Argyll and Bute	3
Loch na Cille	Argyll and Bute	10
Loch Na Keal	Argyll and Bute	2
Loch Na Lathaich	Argyll and Bute	2
Loch Riddon	Argyll and Bute	11
Loch Shuna	Argyll and Bute	3
Loch Spelve	Argyll and Bute	5
Loch Striven	Argyll and Bute	4
Loch Sween	Argyll and Bute	1
Lochgilphead	Argyll and Bute	1
Lynn of Lorn	Argyll and Bute	4
Minard Bay	Argyll and Bute	1
North Carsaig, Sound of Jura	Argyll and Bute	1
North Connel	Argyll and Bute	1
North End of Lismore Island	Argyll and Bute	1
Oban Bay	Argyll and Bute	5
Outer Loch Criagnish	Argyll and Bute	1
Port A Chapuill	Argyll and Bute	1
Port a Chlaidh (East)	Argyll and Bute	1
Port Askaig	Argyll and Bute	1
Port Lamont, Loch Striven	Argyll and Bute	1

Property_Name	LOCAL_AUTHORITY	No.
Port Mor	Argyll and Bute	2
Port nan Gamhna	Argyll and Bute	1
Portavadie	Argyll and Bute	1
Rahane	Argyll and Bute	1
Rhu Bay	Argyll and Bute	1
River Add	Argyll and Bute	1
Rothsay Bay	Argyll and Bute	3
Rubh Aird an Daraich	Argyll and Bute	1
Rubha Charsalaich	Argyll and Bute	1
Sailean Ruadh	Argyll and Bute	1
Scalasaig	Argyll and Bute	1
Seabank	Argyll and Bute	1
Seil Sound	Argyll and Bute	6
Sound of Islay	Argyll and Bute	3
Sound of Jura	Argyll and Bute	4
Sound of Kerrera	Argyll and Bute	7
Sound of Mull	Argyll and Bute	3
Sound of Shuna	Argyll and Bute	2
Stroul Bay	Argyll and Bute	2
Tighnabruaich	Argyll and Bute	6
Tigh-na-Creige	Argyll and Bute	1
Toward	Argyll and Bute	2
West Glen	Argyll and Bute	2
West Kyles of Bute	Argyll and Bute	1
White House of Aros	Argyll and Bute	1
River Nith	Dumfries and Gallo	2
St Mary s Isle	Dumfries and Gallo	1
Broughty Ferry	Dundee City	1
Lower Largo	Fife	1
S bed btwn Town Pier/Battery	Fife	1
Silversands Bay	Fife	2
3 Moorings At Loch Leven	Highland	3
Ballachulish Loch Leven	Highland	4
Bonnvoulin Bay	Highland	1
Boor, Loch Ewe	Highland	1

Property_Name	LOCAL_AUTHORITY	No.
Braomisaig Bay	Highland	1
Camus Lusta	Highland	1
Coul Bay	Highland	1
Diabaig Bay	Highland	1
Drimnin Bay	Highland	5
Durness	Highland	1
Eigg Harbour	Highland	1
Eilan Dubh	Highland	3
Fernaig Bay	Highland	1
Fort William	Highland	1
Galmisdale	Highland	1
Glenborrodale & Isle Of Carna	Highland	3
Glenelg Bay	Highland	1
Glenmore Bay	Highland	1
Isle of Skye	Highland	1
Kyle Rhea	Highland	3
Kyleakin	Highland	1
LetterfearnLoch Duich	Highland	1
Loch Ainort	Highland	1
Loch Aline	Highland	1
Loch Diabaig	Highland	2
Loch Duich	Highland	4
Loch Dunvegan	Highland	1
Loch Ewe	Highland	1
Loch Greshornish	Highland	3
Loch Griboll	Highland	1
Loch Kentra	Highland	1
Loch Leven	Highland	8
Loch Linnhe	Highland	10
Loch Long	Highland	13
Loch Moidart	Highland	1
Loch Nam Uamh	Highland	1
Loch Nan Ceall	Highland	1
Loch Nevis	Highland	4
Loch Shildaig	Highland	3
Loch Sunart	Highland	14
Loch Teacius	Highland	7

