

Executive Summary

ECONOMIC BENEFITS OF COASTAL MARINAS

UK and Channel Islands



INTRODUCTION

The British Marine Federation (BMF) has identified the coastal marinas sector as an important contributor to employment, regeneration and tourism. A steering group, including key partners from The Crown Estate, Jersey Harbours and supported by the marina operators of The Yacht Harbour Association (TYHA), has been set up to raise the profile of this successful sector.

This group commissioned GHK Consulting Ltd to undertake a study to assess and document the economic significance of coastal marinas in the UK and Channel Islands. The report presents a national assessment of the supply and demand for marinas and their economic significance and impacts. It details a series of nine case studies, based on primary research, to determine the variety of impacts and contribution of each to their local economy.

The objectives of the study were to

Provide a comprehensive overview of the coastal marina sector:

- Current supply and demand of berths (national and regional)
- Recent and future marina developments and expansions
- Supply restrictions and constraints
- Sector trends

Evaluate the economic benefits of coastal marinas:

- Turnover, employment, wages, and profitability
- Value added estimates (national and regional)
- Tourism impacts

Profile nine coastal marina case studies:

- Direct impact of marina operators and on-site businesses
- Indirect and induced effects
- Impact on tourism and the wider economy

This executive summary presents some of the key findings, with in-depth data and analysis presented in the full report. It is intended that the full report will be an essential read for all those involved in planning marinas and waterfront developments, from both the public and private sector.

“I wanted to take this opportunity to thank all those who have made this groundbreaking piece of work possible, devoting valuable time to ensure the economic benefits of this sector are more fully understood”

**ROB STEVENS, CHIEF EXECUTIVE,
BRITISH MARINE FEDERATION.**

OVERVIEW OF THE COASTAL MARINA SECTOR

There are at least 236 coastal marinas in the UK and Channel Islands, making the coastline accessible to the boating public and providing some 49,000 marina berths. These berths are concentrated in the South East and South West, although the East of England, Scotland, Wales and the Channel Islands also provide a significant share.

Coastal marinas have an important influence on the marine sector as a whole, by influencing the number of boats sold and kept in the country. This determines output and employment among companies involved in boatbuilding, distribution, maintenance and related services and supply chains.

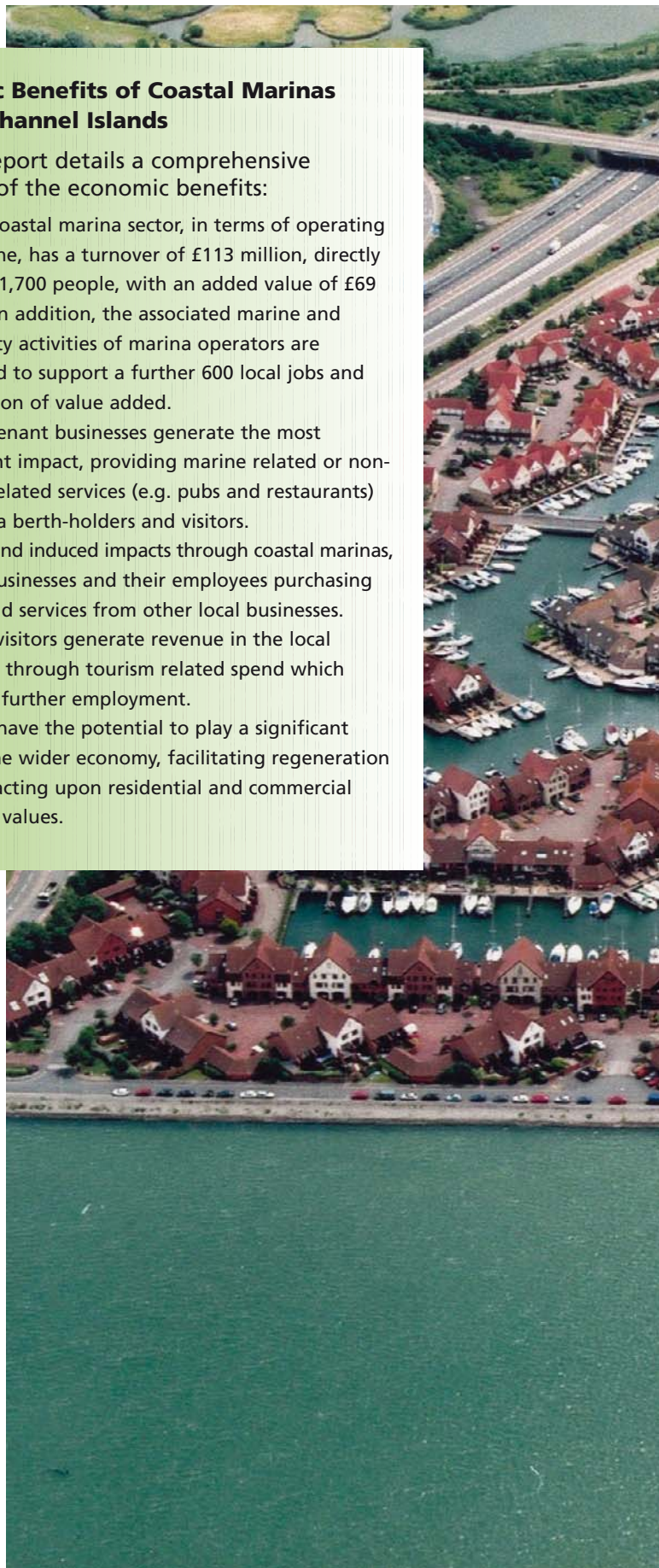
The coastal marina sector is also closely related to the wider tourism and leisure industry by providing infrastructure and services for people to participate in leisure boating activities. Marinas can also serve as visitor attractions in their own right.

