

VALUING CHICHESTER HARBOUR *2009*



UE
ASSOCIATES





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Foreword

In the first edition of Valuing Chichester Harbour, published in 2001, we concluded that the Harbour and its AONB were even more valuable than we had supposed: not only locally, but as a national asset.

In the past eight years, despite the current economic downturn, that value has grown very considerably, not only in terms of the market value of almost all its tangible assets, but also in the way the value of its natural qualities has become more widely recognised.

In 2001 we recommended that the valuation should be updated regularly. This revision follows much the same methodology as we used originally and considers many of the same components. We have not repeated the detailed discussion of the issues raised in the valuation process as these were spelt out in the 2001 study.

Valuing most of the tangible assets has been challenging but relatively straightforward. The pronounced average rise in the price of houses in the AONB is obvious. So is the growth in spending of the Harbour's visitors and users. People are spending much more on their recreation. For example, the number of vessels in the Harbour may be fairly constant but a higher proportion of them are larger and much more expensive.

One of the most interesting and significant developments over the past eight years has been in the way people have come to appreciate, and therefore to place a greater value on, the Harbour's natural attributes - its beauty, tranquility and wildlife - as these assets are recognised as becoming increasingly rare, and under threat, on our overcrowded island. There is now a greater recognition of the role of these assets in the contribution they make to our quality of life. And the protection of these assets for posterity to enjoy has assumed a greater public concern.

The valuation process has illustrated the widespread ripple effects that the Harbour's special qualities create. Their benefits are both economic and social; and in the last few years we have seen increasingly sophisticated approaches to valuing these effects. For example, a beautiful tree may no longer be valued only for its timber, but also for the benefits it offers to the community. The physical and mental wellbeing that comes from enjoying a beautiful land and seascape like the Harbour is increasingly valued. An evaluation of the intangible assets of the Harbour and AONB will form part of the next phase of this study.

Perhaps the most valuable practical outcome of our original valuation study was the Conservancy's recognition that an independent charitable trust was needed to help protect the natural beauty of the land around the Harbour and its wildlife habitats. The Chichester Harbour Trust is now established and recognised as a mechanism for achieving this aim.

Our study of its components leads us to conclude that, taken together, Chichester Harbour and its AONB has grown very considerably in value since our original estimate. It is today much more widely recognised as a remarkable, and scarce, resource. The benefits the Harbour offers to society are more readily appreciated, as is the importance of managing it on a sustainable basis so that future generations may continue to enjoy its qualities.

“ Chichester Harbour and its AONB has grown very considerably in value since our original estimate. ”

Particularly when the current international financial system is undergoing such a profound reappraisal, I believe that more and more people are coming to realise that the value of our surroundings - the assets, like Chichester Harbour's natural beauty, which make life worth living - should be looked at again with new eyes.

Given these conclusions about the increased value of the Harbour and its AONB, we think the time has come for the Conservancy and its partners to take a fresh look at how its management and conservation are funded; whether the financial resources at present available reflect the importance of this national asset; and how best to secure the financial security to enable the Conservancy to meet its objectives in the years ahead.

*- Sir Jeremy Thomas, KCMG,
Chairman of Chichester Harbour Trust*



Executive Summary

This study has been developed to provide a strategic review of Chichester Harbour's economic worth based on some of the key aspects of the Harbour and its surrounding land such as property, marine business, tourism, land use and recreation.

The purpose of this study is threefold. Firstly it forms an important part of the portfolio of policy material available to Chichester Harbour Conservancy as the Statutory Harbour Authority and Joint Advisory Committee for the AONB, the Local Authorities and other bodies whose boundaries and management decisions are affected by the Harbour and its economy.

Secondly, this study provides an update to the previous 'Valuing Chichester Harbour' report which was published in 2001. Although, comparisons to the 2001 report have not been specifically drawn out since different methods and more datasets have been used in this report.

Thirdly, this study provides an interesting examination of the relationship between a nationally protected landscape and its local economy.

This study has sought to examine and review a wide range of datasets and information, which have differed widely in terms of the consistency, accuracy and availability of data. The work undertaken in exploring the different methods and ways of analysing and presenting the data far outweighs the information which this final report of the study contains. Much care and effort has been taken to ensure transparency of methodology and presentation, and to cite any limitations or assumptions made in analysis of the data. It should be noted that many of the valuation calculations have been prepared using data from 2007-2008, prior to the significant downturn in the economic climate.

The total value of Chichester Harbour has been estimated to be at least £2.78 billion.

This cumulative figure is made up of individual valuation information from maritime businesses (£524M), residential property (£2,151M), tourism (£44M), land values (£52M) and recreation (£1.2M).





