

Development Property Asset Profile

1. Context

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

We work in a way that:

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

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



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

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

2. Asset summary

Through advancing new built development sites, Crown Estate Scotland can expand upon and beyond our existing assets. New built development projects offers us the opportunity to make meaningful investment into communities bringing about wider and directed change and benefit. Development could include mixed use developments which support sustainable communities in areas such as Whitehill Estate and Mosstodloch (Fochabers), or business and industrial development such as ZeroFour. Crown Estate Scotland will work collaboratively with stakeholders, the community and delivery partners to develop best practice to realise value for Scotland in line with our objectives and spatial priorities.

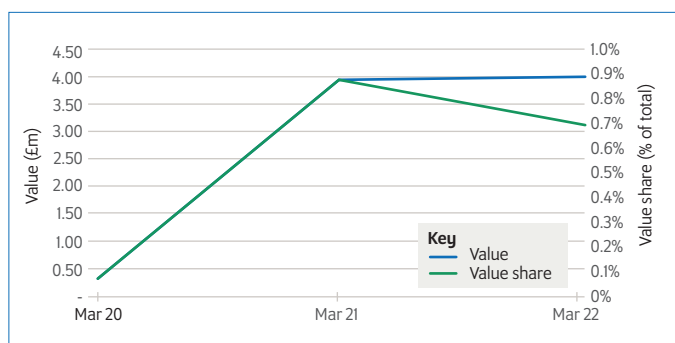
Asset information

| | |
|--------------|----|
| No of assets | 17 |
|--------------|----|

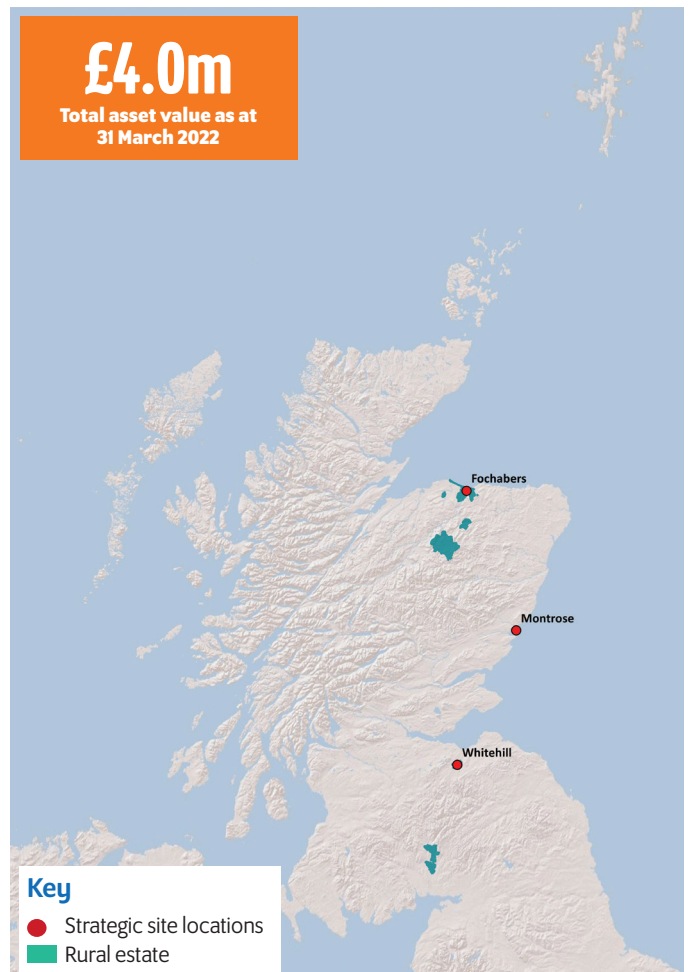
Financial information

| | |
|---|-------|
| Value (March 2022) | £4.0m |
| Value share (% of total Estate value, March 2022) | 0.7 |

