

RE-PRICING OF 12 MONTH MOORING PERMITS 2009 MARKET AREA REPORT FOR BERKS, WILTS & AVON

Introduction

This report provides the rationale for mooring price decisions for 2009. For explanation of the method and relevant policy, please see our public statement at (www.britishwaterways.co.uk/mooringprices09).

The government's announcement of the reduction in VAT from 1/12/08 was made whilst work on the review was in progress. To avoid confusion, we continued with our analysis showing VAT rates at 17.5%. Then, once we were ready to enter the new rates into our invoicing system, the necessary reductions were made to take VAT at 15%. Where prices are presented in this report, we indicate which VAT rate applies. VAT is payable at the rate set by the government for the date when the permit is purchased.

Local market overview

The area covers the whole of the Kennet & Avon Canal from Reading (to the east) to Keynsham (to the west). It includes the urban environs of Reading Town, Newbury, Hungerford and Bath along with many smaller villages through rural countryside locations. The canal runs almost parallel with the A4/M4, making this canal readily accessible to boat owners throughout southern England.

BW operates the following long term moorings on the canal, providing a total of some 160 berths.

Site name	Approx site capacity (berths)
IDR Bridge	9
Tyle Mill	12
Kintbury	8
Hungerford	7
Great Bedwyn	32
Wootton Rivers	11
Bridge Inn Horton	8
Devizes Lower Wharf	3
Devizes Flight	15
Avoncliff	9
Murhill	3
Dundas	4
Claverton	24
Bathampton	15
Hanham Lock	2
Bradford Lock	1
Total capacity	163

Supply assessment

In addition to these BW long term moorings, there is a total of approximately 285 online and 713 offline basin or marina moorings offered by privately operators. Thus the total market comprises about 1,000 berths.

There is one significant marina development pending on the canal at Hungerford which will provide 120 berths. The opening date is not expected before 2010. When it opens, we would expect to close around 12 of our directly managed berths within the twelve months as part of our online mooring reduction policy.

Demand assessment.

Most of the BW managed sites are at full capacity. The vacancies advertised so far using the tendering system met with varying degrees of interest. The most popular sites attracted a high volume of bids which were significantly above the guide price, but there appears little interest in vacancies for smaller berths (see below).

The private sites and marinas we contacted in autumn '08 who were able to supply information reported no vacancies at their sites.

Analysis of tendered vacancies

The table below summarises the results of tenders during the 12 months from November 2007. More recent results can be found on www.bwmooringvacancies.co.uk. (The moderation phase of the pricing review ran from November to January and during this period we took account of latest evidence.)

(the prices shown in this table include VAT at 17.5%)

Site Name	Berth size	Total vacancies concluded to 18/10/08	Total tenders submitted	Guide Price (£ per mtr)	Total tenders above guide price	Average contracted £/metre following tender
Avoncliff East	>10m	1	1	£88.00	1	£84.00
Avoncliff West	>10m	1	5	£88.00	4	£153.00
Bathampton	10m or less	1	3	£118.00	2	£112.50
Bathampton	>10m	1	4	£118.00	1	£118.00
Bridge Inn Horton	>10m	1	1	£127.00	0	£64.00
Claverton	>10m	8	33	£97.00	15	£121.00
Devizes Flight	>10m	5	29	£133.00	12	£188.00
Great Bedwyn (above)	10m or less	2	2	£100.00	0	£50.00
Great Bedwyn (above)	>10m	4	18	£100.00	9	£111.50
Great Bedwyn (below)	10m or less	1	0	£115.00	0	n/a
Great Bedwyn (below)	>10m	1	3	£115.00	1	£131.00
Hungerford	>10m	1	5	£118.00	2	£173.00
IDR Bridge	10m or less	1	1	£74.00	0	£48.00
IDR Bridge	>10m	4	9	£74.00	0	£46.00
Kintbury	>10m	3	21	£118.00	14	£168.00
Tyle Mill (above)	>10m	1	7	£107.00	4	£118.00
Tyle Mill (below)	>10m	1	4	£115.00	2	£150.00
Wootton Rivers	>10m	2	6	£115.00	2	£93.00

Private operator reference sites

We have identified the following privately operated mooring sites as being the most relevant to the BW sites for price comparison purposes. Every effort was made to contact all private operator sites. The table below summarises the information we were able to record, but it does not cover all sites on the canal.