Introducing Chichester Harbour as an Economic Asset

1. Chichester Harbour is a large natural harbour to the south west of the city of Chichester and the south east of Havant. Occupying both sides of the Hampshire-West Sussex border, the Harbour comprises some 44km² of navigable water, accessed from the Solent via a narrow channel between Hayling Island and West Wittering. In recognition of its distinctive landscape qualities, in 1964 Chichester Harbour was designated as an Area of Outstanding Natural Beauty (AONB) under the 1949 National Parks and Access to the Countryside Act. The purpose of AONBs is to conserve and enhance natural beauty and at 74km², Chichester Harbour is the smallest in the south east of England.



2. As one of the few remaining undeveloped coastal areas in southern England, Chichester Harbour is a blend of aesthetically rewarding scenery and relative tranquillity. The AONB, which lies within the flat coastal plain to the south of the Downs, is characterised by an intricate mix of land and sea containing rich and varied habitats. Of particular significance are the internationally important intertidal mudflat and saltmarsh habitats, which not only characterise the AONB but also provide a valuable resource for waders and waterfowl. Some of these areas are fringed by characteristic coastal oaks which lead into expanses of productive farmland, dissected by low hedgerows and ditches.
3. The Harbour's extensive open water and deep channels have made it one of the busiest and most popular recreational boating harbours on the south coast. Around the water's edge lie sailing clubs, marinas, boatyards and small marine-related

businesses. Vessels of all shapes and sizes lie on moorings within numerous channels.

4. There are a handful of villages and one small market town within the AONB, with the majority of the properties scattered along the waterside. The harbour does not have a vernacular building style but many of the properties are large in size and distinctive in character.
5. The combination of an attractive landscape, varied habitats rich in wildlife, extensive footpath networks and varied sailing opportunities make Chichester Harbour AONB a popular place to live and visit. This, coupled with its location within the busy south east, means that a careful balance has to be struck between supporting a vibrant and attractive area and ensuring that its natural qualities and special features are not damaged by those who come to enjoy it.

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Managing the Harbour and AONB

6. In 1971, Chichester Harbour Conservancy was established by an Act of Parliament to conserve, maintain and improve the harbour and amenity area for recreation, natural conservation and natural beauty. The Conservancy also acts as the Joint Advisory Committee (JAC) for the AONB on behalf of the four Local Authorities which make up the area.
7. The Conservancy plays a crucial role in balancing the differing needs of those who live, work and visit the Harbour and AONB whilst safeguarding the unique qualities, special character and valuable wildlife habitats it contains. This is an increasingly difficult challenge in the face of increased recreational pressure,





the demand for more housing and the uncertainties surrounding the impacts of climate change on the AONB, its users, businesses and residents.

What is the purpose of this study?

8. The first attempt to 'value' Chichester Harbour AONB was carried out by the Conservancy in 2001, with the findings published in the Valuing Chichester Harbour report. This report contained various methods for valuing the Harbour's component parts, the issues and problems associated with such methods, and suggested some illustrative examples of their value. It was the first report of its kind for the Harbour, and indeed any other AONB, and therefore groundbreaking in its ambitions and unique in nature. The data it generated has proved invaluable in helping to highlight the economic importance of the Harbour and its man-made and natural assets. Naturally, by its own admission, the report had a few limitations in coverage and accuracy. Most of these were born of data shortage or unavailability.

9. The aim of this current study is to build on the work carried out in 2001 and to provide an up-to-date estimate of the total value of all the Harbour's assets, broken down into its component parts. It will also assist the Conservancy in managing the Harbour and the AONB and delivering the Chichester Harbour AONB Management Plan.



10. This is the first phase of the valuation process. This current study looks at placing values on tangible assets and features, such as property, farmland and farming, maritime businesses and tourism. New valuation techniques have been used, coupled with more extensive primary research, such as the use of detailed questionnaires to key business sectors and more extensive use of GIS analysis. Comparisons with national and south east statistics have been used where appropriate to help place the Harbour's value in a wider context.

11. The second phase will look to value 'intangible' assets such as tranquillity, remoteness, sense of wellbeing and wildlife.





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Topic Areas

12. The study provides an up to date collection of informed monetary estimations and, where possible, quantitative statements about the following categories:

Maritime businesses	The Harbour's marinas, boatyards, yacht and boat hire businesses, sailing schools, chandleries and sailing clubs are important economic assets. Each has been reviewed in terms of turnover and employment. Commercial fishing, registered vessels and moorings are also included in this study.
Housing	Dwellings in Chichester Harbour are well above national average house prices, due to a combination of beautiful location and town planning restrictions. This study has reviewed the different types of properties found within the AONB, in terms of quantity, average dwelling size and price. Price comparisons between waterside and inland properties have been made.
Tourism	The AONB is a recognised destination for day trippers and people wishing to stay for longer. These visitors support local tourism businesses, which in turn often rely on the aesthetic value of the AONB. This study has examined the economic contribution of accommodation providers, restaurants and pubs to the Harbour. Annual tourist numbers and spend have been evaluated.
Land Use	Agriculture represents the largest land use type in the terrestrial AONB. Land is particularly valuable as the coastal soil is very productive for crop growing. This study examines land values and the contribution of farming to the overall value of the Harbour.
Recreation	The Harbour offers a wide range of recreational opportunities, both land and water-based. Recreational boating, wildfowling, golf, angling, cycling and cultural activities each play an economic role; monetary values have been estimated for wildfowling and angling.



