

The Marinas and Moorings Market in the UK

Summer 2017

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Methodology

This report details a wide range of economic indicators for the UK's marinas and moorings sector, including data on: revenue growth; valued added contribution; full-time equivalent employment; capital investments; pricing trends; business and consumer confidence; inflation and household leisure spending; boat ownership and participation; berth and moorings capacity and occupancy; and data on future marina planning developments.

The data model that informs this analysis is based on three main sources. The first is derived from primary financial data received from British Marine members' 'Turnover Declaration Forms' for their last annual business performance, submitted as part of their membership renewal. The second source is a business trends survey that has been tracking marine companies and their trading prospects since 2008. The third and final part, is drawn from primary data collected through surveys of British Marine's marina members, collecting data on marina capacity, occupancy and other metrics unique to the sector. The data in these surveys is benchmarked against official Government economic and social statistics, and complemented by the findings of British Marine's additional research into boating ownership, participation and activity trends.

This marina and moorings sector report is published to enhance knowledge of the sector, identify key trends over time and provide key capacity and occupancy information for marina operators. It is only possible to complete this research reliably through the time dedicated by British Marine members in engaging with British Marine's market research team, for which thanks is extended. All data is held in complete confidence.

Glossary

<i>Gross Value Added (GVA)</i>	Measures the contribution to an economy of a producer (company), sector, industry or region. Gross Value Added quantifies the value of goods and services produced, less the cost of all inputs and raw materials that are directly attributable to that production.
<i>Capacity</i>	The number of boat storage spaces advertised.
<i>Occupancy Rate</i>	The percentage of boat storage spaces that are occupied out of all boat storage spaces that are advertised.
<i>Berth</i>	A fixed bay or other space where vessels can park, with direct access to land. Berths usually consist of a floating pontoon or fixed dock and are sheltered offline in a marina or harbour basin.
<i>Moorings</i>	An anchorage on the water that is inaccessible by land and requires transfer by boat. Moorings usually consist of a single anchor at the bottom of a waterway with a line running to a buoy on the surface.
<i>Dry Stack</i>	Storage of vessels on land stacked on racks in purpose-built warehouses similar in style to a multi-story car park.
<i>Hard Standing</i>	Storage of vessels on land upon metal cradles or 'stands' to prevent corrosion during the winter and allow for the vessel to undergo refit and repair during the 'off' season.

The UK Marina Industry

Topline Market Analysis

British Marine's latest economic research indicates that over the last financial year, the marina sector enjoyed its fifth consecutive year of growth. In 2016, direct revenues from marinas, moorings and associated activities grew by **0.3%**, rising to **£222m**, directly contributing over **£100m** of Gross Value Added to the UK economy, while directly supporting nearly **3,000** Full-Time Equivalent employees.

Business sentiment from British Marine business surveys shows that the sector was experiencing a slightly depressed trading environment prior to the EU referendum. The 'Leave' vote in June had an immediate impact on marine businesses, with the majority of marine enterprises reporting a negative outlook for the coming 6 months. Business outlook among marinas has since been buoyed by the devaluation of sterling, encouraging an increase in overseas sailors, tourists and other marina customers. Berth occupancy has reached its highest levels since 2013 (**88.3%**), while business confidence is high (**+58%**), with members reporting positive performance across many major marina trades.

However, this positive sentiment is also tinged by concern. Marinas continue to struggle to retain customers with an ageing market that finds it increasingly difficult to justify the rising costs associated with marina berthing, particularly in an environment of rising costs and economic and political uncertainty. In some quarters, the low valuation of sterling is a particular concern since it threatens a boat drain in the UK as European sailors capitalize on beneficial exchange rates, further threatening marina occupancy in the UK. With this ageing market not being replenished with new, younger boat owners, the biggest challenge for operators is encouraging uptake while adapting to changes in customer behavior, as berth holders downsize in boat and berth sizes.

As a result, operators are seeking more innovative ways to encourage engagement with boat ownership, through 'shared' ownership schemes and flexibility in the services that are offered to boaters. In the inland sector this is characterized by a greater movement into residential berths, while in coastal markets the emphasis has been on the growth in dry stack storage and facilities for smaller boats. And across both markets we have seen the development of marina hubs as all-encompassing leisure and tourism facilities. And as their boating markets continue to narrow as older boat owners withdraw from ownership and participation, this movement towards diversification among marinas is likely to accelerate.