Site name	Mooring style	Approx number leisure moorings	Site setting	Site amenity	Current vacancies?	Waiting list?
Bath Narrowboats (Sydney Wharf)	Offline	4	Urban	Marina on outskirts of Bath	No	Yes
Bath Marina	Layby/basin	50	Urban (Marina)	Near Bath next to a pub, but no local shops	No	Yes
Bradford on Avon Marina	Layby/basin	100	Urban (off-side Marina)	On outskirts of B-O-A, 10 mins walk to town ctr	No	Yes
Devizes Marina	Offline	100	Urban (off-side Marina)	In Devizes, 15 mins walk into town	No	Yes
Saltford Marina	Layby/basin	100	Urban (Marina)	In a village on A4 between Bath & Bristol	No	Yes
Foxhanger Wharf	Offline	38	Rural (off-side basin)	10 mins car drive to Devizes	No	Yes
Frouds Bridge Marina	Offline	170	Semi-urban	Marina, 1 mile from Aldermaston	Yes	Yes
Somerset Coal Canal	Offline	80	Rural	Offline Marina	n/a	n/a
Gibsons Boat Services	online offside	16	Rural	off-side linear moorings	No	Yes
Hilperton Marina	Offline	60	Rural	In Honey Street	No	No
Greenham Lock Marina	Layby/basin	30	Urban (off-line)	Near ctr of Newbury, 10 mins to pub & shops	No	Yes
Newbury Boat Co.	Offline	55	Urban (basin)	Near ctr of Newbury, 10 mins to pub & shops	No	Yes
Aldermaston Wharf	towpath	20	Urban (towpath)	10 mins walk into town	No	No
Reading Marine Co	online offside	30	Urban (towpath)	10 mins walk into town	No	No
Southcote Moorings	online offside	30	Semi-urban	on outskirts of Reading, 45 mins walk int town	No	No
Burghfield Island Boat Club	Layby/basin	35	Semi-urban	Between Theale and Reading	No	Yes
Pewsey Wharf Boat Club	online offside	25	Rural (off-side)	5 mins to pub, 15 mins walk into town	No	Yes
The Waterfront Pewsey Wharf	Towpath	10	Rural (towpath)	5 mins to pub, 15 mins walk into town	No	No
West Mills Newbury	online offside	18	Urban (off-side)	Near ctr of Newbury, 10 mins to pub & shops	No	No

Pricing Conclusions

The table below summarises our site-by-site conclusions across the area. Prices include VAT at 15%.

Site Name	2008 Price	Price from April 2009	Notes on pricing decision
Kennet & Avon Canal			
IDR Bridge	£72.43	£72.43	No increase. This towpath site is very basic and has never been at full capacity. The results from the tendered berths were disappointing. The competitor moorings perhaps offer more secure surroundings.
Tyle Mill (below lock)	£112.55	£115.49	Tyle Mill is a very popular mooring site and remains at full capacity. Two tendered vacancies resulted in prices in excess of the guide price. The two sites (above and below the lock) are very similar, but in the past the site above the lock had been priced lower whilst improvement works were carried out. These are now complete so the two areas of the site will now be priced equally.
Tyle Mill (above lock)	£104.72	£115.49	
Kintbury	£115.49	£125.28	Kintbury is one of the most popular mooring sites on the K&A. All three vacancies tendered to date have attracted bids well in excess of the guide price. Taking account of differences in facilities and local environment, this price is comparable with other moorings in the area
Hungerford	£115.49	£125.28	This site is at full capacity, with only 1 mooring berth sold here since the start of vacancy tendering. The price remains lower than that of the comparison sites in the same area.
Great Bedwyn (below)	£112.55	£121.36	No customers have resigned their mooring permits at this site, suggesting that the existing price was not too high. The price is in line with that of other sites in the area.
Great Bedwyn (above)	£97.87	£103.74	The 6 tendered berths at this site attracted a fair amount of interest. However, the overall standard of the site above the lock is inferior to that below it, so the price here will remain lower. The new price is comparable with other sites in the area.
Wootton Rivers	£112.55	£121.36	Wootton Rivers remains a popular mooring site. The new price remains in line with comparison sites in the area.
Bridge Inn Horton	£124.30	£129.19	In spite of the low interest in the one vacancy tendered at this site, we believe that a small increase is needed to maintain fair differentials in the area reflecting quality of facilities and environment.
Devizes Lower Wharf	£126.26	£129.19	We believe that a small increase is needed to maintain fair differentials in the area reflecting quality of facilities and environment.
Devizes Flight	£2,472.26	£2,719.87	All five vacancies tendered at this site were let at prices well in excess of the guide price and the volume of bids was consistently strong.
Bradford Lock	£112.55	£115.49	The new price is competitive with other comparable sites in the area.

Site Name	2008 Price	Price from April 2009	Notes on pricing decision
Avoncliff East	£86.13	£91.02	These moorings are on the towpath along a very pretty stretch of the K&A. The price increase brings our pricing into line with the nearest comparison site in the area.
Avoncliff West	£86.13	£91.02	
Murhill	£86.13	£91.02	This is a very small site on the off-side of the canal, with no facilities. The increase keeps this site priced at the same level as the nearest comparison site in the area.
Dundas	£115.49	£125.28	This site generally has superior facilities and environment compared with Claverton and Avoncliff, and the new price reflects this differential
Claverton	£94.94	£102.77	The new price is competitive with other comparable sites in the area and confirmed by the results of the 10 vacancies that have been tendered at the site. .
Bathampton	£115.49	£120.38	The site has remained at full capacity and the results of the two tendered berths reflect that the pricing for this site was competitive. The price increase is needed maintain fair differentials in the area reflecting quality of facilities and environment.
Hanham Lock	£112.55	£115.49	The price for this site is set slightly lower than the comparison third party moorings in this area.

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February 2009