Valuation techniques

13. Various different techniques exist for valuing assets. Market valuation has been used wherever possible which involved drawing on current market values e.g. how much a person is prepared to pay for a particular product or commodity. In terms of this study, monetary value or market price is considered to be the best practical benchmark of worth.
14. In the case of valuing economic aspects which do not relate directly to the price of commodities, information about business value and turnover has been sought through a series of questionnaires. In unusual cases, where another valuation technique has been introduced, an explanation of the methodology is provided in the relevant section.

Limitations

15. There have been some limiting factors in terms of data collection. Much of the data on businesses within the AONB has been obtained via questionnaires to business owners. Not all questionnaires were returned, and some had key information, such as market value and turnover, missing or withheld. Where it has not been possible to give accurate total values, two figures are often given – one being the total value based on the information contained in the returned questionnaires and the other an extrapolated figure based on best-knowledge so that a total estimated value could be calculated.
16. Data has also been collected directly from national and local sources. The format of this data varies considerably in terms of chronology and geographic coverage. Where possible the report has drawn on recent data. Likewise, GIS methods have been used to help overcome some of the geographic disparities. Inevitably, in some circumstances, it has been necessary to make assumptions, based on professional experience and expert opinion. All assumptions are clearly referenced where appropriate.
17. Valuing assets without a market value involves uncertainty and estimation. Estimation can simply be wrong, and in some circumstances it can lead to double-counting. The study has been especially vigilant to avoid such double counting, and where possible, the scope and reasoning behind the value of a particular estimation is carefully cited.
18. Another problem is how to deal with time. For example, as southern England becomes ever more crowded, places like Chichester Harbour will become increasingly rare, and will thus be regarded more highly by future generations. Similarly, declining biodiversity over time could increase the value of a habitat as more effort is made to protect what is left, but any value may disappear once it is gone. In addition, climate change is likely to affect the value of the harbour in terms of storm damage, loss of habitats and sea level rise, but to what extent and over what time period it is difficult to accurately predict.



2.0 Maritime Businesses

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19. Maritime businesses have been classified as all those that are directly associated with recreational boating within Chichester Harbour in all of its many guises, including commercial fishing. It encompasses, for example, chandleries and boat hire/charter businesses. Harbour vessels also form part of this valuation.
20. The Harbour, with its associated landscape and sheltered, easily accessible waters is the key resource that enables many of the businesses to operate successfully. It is the largest leisure harbour in the country both in terms of the number of vessels using it and the number of recreational marine related businesses it supports. This popularity and success is based on several factors: it is one of the largest natural harbours on the south coast, holding wide expanses (over 3000 hectares) of sheltered waters at high tide, including 27 km of well marked and well lit channels. Its natural beauty, peace, tranquillity and easy access from land and sea combine to make its safe waters an attractive and ideal place for a wide range of maritime activity.

Maritime Activity in the Harbour

21. The Harbour is a popular centre for dinghy racing and 'pottering' in dinghies, an activity regularly conducted from the 16 sailing clubs based in the Harbour. Between them the clubs have in excess of 12,000 members, many of whom travel from London and further afield to use the Harbour. For example, the Hayling Island Sailing Club attracts national and international sailing events and has amongst its membership a number of successful Olympic sailors.





22. There are six marinas in the Harbour with a total of 2,030 berths. These combine with 3,800 moorings to provide a base for yachts and powerboats that cruise the Harbour and wider waters of the Solent and English Channel. Dinghy racing is a traditional and popular sport in the harbour and there are about 4,500 racing dinghies stored ashore at the 16 sailing clubs. During the Federation Regatta Week each August some 400 dinghies compete for a range of trophies. To this core of Harbour users can be added a smaller number of windsurfers, canoes and other miscellaneous craft. It is estimated that about 25,000 people take part in one or other of the Harbour's water based activities during the course of a year.



23. The boatyards are where boats are built, maintained or stored. There are over two dozen boatyards in Chichester Harbour, including all of the Marinas as well as large and small specialist companies. A dwindling proportion of Chichester Harbour's boatyards specialise in repairs and maintenance of traditional wooden boats to serve the area's enthusiasts; one of the most notable being the Victorian oyster boat, Terror, which was successfully restored in 2004-06 by Dolphin Quay, a boat builder in Emsworth.