Property_Name	LOCAL_AUTHORITY	No.
Loch Torridon	Highland	5
Loch Treaslane	Highland	1
Loch Varkasaig	Highland	1
Lochaline	Highland	3
Moray Firth	Highland	1
North Channel	Highland	1
Onich Bay Loch Linnhe	Highland	2
Poll Nan Gobhar	Highland	1
Portnancon	Highland	3
Portree	Highland	1
Private Mooring - D Cameron	Highland	1
Resipole	Highland	1
Rosemarkie Bay	Highland	1
Rvr Morar	Highland	1
Sanna Bay	Highland	4
Sgeirn Nan Row	Highland	2
Shildaig (Strathcarron)	Highland	1
Sound of Mull	Highland	7
The Sea of Hebrides	Highland	1
Totaig Bay Loch Duich	Highland	2
Varkasaig	Highland	1
Cardwell Bay	Inverclyde	1
Nr Wemyss Bay	Inverclyde	1
Rvr Findhorn	Moray	1
Bagh Sgotbheinn	Na h-Eileanan an la	1
Loch Eynort	Na h-Eileanan an la	1
Loch Grimishader	Na h-Eileanan an la	1
Loch Miabhaig	Na h-Eileanan an la	1
Loch Nam Ban	Na h-Eileanan an la	1
Loch Sgiopoirt	Na h-Eileanan an la	1
Miavaig	Na h-Eileanan an la	1
Fairlie	North Ayrshire	1
Lamlash Bay	North Ayrshire	1
Lochranza	North Ayrshire	2
Millport	North Ayrshire	3
Rvr Irvine	North Ayrshire	1

Appendix 6.2 – Clyde Mooring Committee Locations

MOORINGS ASSOCIATIONS & GROUPS		PRIVATE MOORINGS		PRIVATE MOORINGS	
Location	Moorings	Location	Moorings	Location	Moorings
Achavoulin Bay	21	Ardbeg, Firth of Clyde	1	Loch Fyne	17
Ardishaig	28	Ardpeaton, Loch Long	1	Loch Gair	2
Ashton Gourock	77	Ardishaig Harbour	1	Loch Gilp	4
Brodick, Isle of Arran	3	Arrochar, Loch Long	1	Loch Goil	3
Burnt Isle, Kyles of Bute	6	Barreman, Gare Loch	1	Loch Long	11
Cardwell Bay	33	Blairvadach, Gare Loch	2	Loch Riddon	14
Croy	11	Caladh Harbour	5	Loch Striven	4
East Kyles of Bute	42	Cardwell Bay	1	Lochgilphead	1
Fairlie Bay	38	Carrick Castle	3	Millport Bay	3
Gare Loch	15	Clynder	1	Minard Bay	1
Garelochhead	33	Colintraive	1	Nr Wemyss Bay	1
Bay	21	Cove, Loch Long	4	Port Lamont, Loch Striven	1
Helensburgh	66	Crarae Bay	1	Port nan Gamhna	1
Holy Loch	87	Downcraig Ferry	2	Portavadie	1
Inverkip	6	Fairlie	1	Rahane, Gare Loch	3
Kames Bay	55	Faslane	3	Rhu Bay	1
Kyles of Bute	23	Gare Loch	5	River Irvine	1
Largs	25	Holy Loch	1	Rothesay Bay	3
Loch Fyne	34	Inveraray	1	St. Catherines Bay	1
Loch Gair & Minard Bay	39	Kames Bay	3	Stroul Bay	2
Loch Goil	39	Kilcreggan Bay	1	Tighnabruaich	6
Loch Long	30	Kipps	1	Toward, Firth of Clyde	2
Loch Riddon	33	Kyles of Bute	7	West Glen, Kyles of Bute	2
Lochgailhead	106	Linnburn, Gare Loch	1	West Kyles of Bute	1
North of Rhu Spit	38				
Portincaple	22				
Rosneath Bay	12				
Strachur Bay	40				
Tighnabruaich	85				
Total	1068			Total	135