ⁱ This figure is taken from British Marine's Industry Trends and Marina Market surveys and represents the net balance score or the difference between members reporting a positive and negative response to questions about their business's future prospects over the next 6 months.

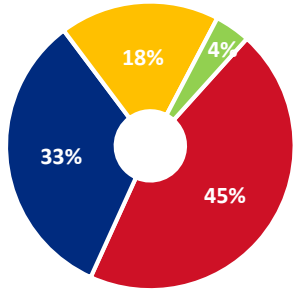
ⁱⁱ Marina "occupancy rate" refers to the percentage of boat storage spaces that are occupied out of all boat storage spaces that are advertised ("capacity").

ⁱⁱⁱ Yield per berth refers to the average revenue generated by each marina berth or mooring.



UK Marina & Moorings Operations: Facts & Figures

UK Marinas by Business Size



- Micro (£0 to £199,999)
- Small (£200,000 to £999,999)
- Medium (£1,000,000 to £6,000,000)
- Large (£6,000,000+)

£548,380

...the average revenue generated by a marina

£195,490

...the average GVA created by a marina

£164,690

...the average tax contribution of a marina

7.16

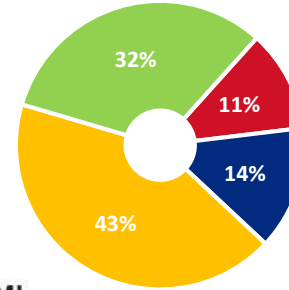
...the average FTE jobs supported by a marina

£24,130

...the average salary of a marina manager



UK Marinas by Berths



- Over 400 berths
- 251 to 400 berths
- 100 to 250 berths
- Less than 100 berths

179

...the average number of berths per marina

89.3%

...the average occupancy of a 175 berth marina

54.3%

...% of marina berth holders who regularly participate

10.25

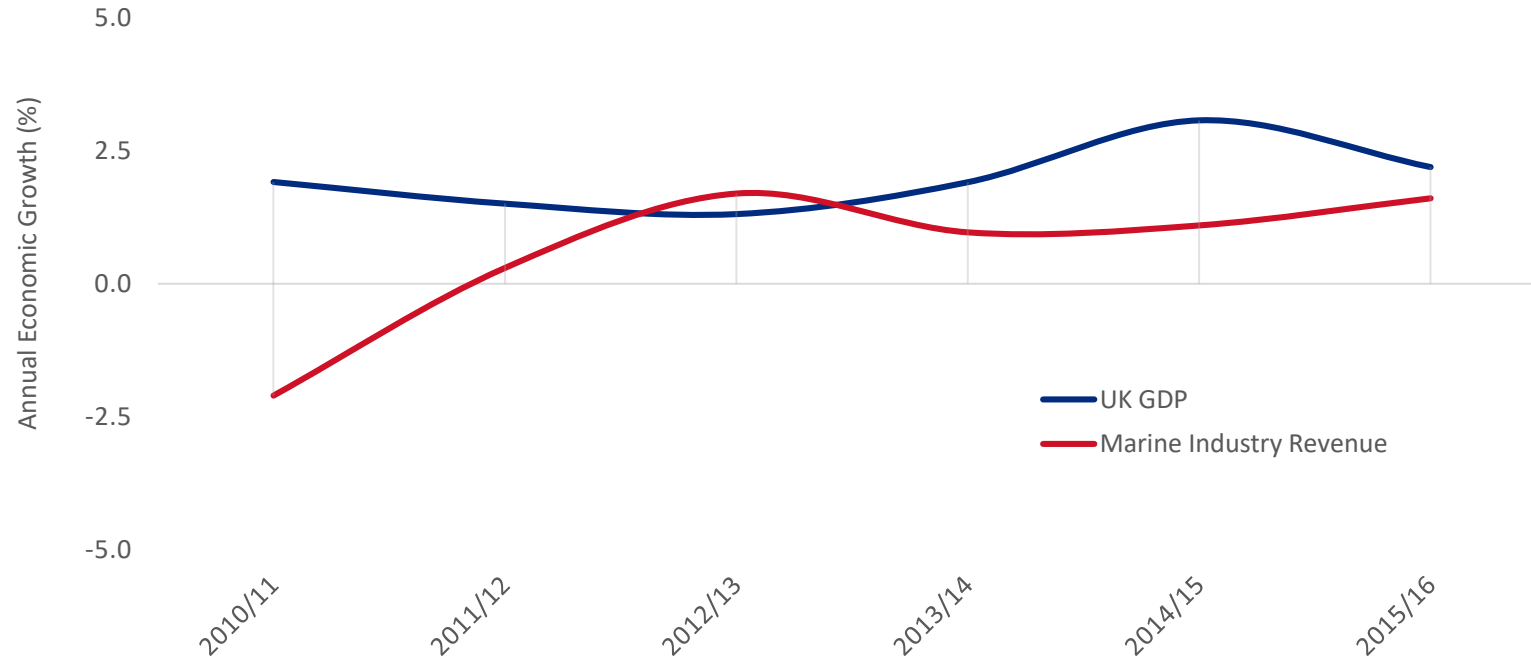
...the average trips taken by each berth holder annually

