

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.

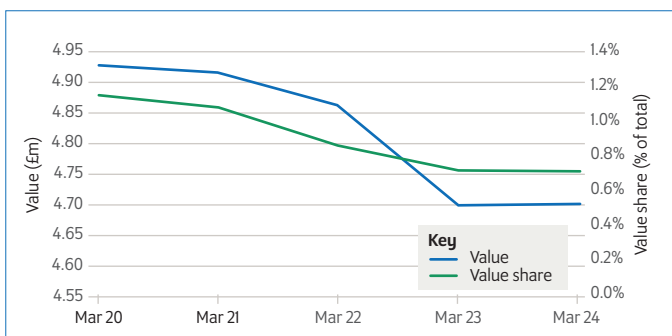
2. Asset summary

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.

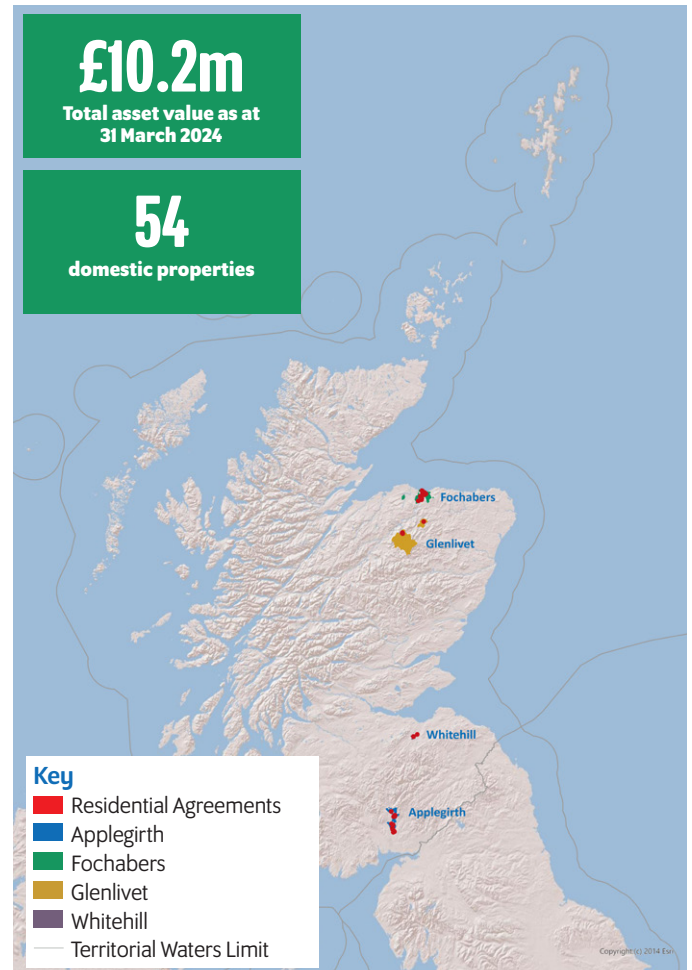
Asset and financial information

Asset information	Value
No of agreements	54
Value (March 2024)	£10.2m
Value share (% of total Estate value, March 2024)	1.5