The majority of coastal marinas cannot meet supply for berths, especially in the South. This is true for all sizes of marina berths, though excess demand increases in relation to berth size reflecting the increasing trend for larger boats. This is forcing people to berth their boats further from home, either elsewhere in the country or overseas. This is facilitated by cheaper flights and growth in the supply of marina berths in Europe relative to the UK and Channel Islands. This has implications for local economies and diverts expenditures overseas, with potential loss of opportunities for local revenue creation.

Economic Benefits of Coastal Marinas UK and Channel Islands

The full report details a comprehensive overview of the economic benefits:

- The UK coastal marina sector, in terms of operating costs alone, has a turnover of £113 million, directly employs 1,700 people, with an added value of £69 million. In addition, the associated marine and hospitality activities of marina operators are estimated to support a further 600 local jobs and £6.5 million of value added.
- On-site tenant businesses generate the most significant impact, providing marine related or non-marine related services (e.g. pubs and restaurants) to marina berth-holders and visitors.
- Indirect and induced impacts through coastal marinas, tenant businesses and their employees purchasing goods and services from other local businesses.
- Boating visitors generate revenue in the local economy through tourism related spend which supports further employment.
- Marinas have the potential to play a significant role in the wider economy, facilitating regeneration and impacting upon residential and commercial property values.





The overall economic impact of coastal marinas in the UK and Channel Islands is measured in terms of Gross Value Added contribution and employment

Gross Value Added (GVA): estimated to be more than seven times larger than that of the core coastal marinas sector which equates to more than £500 million of GVA (while extrapolating the case study findings suggests this figure could be as high as £700 million).

Employment: estimated that every job in the core coastal marina sector supports a further 12 jobs in the local economy, through tenant businesses, suppliers and as a result of visitor and employee expenditures in the wider economy. This supports a total of 22,000 jobs within coastal economies.

DETAILED CASE STUDY MARINAS

The nine case studies undertaken as part of the study are introduced below, with the overall benefits of each marina presented in the main report.

JERSEY HARBOURS operates three marinas in St Helier Harbour, and has one of the largest impacts of all the case study marinas. This is largely driven by the high number of on site tenant businesses and the significant number of boating visitors. However the marinas have opportunity to generate even greater impact in line with the increasing



demand for Jersey as a destination for marine leisure tourism, focusing particularly on associated financial, leisure, retail and marina services to attract and accommodate even more boats and related businesses.