£32.29

...the average amount spent by each berth holder on a boating trip

Economic Overview: The UK Marine Industry

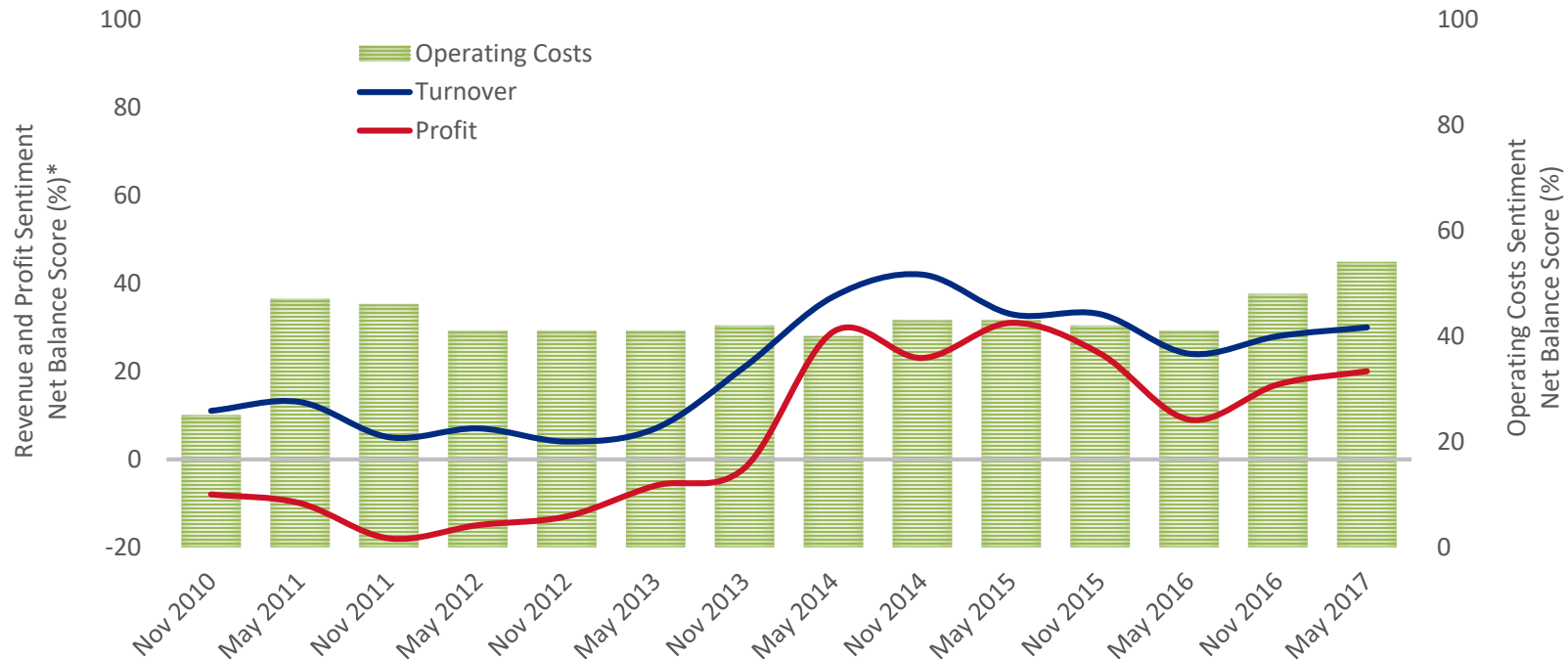
UK GDP & Marine Industry Revenue Trends



Source: British Marine internal economic data; Office for National Statistics, GDP estimates; Bank of England GDP forecasts

The total revenue of the leisure marine, superyacht and small commercial marine industry was **£3.013 billion** in 2015/16 (+1.6% on 2014/15 and +2.6% on 2013/14). Industry growth is expected to slow in 2017 as economic volatility increases closer to and during negotiations over the UK's exit from the European Union. The industry should avoid contraction, however, with currency depreciation supporting boat and equipment exports and inbound and domestic tourism activity.