24. Chandlerys are marine businesses that specialise in boat equipment and supplies such as sails, ropes, anchors and navigation lights. Some of Chichester Harbour's marinas and boatyards provide chandlery services, whilst others specialise in services for dinghies, yachts and other boats. Chandlers are often the first port of call for new sailors and boat enthusiasts alike, with equipment for boats of all ages and sizes being readily provided.

25. In 2008, the total number of vessels registered to use the Harbour was more than 11,000, including 1,800 small tenders. This total represents about 28% of the leisure craft based in the Solent.

26. There is also a small but nonetheless significant number of commercial fishing and recreational angling craft based in the Harbour. Historically, fishing, including oyster dredging, has formed the basis of the Harbour's economy. In the 19th century Emsworth was home to

the largest oyster dredging fleet in the country and, in the 1890s, over 100,000 oysters a week were sent to the London market. Since its heyday, the fishing industry has shrunk to a shadow of its former glory and the downward trend continues today.

27. Currently, there are 17 registered commercial fishing vessels in the Harbour, all individually owned. This resident fleet is joined in periods of bad weather in the winter by the Selsey lobster and crab fishing boats seeking shelter.

28. In terms of oyster fishing, native oysters have sustained the industry over the years, and despite the introduction of non-native oysters in the past, the catch has continued to dwindle, particularly in the last three years. This decline mirrors the situation in the wider Solent but it is considered that, given careful management and the right conditions, it need not be an irreversible trend. Over the last 20 years, an export market for cuttlefish has developed; this fishery is lucrative for the local boats for a short period during the spring. The catches vary, but Chichester Harbour usually provides a good haul. Although cockle collecting is dying out, it still provides an income for a few fishermen during the summer months when there may be little else to catch.



29. In contrast to the decline in commercial fishing, recreational angling from boats operating inside and outside the Harbour and from the 40 miles of Harbour shoreline, has been a significant growth area. The latest development is fly fishing for bass from the sand banks in the Harbour entrance during the summer months. Based on information gathered from local tackle shops and from observation of activity, the harbour is used by about 10,000 amateur fishermen every year (see **para 105**).



Valuation of Maritime Businesses

30. The valuation covers a variety of maritime businesses such as sailing clubs, chandleries and boatyards. It also covers commercial fishing and the value of Harbour vessels.
31. In seeking to value maritime businesses, there is a danger of double counting assets and this particularly applies when a business provides a wide range of services. For instance, a number of marinas provide berthing, moorings, boatyard and marine services and brokerage facilities whilst other, often smaller businesses will deal in one core line of business. To overcome the problems of double counting the following measures have been taken:
- The businesses in each valuing category have been grouped to ensure that they include all the services that may be available from each provider;
 - Vessels have been valued separately on a harbour wide basis and not included in business valuations;
 - Angling clubs have been valued separately (see **para 104**) and
 - No attempt has been made to value the secondary benefits that the maritime organisations and businesses may attract to the area. For example tourist shops, pubs, restaurants and utilities. These are covered elsewhere in the report (see **Tourism**).

Questionnaire Survey of Maritime Businesses

32. Two questionnaires were used to gather information: (i) a maritime business questionnaire, and (ii) a commercial fishing questionnaire. Both questionnaires sought similar information. They were issued separately to help provide clarity and encourage a higher return rate from each sector. Both sets of questionnaires were issued twice and followed up to maximise engagement. The maritime business questionnaire was sent to:

- ▶ Boatyards;
- ▶ Marine service organisations and businesses;
- ▶ Marinas;
- ▶ Yacht brokers;
- ▶ Yacht charter and boat hire companies;
- ▶ Sailing schools and activity centres;
- ▶ Chandleries;
- ▶ Boat repair and maintenance depots; and
- ▶ Sailing clubs.

33. Together these businesses and organisations represented 122 separate contact points; 61 organisations and businesses responded. Commercial fishing questionnaires were sent to 18 fishing businesses, however response numbers were very low and the estimates of catch in this section are based upon an assessment by a regular and long standing commercial fisherman in the Harbour. The figures are considered accurate to within 10%.



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The Estimated Value of Maritime Businesses

34. There are two tables in this section of the study that provide valuation estimates. Table 1 provides factual information based on the 61 organisations and businesses who responded directly through the questionnaires. Table 2 provides an estimate based on professional judgement, extrapolation and referencing. This involves referencing the value of businesses that did not reply to those businesses of similar type that did respond. For instance, the number of marina berths can provide a comparative reference point in assessing the annual turnover of marinas. Expert judgement has drawn on the experience of the Conservancy.