MYLOR YACHT HARBOUR in Cornwall was recently redeveloped, increasing the number of berths to meet the growing demand and increasing shore storage capacity and boatyard facilities. This has stimulated marina activity throughout the year and reduced the seasonality of



employment and turnover. The turnover of the site is now three times larger than before the redevelopment and the marina has considerable excess demand for marina berths, suggesting that there is potential for further development.

EAST COWES MARINA was purchased by Dean & Reddyhoff in 1998 and has since undergone a significant redevelopment, reconfiguring the marina layout, adding berths, building a new marina office, units for tenant businesses, a pub, and a toilet/shower block. The marina is a popular destination for visiting boats and has successfully



increased visitor numbers, thereby generating a significant impact through visitor expenditures in the local economy. The marina is playing a key role in facilitating and promoting the regeneration of East Cowes.

PORT HAMBLE MARINA is a MDL marina and is popular amongst yacht racing enthusiasts. The marina has been redeveloped to provide new accommodation for the marina and tenant businesses and has plans to introduce a pub/restaurant to improve the leisure offer to visitors. Port Hamble Marina has the largest impact of all case study marinas in terms of visitor expenditures in the local economy and attracts a significant number of boating visitors due to the high quality of the marina services, the neighbouring boatyard and the leisure facilities in Hamble village.



PORT SOLENT MARINA is operated by Premier Marinas and is a destination marina, providing a wide range of leisure services, marine services, residential property, and employment space. The marina has a significant overall impact driven by a large number of high value tenants including the headquarters of Sunsail and the largest chandlery in the UK. The marina has a diverse range of income streams including a large shore storage capacity, and an extensive visitor offer provided by the Boardwalk Centre comprising of a cinema, health club and a wide range of restaurants, bars and retailers.



ROYAL HARBOUR MARINA is located in Ramsgate, Kent and is owned and operated by Thanet District Council. A major development and upgrade of the Harbour took place in 2000, adding 200 berths, improving the facilities and security, and providing additional car parking. The local area suffers from deprivation and the marina plays a key role in the regeneration of the town. The council's strategy is to use the marina as a strategic asset to attract high-value visitors, increasing local demand and encouraging investment.



"I am encouraged by this important study which highlights the wide variety of opportunities for economic growth in our marine leisure industry."

**HOWARD LE CORNU,
CHIEF EXECUTIVE, JERSEY HARBOURS**

TOLLESBURY MARINA is located on the Blackwater Estuary, close to Tollesbury in Essex. Despite initial opposition to the construction of the marina in 1970, local residents are now supportive of the marina because of the key role it plays in the local economy. The marina attracts affluent consumers and creates demand for marine and non-marine goods and services. It has been instrumental in providing demand for local engineering businesses established on an adjacent industrial estate, which have grown considerably and expanded into other markets.



LARGS YACHT HAVEN is owned by the Yacht Havens Group and is located in a rural area of the Clyde Estuary in Scotland. The marina has recently added 80 berths and has plans to add another 50 to meet the continued strong growth in demand. The marina has had a major impact on the local economy by creating jobs and adding value for local businesses, and also by raising the image and profile of the area, increasing the leisure offer for local residents and boating visitors, including providing public access to the waterfront.