Marine Industry Revenue, Profit & Operating Costs (Business Sentiment)

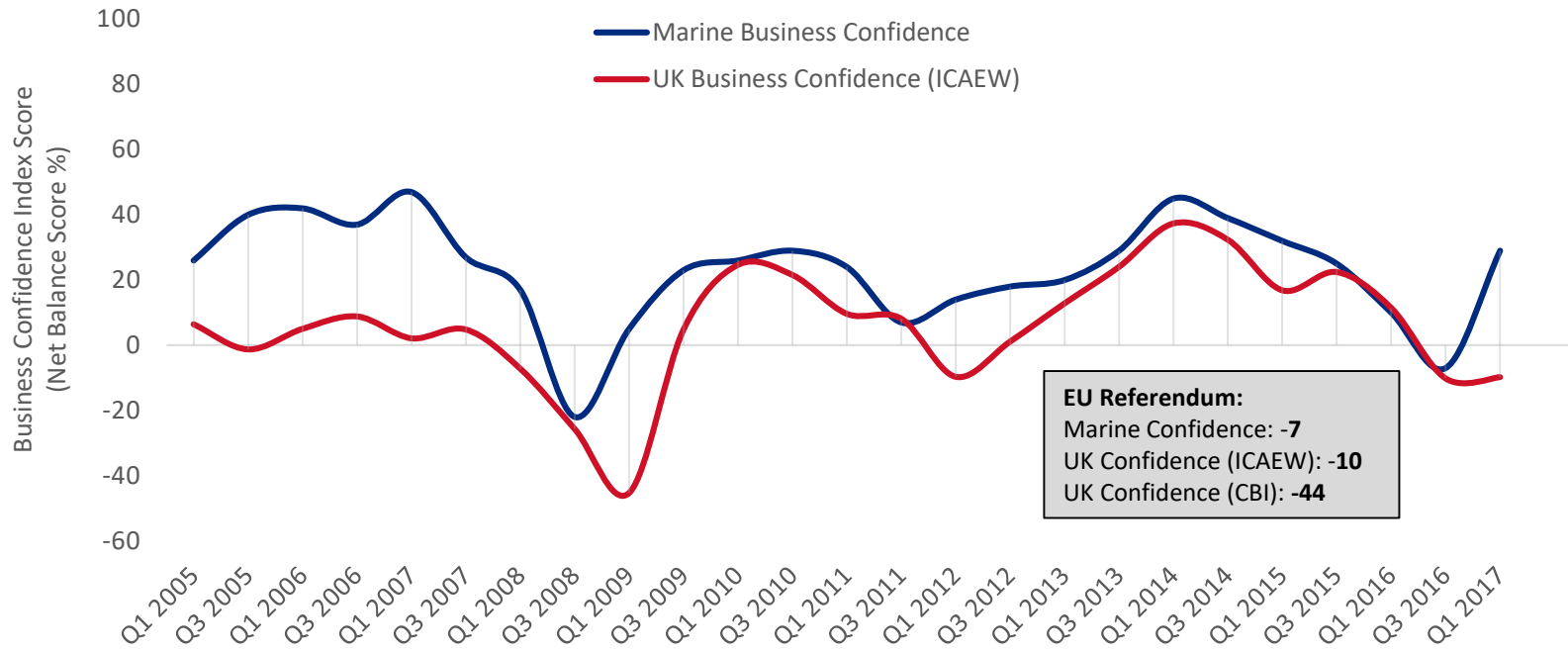


Source: British Marine Industry Trends Survey

The chart above shows that prior to the EU referendum, industry turnover and profit growth was already perceived to be contracting. This sentiment dropped sharply following the vote to leave the EU with the slide in business and consumer confidence that followed the referendum. By the end of 2016, this had recovered somewhat, with the weakening of a strong pound providing needed support to trade. However, marine businesses see this as a short-term benefit, with inflation expected to rise to 2.7% by the end of 2017, having already produced an increase in operating costs at the end of 2016. With these rising costs, recent political uncertainty following the 2017 General Election, as well as the uncertainty of Brexit negotiations, industry growth is expected to slow over the next 12 months.