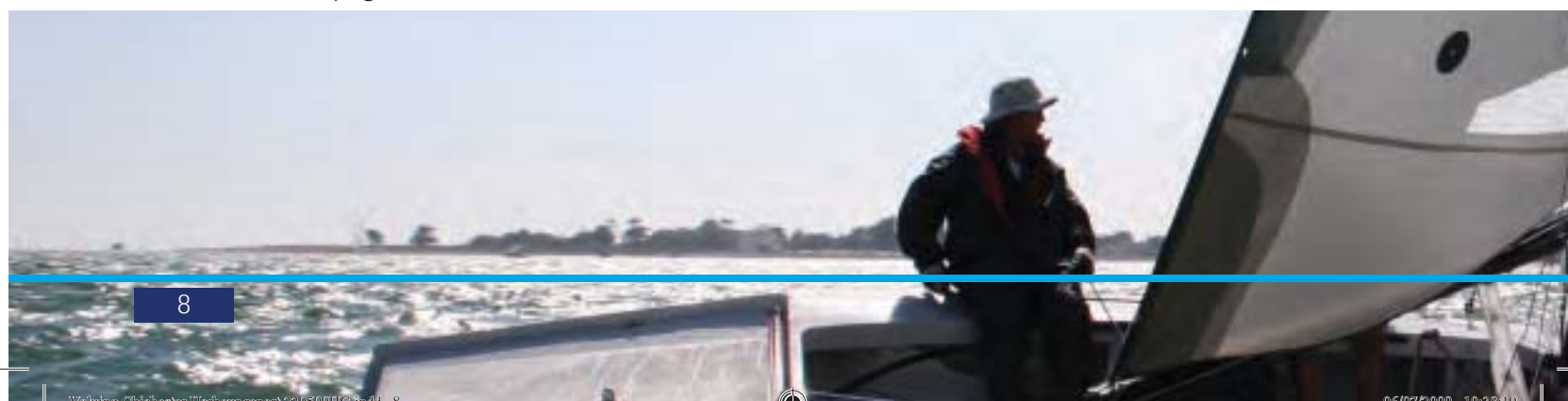
35. Questionnaire respondents (constituting a 50% return rate) stated that there are capital assets valued at over £100 million, and an annual turnover of more than £40 million.

36. In terms of employment, the questionnaire results also show that more than 500 people are employed either full or part time in the maritime business industry.

Table 1: Valuation of maritime businesses based on received questionnaire data (totals are rounded)

Maritime Business Category	Number of Businesses in this Category	Capital Assets Value (£) ¹ millions	Average Capital Assets Value per Business (£) ² millions	Annual Turnover Value (£) ³ millions	Average Annual Turnover Value per Business (£) ⁴ millions	Total Number of Employees
Boatyards, marine services, marinas, yacht brokers, chandleries, moorings and boat repair businesses	40	£90	£3	£36	£1.10	367
Yacht charters and boat hire businesses	6	£0.52	£0.25	£1.31	£0.65	8
Sailing Clubs	7	£7.2	£1.8	£1.87	£0.27	99
Sailing Schools/Instructors	6	£0.58	£0.19	£0.37	£0.07	19
Other	2	£2	-	£0.63	-	12
Totals	61	£100M	£5.24M	£40M	£2M	505

¹ See End Notes (page 38) for footnote details.





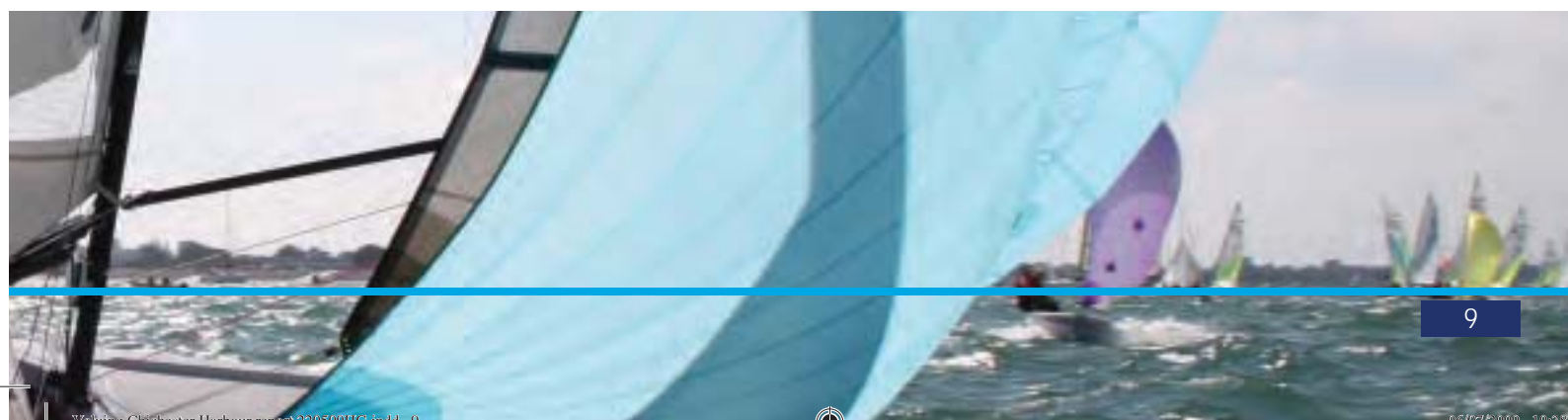
37. The estimated value of all the businesses in the Harbour (Table 2), based on expert judgement, has been derived by using a multiplier of 1.75⁵. The expert judgement has compared known values of similar types of business with the information submitted by questionnaire.

