

Directly Managed Moorings: Pricing and Vacancy Allocation

Response to the Public Consultation on behalf of the Residential Boat Owners Association (RBOA)

We start from the position that the vast majority of our membership, in common with other user groups as acknowledged in your consultation paper, is completely opposed to any form of tendering or auction of moorings.

The RBOA's position continues to be that the Mooring Matrix (Bollard Score) was capable of meeting BW's criteria and passing the tests of clarity, transparency and not distorting the market, albeit that some work was (is) needed on location scoring.

It appears however, from reading the results of the trial thus far, that given that some 20% of moorings have been allocated at below the guide price that in the medium to long term the system may well offer an acceptable and fair basis for pricing.

The exception is Residential Moorings. We are absolutely and totally opposed to residential moorings being included in this process for the foreseeable future for the following reason: -

As acknowledged in your report there is a massive under supply of residential moorings, and at the time of the report you have only sold two under this process. It was no surprise to us that these moorings secured the highest prices in the trial and, we understand, far exceeded BW's expectations.

In these circumstances an auction or tendering process will distort the market to an unacceptable extent. It is widely acknowledged, for example, that there are new entrants to the residential boating market who are young professionals looking for an "interesting" lifestyle and stylish accommodation without necessarily having any particular interest in the waterways or the community who have, hitherto, made the waterways their home.

The bulk of the demand for residential moorings, comes in contrast, from people, many of whom have lived on the waterways for tens of years but have been forced due to lack of provision into doing so "illegally, who are lovers of the waterways and the lifestyle.

Until the provision of legal residential moorings has reached an acceptable percentage of the need it is inevitable that the tendering/auction process will push prices to an unacceptable level. It will be a false market.

There is a joint RBOA/BW initiative just started to research what the needs of residential moorers are and to try, to some extent gauge demand. There is a separate imitative lead by the RBOA to engage with central government to address the planning issues, which are acknowledged to be the main impediment to the supply of new residential berths.

Until these initiatives have had an impact and the supply of residential moorings is adequate we believe this class of moorings should be dealt with as a totally separate market.

Rex Walden
Chairman

For and on behalf of the Residential Boat Owners Association
19th August 2008