Residential – change in value and value share over time

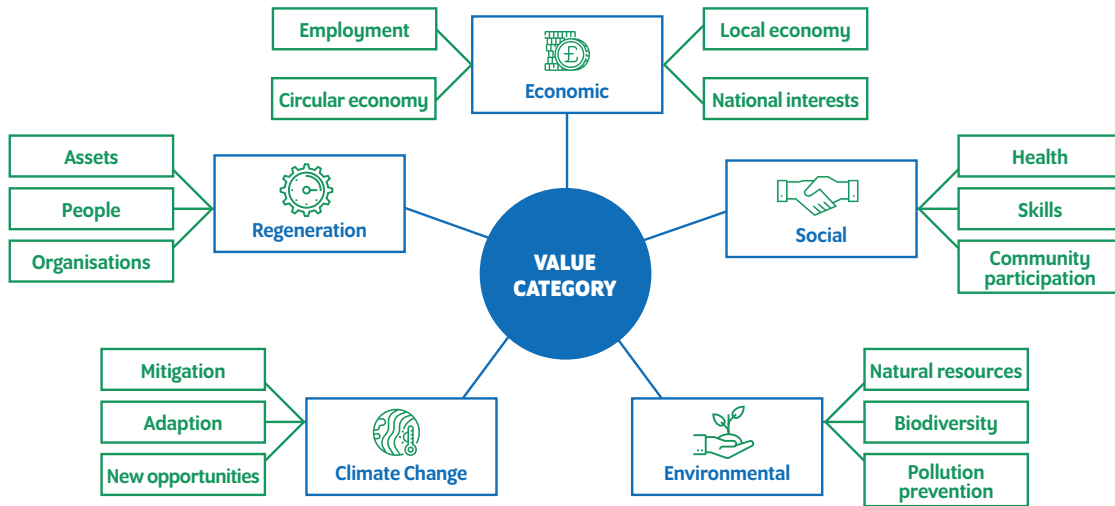


Residential asset map



Map correct as at September 2024. 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 [interactive map](#).

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

Next steps

The Value Project started in 2019 as a direct response to this need to define the wider value of CES's activities.

In 2023, with the help of Savills Earth we completed development of our new Value Reporting Framework (VRF). This framework will support CES to shape data gathering to inform non-financial metrics and will help to inform our future decision-making, reporting, and monitoring processes.

The VRF seeks to measure the value created through all of CES's activities, producing quantitative and qualitative data for investment case decision making and annual reporting.

To achieve this a systematic process for measuring value was developed, in which our five wider value categories – climate change, social, economic, environmental and regeneration – were individually assigned a specific value indicator, with each indicator directly tied to its own value creation metric.

We have now incorporated indicators relating to employment, investment, and social cost of carbon into our annual reporting and further indicators will be added going forwards.

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.
- **Economic** – Opportunities to support the local economy through the procurement of our refurbishment work.

Opportunities

- Demonstrate energy efficiency leadership in hard to treat properties;
- Foster sustainable, mixed tenancy communities;
- Help rural communities remain vibrant, providing homes for local people at reasonable rents;
- Showcase traditional trades and local building skills; and
- Through our procurement process, we are finding we are able to use local suppliers to complete refurbishment work.

Threats

- Challenge of retrofitting older properties with energy efficiency upgrades and tenants in occupation; and
- Continuing increase in 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 2020-2026 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 upgrading properties from EPC D or E to at least EPC C, and installing renewable energy such as solar panels, battery storage, heat exchanges, as well as electric vehicle charging points.
- As of September 2024, we have completed 4 full refurbishments of residential properties and are currently working on 7 properties.

Asset manager

- Working to identify and remove lead pipes in line with new legislation requirements. Continuing our key focus on compliance with statutory and non-statutory safety requirements.
- We are implementing our energy efficiency strategy and continuing on a phased programme.
- Working with Scottish Government’s agricultural holdings team on regulations for agricultural accommodation to address different standards between different types of residential letting, and trying to reduce energy costs for tenants through this work.

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
Economic				
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

Key

- Inactive
- Low
- Medium
- High

Published April 2025
Original material © Crown Estate Scotland

Financial information as of March 2024, other information as of July 2024. Some figures in this profile have been rounded.

Head Office

Quartermile Two
2nd Floor
2 Lister Square
Edinburgh
EH3 9GL
Tel: 0131 260 6070
enquiries@crownstatescotland.com

www.crownstatescotland.com

Glenlivet

Main Street
Tomintoul, Banffshire
AB37 9EX
Tel: 01479 870 070
info@glenlivetestate.co.uk

www.glenlivetestate.co.uk

 @CrownEstateScot
 www.linkedin.com/company/crown-estate-scotland