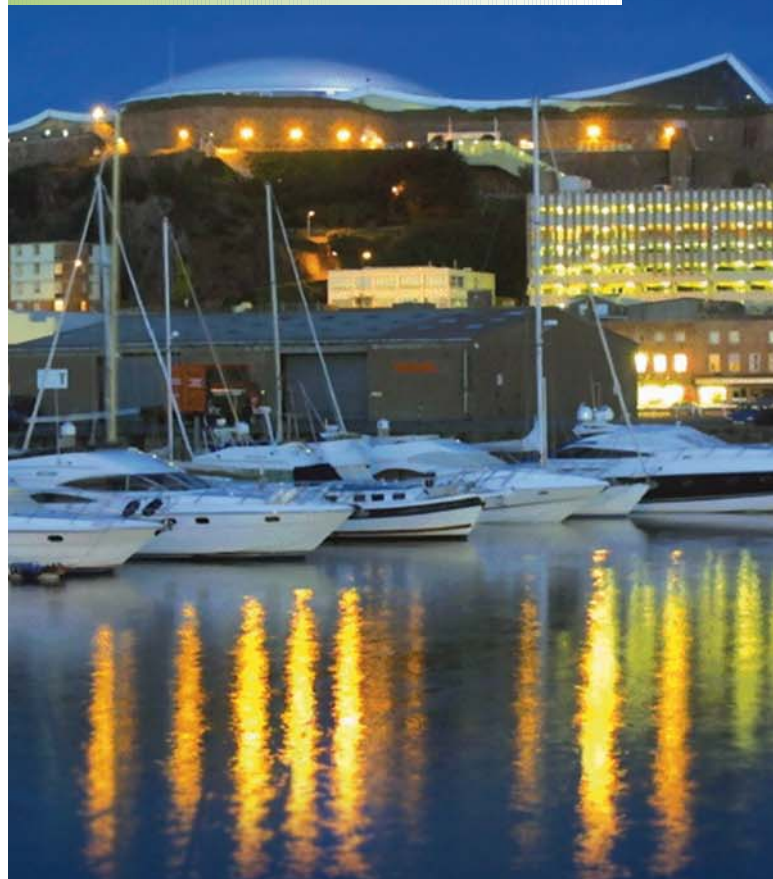
CONWY QUAYS MARINA in North Wales is owned and operated by Quay Marinas. The local council believe the marina has played a significant role in the regeneration of Conwy through the creation of high value jobs in specialist marine and engineering skills, helping to raise the image and attractiveness of the local area, stimulating the confidence of local businesses and encouraging other businesses to raise the quality of the local retail and leisure offer to the visitors that the marina attracts.



The overall impacts (including direct, indirect and induced effects) of each of the nine case study marinas on their respective local economies are provided in the main report.

The case study marinas each support local employment of between 28 and 498 jobs and value added of between £1 million and £17.4 million per annum.

It is anticipated that the information contained in the case studies, which present a wide range of marinas with varying portfolios, will be invaluable to those considering the economic potential of new marina developments.



KEY CONSIDERATIONS

We recommend the full report detailing Economic Benefits of Coastal Marinas of UK and Channel Islands as essential reading for planners and decision makers as well as those considering investing in this sector.

The development of new, and the expansion or maintenance of existing, coastal marinas is facing an increasing number of barriers, constraints and issues which can restrict the potential supply of marina berths. These constraints include:

- More stringent environmental and planning restrictions, which are placing greater time and resource requirements on marinas, restricting growth and productivity.
- Physical space limitations preventing expansion of the marina on land or water.
- The cost of infrastructure to create a marina basin, which can be prohibitive without incorporating other forms of value creation in the development.
- Increased costs of dredging and problems securing dredging licences.
- Increased health and safety legislation, which can be restrictive for marinas and boatyards.

These barriers and constraints raise a number of potential recommendations for policy makers, these include:

- Recognise the significant economic contribution of coastal marinas and associated businesses to tourism and marine sectors and the wider local economy and the potential role they can play in local regeneration.
- Consider the economic impacts on coastal marinas, associated businesses and the local economy when introducing new policies and reduce unnecessary bureaucracy relating to planning and environmental legislation and applications.
- Assess the scale of local demand for marina berths and identify appropriate sites for development and expansion.
- Facilitate the development and expansion of coastal marinas and associated businesses where this is compatible with sustainable development objectives.

The BMF works with key partners to encourage access to the water and keep boating affordable. Promoting a widespread understanding of the value of marina developments to local economies and communities is a central part to achieving these aims.



“This study will help inform investment in, and support for coastal communities and will also be an important tool for decision makers involved in the planning and development of future coastal strategies”

**ROGER BRIGHT, CHIEF EXECUTIVE,
THE CROWN ESTATE**







FURTHER INFORMATION

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Published September 2007. Recyclable. Printed on elemental, chlorine free paper from sustainable forests.