Development property – change in value and value share over time

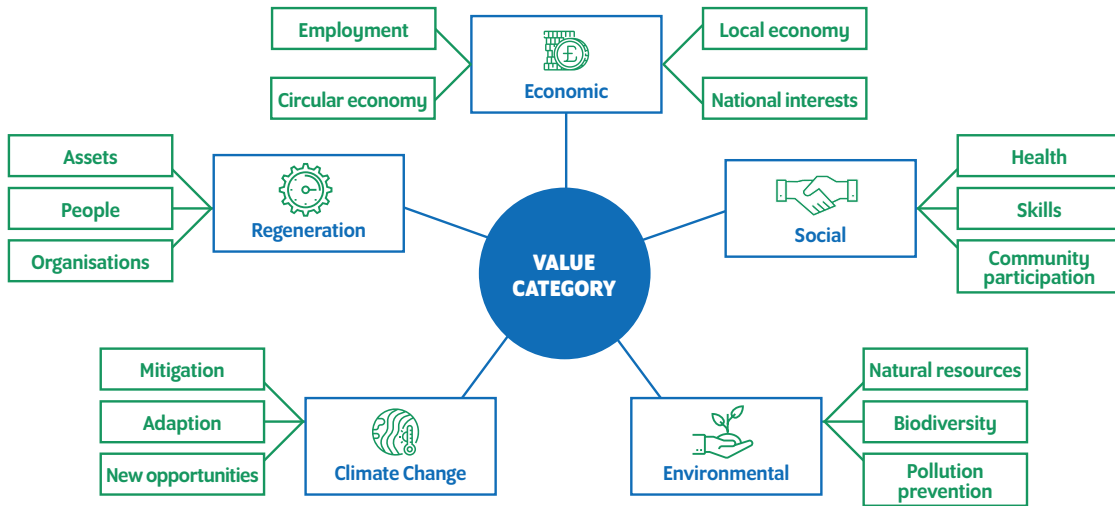


Development property asset map



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

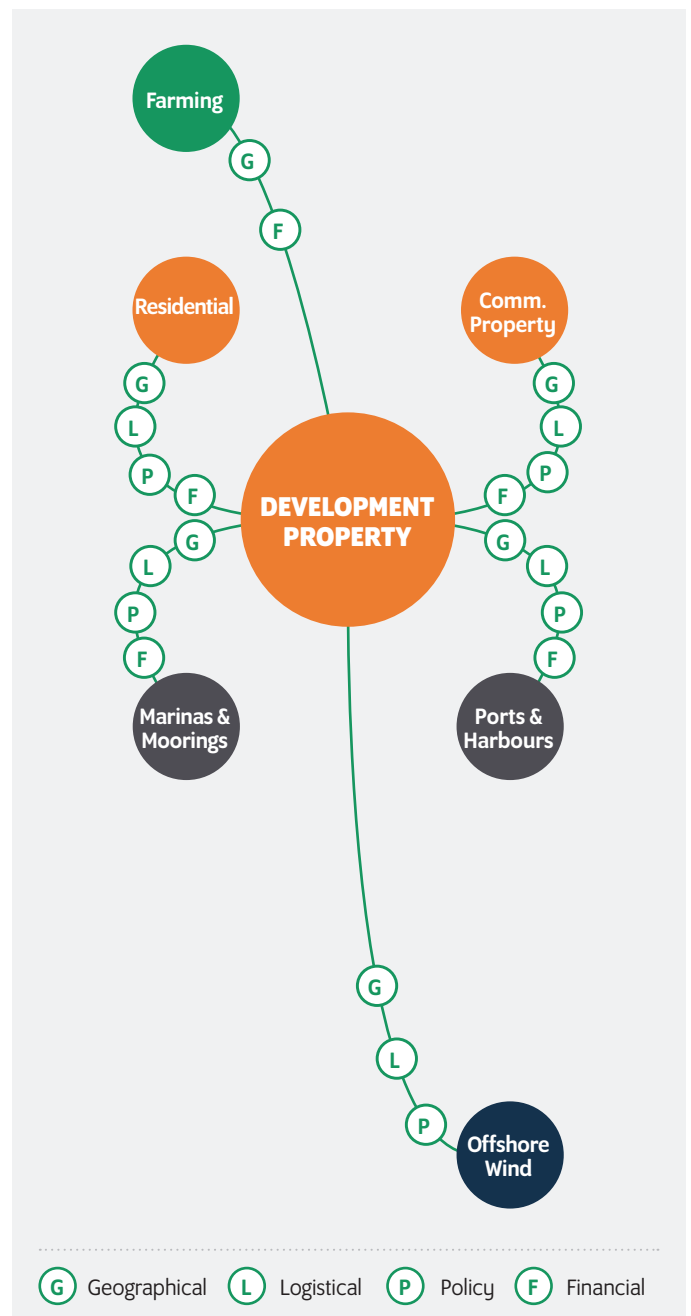
Climate change

- 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

Connected assets



G Geographical **L** Logistical **P** Policy **F** Financial

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 Development Property, key areas identified with potential for increased wider value as include:

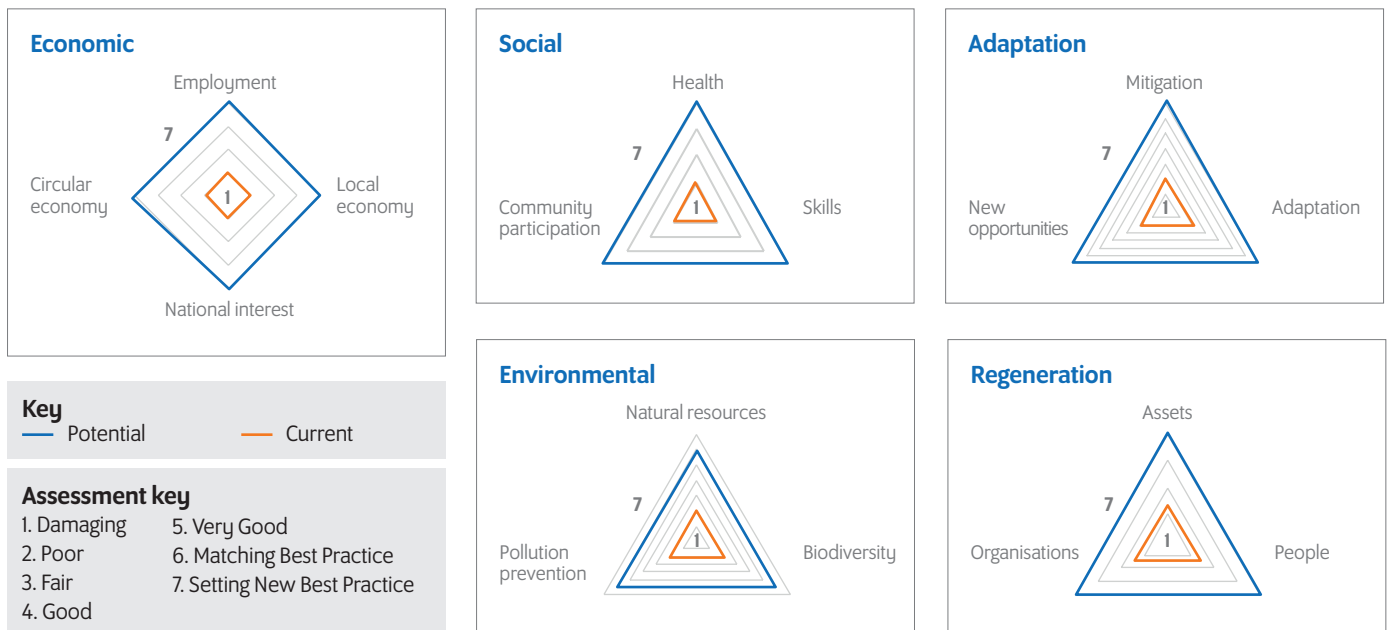
- **Economic** – Investment can deliver national, regional and local economy benefits and create jobs. Investment can also indirectly support education, housing, community and social projects.
- **Environment** – Development activities will offer opportunities to demonstrate best practice in terms of natural resources, biodiversity and pollution reduction.
- **Climate change** – New developments represent an opportunity to invest in innovative design which can set best practice in terms of reducing climate change impacts and minimise the carbon footprint of development, management and maintenance activities.

Opportunities

- To pro-actively identify and pursue emerging opportunities that will deliver revenue and capital growth as well as broader environmental and socioeconomic benefit;
- Enhance the benefits of built development in terms of energy efficiency and climate change resilience;
- Target spatial properties in line with the corporate plan;
- Invest and enable development which supports regeneration; and
- Develop and invest in projects which generate lasting value for Scotland in line with the corporate plan.

Threats

- Economic uncertainty;
- Material price volatility; and
- Increase cost of finance to potentially impacting on development partners and housing land values in the short term.



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.

Current projects are exploring all opportunities to achieve maximum potential. Due to the nature of the built development function, the potential value outcome shown on the diagrams above can only be realised when development activities are completed.

5. Benefits delivered by Crown Estate Scotland

Our latest Corporate Plan sets out our four roles:

Investor

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

Asset Manager

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

Co-ordinator

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

Enabler

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

For Development Property, some examples of our activities include:

Enabler

- Working with stakeholders to support and collaboratively develop built development opportunities including Zero Four, Montrose.
- Worked with communities and stakeholders to develop the Whitehill Estate 2030 Development

Framework. This is based on the premise of increased enterprise and sustainable use of our property and natural resource to further support communities and businesses through a growing emphasis on partnership and investment.

- Working with Stakeholders and the community to develop a masterplan that recognises and produces a comprehensive place-based vision for the land that has been identified for development that places the community at the heart of the process.

Investor

- Design and community engagement on ZeroFour is underway to create an enterprise hub providing greener space for traditional enterprises and be a home to organisations offering new services, technology and research and development sharing the positive outputs with partners at home and around the world.
- ZeroFour hopes to be a catalyst in advancing clean, green economic growth the region. A partnership with Angus Council will help deliver leading green energy infrastructure and support from Dundee and Angus College will ensure training and re-skilling opportunities exist to match the diversity of STEM jobs we hope to create.

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.

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

Key

- Inactive
- Low
- Medium
- High

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Financial info as of March 2022, other information as of October 2022. Some figures in this profile have been rounded.

Since publishing the asset value figures for 2020, this asset was reclassified so figures here may be different than original, however the total asset value has remained the same.

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