Table 2: Estimated valuation of all maritime businesses in Chichester Harbour
(totals are rounded)

Maritime Business Category	Capital Assets Value (£) millions	Annual Turnover Value (£) millions	Total Number of Employees
Boatyards, marine services, marinas, yacht brokers, chandleries, moorings and boat repair businesses	£158	£63	642
Yacht charters and boat hire businesses	£1	£2	14
Sailing Clubs	£13	£3	173
Sailing Schools/Instructors	£1	£1	33
Other	£4	£1	21
All maritime businesses in Chichester Harbour	£177	£70	883

38. Based on figures in Table 2 the estimated total capital asset value of all maritime businesses is £177 million, with a total annual turnover of more than £70 million. This figure is made up in large part by the boatyards and associated industries (see category one in both tables) supported by the sailing clubs who are estimated to contribute almost £13 million to the economy of Chichester Harbour.

39. The estimated number of employees according to the 1.75 multiplier is 883; Table 1 shows the proportions of employment within the different maritime categories.





Estimated Value of Commercial Fishing

40. The questionnaire returns from fishing operators were limited and an estimate has been made based on the professional judgement of a local fisherman operating in Chichester Harbour. Table 3 illustrates the estimated value of commercial fishing at Chichester Harbour.

Table 3: Estimated value of commercial fishing



Type of commercial fishing	Contextual information	Value
Oyster Fishing	The weight of oysters dredged from November to January every year by local boats is approximately 30 tons. The weight of oysters dredged after January until the end of the season from visiting boats is approximately 18 tons. The weight of oysters dredged in the Emsworth Channel from September to October is approximately 10 tons. The total weight of oysters dredged in the harbour in the 2007/8 season was approximately 58 tons.	£87,000
Cuttlefish Fishing	The average number of cuttlefish landed within the Harbour is 10-12 tons per season (on a good year this figure can double).	£10,000-£12,000
Cockle and Winkle Gathering	It is estimated that 15,000kg of cockles are gathered each year with an estimated value of £19,500. To this can be added £5,000 for the collection of winkles during the winter months.	£24,500
Selsey Fishing Fleet	Although the Selsey fleet do not fish in Chichester Harbour they are based in it for large parts of the winter when their exposed moorings at Selsey are untenable. It is not possible to assess the value of this contribution with any accuracy, but without the safety of the harbour they would not be able to fish in the winter months when the market price for crab and lobster is high.	£123,000
Combined estimated total		£245,500





Estimated Value of Harbour Vessels

41. Vessels in the Harbour include sailing and motor vessels, small commercial vessels, Conservancy patrol boats and lifeboats. There are over 11,000 registered vessels in the Harbour⁶, which are shown by category in Table 4.

42. As demonstrated in Table 4, market values for 2008 have been calculated for the vessels, based on applying a compound inflation rate of 3% to the average 2001 cost⁷ of each type of boat, incrementally for each year up to 2008. The resulting average 2008 prices for each type of vessel were then multiplied by the 2008 number of registered boats in each category, to take into account any change in boat numbers since 2001.

Table 4: Estimated valuation of Harbour registered boats from 2001 to 2008

Boats by type	Average Value 2001 ⁸	Number of boats 2008	Average Value 2008	Total Value 2008 (based on a 3% incremental inflation rate)
Sailing dinghies	£1,700	3,678	£2,091	£8M
Sailing cruisers	£30,000	2,695	£36,896	£99M
Powerboats	£70,000	1,941	£86,091	£167M
Tenders	£250	1,800	£307	£0.5M
Miscellaneous	£2,000	1,032	£2,460	£2.5M
Total	103,950	11,146	£127,845	£277M

43. The estimated total value of registered boats is **£277 million**. On average, powerboats have risen in price by over £16,000, whilst the smaller, more basic tenders have increased in value by a less remarkable £57. Furthermore, vessels in action and in moorings add to the intrinsic beauty value of the Harbour for many local residents and recreational users.

Other Questionnaire Findings of Interest from Maritime Business Respondents

44. As well as using information from the questionnaires to estimate the value of maritime businesses, other useful comments have been gathered. The following information is of note:

- ▶ 80% of questionnaire respondents felt that the tranquillity of Chichester Harbour AONB definitely contributes towards attracting visitors and residents to use their services. Only 13% stated that the AONB's tranquillity made a marginal contribution to their business. 4% thought the tranquil location played no contribution.
- ▶ The average number of years that a maritime business has been in operation within the Harbour was 30. Four businesses in the AONB are over 75 years old.
- ▶ Maritime businesses in the AONB invest only 0.4% of their average annual turnover in employing environmentally sustainable business practices. On average, savings made from such practices contribute less than 0.2% to their annual turnover.

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VALUATION SUMMARY for MARITIME BUSINESSES

- Values have been prepared for a range of marine businesses.
- Calculations have been prepared using questionnaire data and professional judgement.
- There are certain limitations to this approach. Only 50% of maritime businesses responded to the questionnaire, answering using their own "best guesses" in some cases. The likely responses of the remaining 50% of businesses who did not respond have been estimated using the professional judgement of Harbour Conservancy staff.
- The estimated number of maritime business employees is 883.
- The estimated total capital assets value for all maritime businesses in Chichester Harbour (excluding fisheries) is £177 million.
- The approximate total annual turnover for all maritime businesses (excluding fisheries) is £70 million.
- The value of commercial fishing is estimated to be £245,500.
- The estimated value of vessels in the Harbour amounts to £277 million.
- The total value of maritime businesses (based on total capital assets, total annual turnover for all maritime businesses, commercial fishing and Harbour vessels) is estimated to be £524 million.



CASE STUDY 1: MOORINGS

The value of moorings has been accounted for in the capital asset value and annual turnover of businesses that have moorings, as recorded in Table CS2.1. As mooring charges are an important element of the Harbour's maritime industry, this case study takes a look at their value to businesses, and for the Harbour.



Since the last valuation of Chichester Harbour in 2001, the quantity of moorings and their charges have increased. For example:

- Since 2001, the number of occupied moorings has increased from 3700 to **3757**, of which 580 are Conservancy maintained moorings⁹; and
- The annual charge in 2001 was between £160 and £1,000. In 2008 it ranged between **£263 and £1,286** per annum.

It has not been possible to obtain information about mooring charges for private moorings (ie. not operated by the Conservancy) in the Harbour. If annual Conservancy fees were used as a basis, the total income from moorings harbourwide is in excess of **£3 million**. If marina berths are included, this figure would be very much higher¹⁰.

Ten businesses with moorings replied to the questionnaire. Their average business values compared to other businesses in Maritime Business Category 1¹¹ are shown in table CS2.1. An analysis of questionnaire responses suggests that businesses which have moorings are of far higher value than businesses without moorings. The total capital asset value for businesses with moorings was found to be approximately **£5.3 million** higher than the figure for other maritime businesses without moorings. Similarly, the annual turnover of businesses with moorings was found to be a total of **£2.6 million** higher than that of other maritime businesses without moorings.

It therefore can be concluded that in many cases moorings provide the core income which keeps businesses financially viable within Chichester Harbour.

Table CS2.1: Values of businesses with moorings

	Average values from all questionnaire respondents without moorings in Maritime Business Category 1	Average values from 10 questionnaire respondents with moorings in Maritime Business Category 1	Difference in value
Capital Assets Value	£2.05 million per business	£7.33 million per business	£5.3 million
Annual Turnover	£0.46 million per business	£3.01 million per business	£2.6 million

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3.0 Housing



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45. In this section house sales prices have been sampled from 2006-2008 in order to obtain estimates of house price values in the AONB and to provide an estimate of value. This chapter should be read in conjunction with the section on Land Values.

Housing and house types in the AONB

46. Properties in Chichester Harbour are either clustered in villages such as Bosham, Itchenor and Northney or towns such as Emsworth, or scattered along the Harbour's edge. The margins of Chichester Harbour are less developed than many other areas of the Solent and indeed the South East, adding to the natural beauty, tranquillity and remoteness of the area. These qualities, coupled with some of the best recreational boating in the region, make the AONB a highly desirable place to live.
47. Property style varies considerably throughout the AONB, with different areas taking on their own character. In general terms, houses outside the villages and towns tend to be distinctive in style and large in size, lying within exposed plots. Within the residential areas, higher housing densities and numbers prevail, as well as many more house styles and sizes.

Number of properties and population within the AONB

48. Obtaining the exact number of residential properties within the AONB is difficult to achieve as the site boundary transects many Parish, census area and authority boundaries. Historical residential data is often at a geographical level which is different to that of the AONB boundary. In order to address this issue a GIS approach was used to spatially analyse how many dwellings were within the AONB boundary (using 2006 Neighbourhood Statistics Dwelling Ownership data¹²). This approach provided an estimate of 4,186 dwellings within the AONB. Using

Census data¹³ at a Lower Super Output Area (LSOA¹⁴) level adjusted for residential properties within the AONB, the average number of rooms per dwelling was found to be **five** and the average house type **detached**. Residential property types within the AONB are as follows:

- ▶ Detached dwellings: 2,064
- ▶ Semi-detached dwellings: 1,011
- ▶ Terraced dwellings: 595
- ▶ Flats and maisonettes: 516

49. It is estimated that the residential population of the AONB is 8,351 people (based on Census 2001). This estimated figure varies throughout the year and it is likely to swell in the summer months, in part due to second home ownership: the percentage of properties falling into this category varies between parishes. Only some parishes within the AONB record data concerning second homes as demonstrated in Table 5.

Table 5: Number of second home properties in the AONB

Parish	Number of second homes in parish	The number of second homes in each AONB parish ¹⁵ as a percentage of second homes in Chichester District (ie 2268)
Appledram CP	5	0.2%
Birdham CP	36	1.6%
West Itchenor CP	81	3.6%
West Wittering CP	284	12.5%
Bosham CP	174	7.7%
Totals	580 properties	25.6%

50. Acknowledging that the list of Parish Councils with second home data only represents a partial coverage of second homes in the AONB, it nevertheless can provide an indication that at least 14%¹⁶ of residential homes in the AONB are second homes.

51. Local analysis within the AONB of second home ownership, at a parish level, reveals higher figures. The Parish of West Wittering has 1635 residential properties, meaning that 17% of dwellings in West Wittering are second homes. In the case of West Itchenor Parish, there are 265 properties registered in the Parish, with 81 homes being in second home ownership, making second home ownership 31%.



Valuing Residential Property in the AONB

52. House prices for the AONB have been established by sampling a range of sales from 2006-2008. Local estate agents were helpful in supplying the data. The 2009 'credit crunch' and economic downturn which have affected house prices have not been factored into the valuation.
53. A sample of 155 homes were reviewed. Table 6 shows the average value of dwelling type and the total value of all homes in that category according to the estimated number of homes derived from analysis of LSOA data (see **para 48**).

Table 6: Values of property in the AONB.

Type and number of property	Average value	Total value (in £millions; figures are rounded)	Value of dwellings in the AONB (in £millions; figures are rounded)
Detached house (2064)	£712,982	£1,472	£2,151
Semi-detached house (1011)	£390,646	£395	
Terraced house (595)	£345,000	£205	
Flats and maisonettes (516)	£152,733	£79	

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Local variation in property prices

54. Within the AONB it has been possible to disaggregate the sampled house prices by location. Table 7 illustrates some of the variations within property price around the AONB

Table 7: Variations within house price

Birdham	
Average Price	Not available
Average Detached	£671,000
Average Semi	No average available
Average Terraced	No average available
Average Flat	No average available
Bosham	
Average Price	£519,400
Average Detached	£604,719
Average Semi	£428,333
Average Terraced	£337,063
Average Flat	£152,733
Bosham Hoe	
Average Price	£1,487,105
Average Detached	£1,599,561
Average Semi	No average available
Average Terraced	No average available
Average Flat	No average available
Chidham	
Average Price	£488,367
Average Detached	£619,000
Average Semi	£339,071
Average Terraced	No average available
Average Flat	No average available

Itchenor	
Average Price	£672,688
Average Detached	£691,456
Average Semi	No average available
Average Terraced	No average available
Average Flat	No average available
Prinsted	
Average Price	£478,548
Average Detached	£549,000
Average Semi	No average available
Average Terraced	£250,875
Average Flat	No average available
West Wittering	
Average Price	£1,605,000
Average Detached	£1,605,000
Average Semi	No average available
Average Terraced	No average available
Average Flat	No average available





VALUATION SUMMARY for HOUSING

• Only properties lying within the AONB boundary have been valued for the purpose of this study. This excludes those properties, villages and towns which lie immediately outside the AONB but which still benefit from the special qualities of the area or the services it provides;

- It is estimated that the residential population of the AONB is 8,351 people;
- There are approximately 4,186 dwellings within the AONB;
- The proportion of second homes represents at least 14% of the residential dwellings in the AONB;
- The average price per detached AONB dwelling is £712,982; and
- The total estimate value of residential properties in the AONB is approximately £2,151 million.

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CASE STUDY 2: PROPERTY LOCATION

The price of individual properties varies considerably throughout the AONB. Those with waterside frontage or good views of the harbour are worth considerably more than those further away from the Harbour's edge.

For a more detailed analysis of this topic, house price data (2007) was collected from the Land Registry for 18 similarly sized detached properties in Bosham Hoe; nine of which have water frontage and, nine are located away from the water.

The results of this data show that the average price of the nine waterside dwellings was £1,265,672, as opposed to the average price for non-water fronted homes which was £813,556.

The proximity and view of the Harbour, as an attractive environmental asset, has a link to house prices. Any deterioration in its quality could have an effect on house prices and overall AONB residential value.