*The net balance reflects the difference between members reporting a positive and negative response to questions about their financial performance

UK & Marine Industry Business Confidence Trends



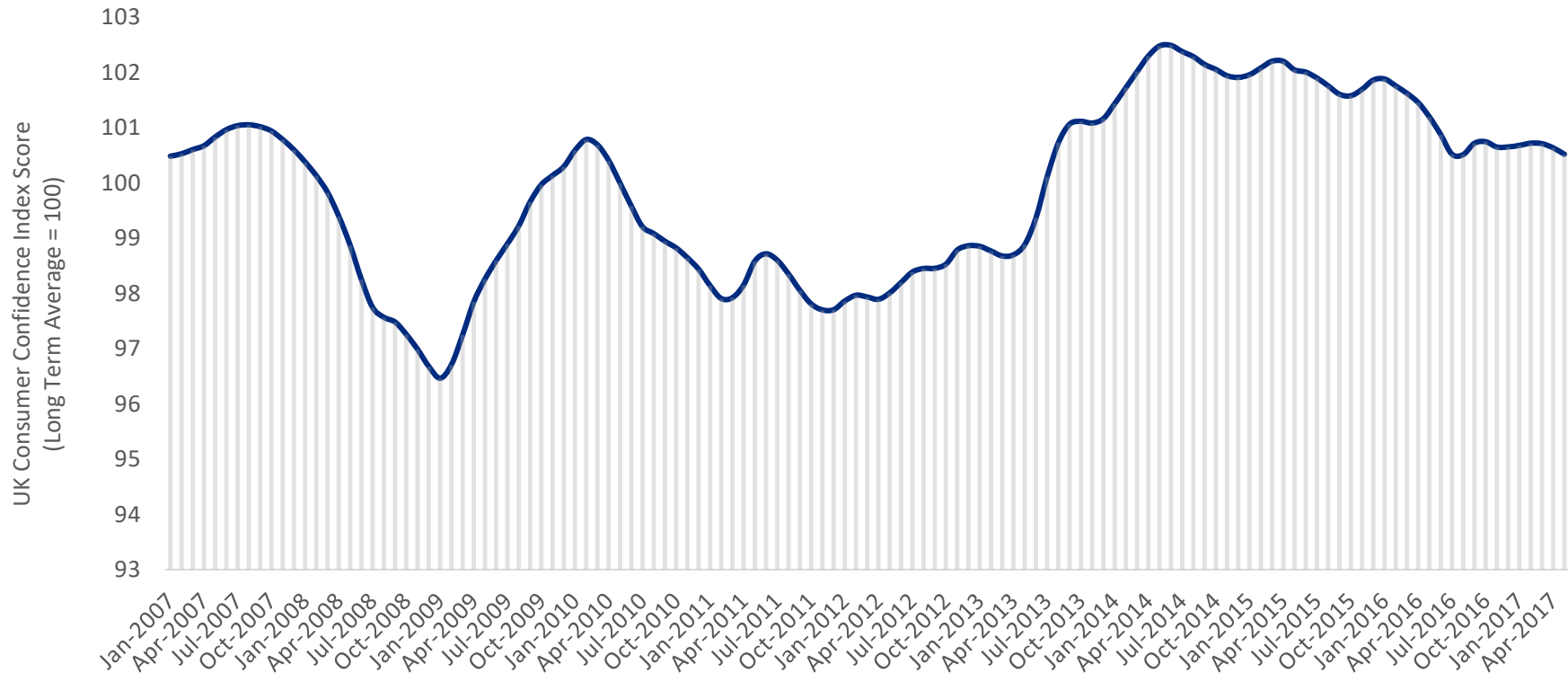
EU Referendum:
 Marine Confidence: **-7**
 UK Confidence (ICAEW): **-10**
 UK Confidence (CBI): **-44**

Source: British Marine Industry Trends Surveys; ICAEW Business Confidence Monitor; CBI SME Quarterly Trends Survey

As with the wider economy, marine business confidence fell heavily following the vote to leave the European Union, echoing the results posted in business sentiment surveys by Markit, ICAEW and CBI. In particular, CBI’s research reveals that while SMEs expect exports to rise with the depreciation in sterling, the majority feel less optimistic about business overall. While this similarly applies for the marine industry, many marine businesses have seen a windfall to exports and tourism business since July with the depreciation of sterling and, as a result, we see a small uplift in confidence for the near term. However, with recent political uncertainty, there is a drop in optimism heading into the summer.

*The net balance reflects the difference between members reporting a positive and negative response to questions about their business prospects

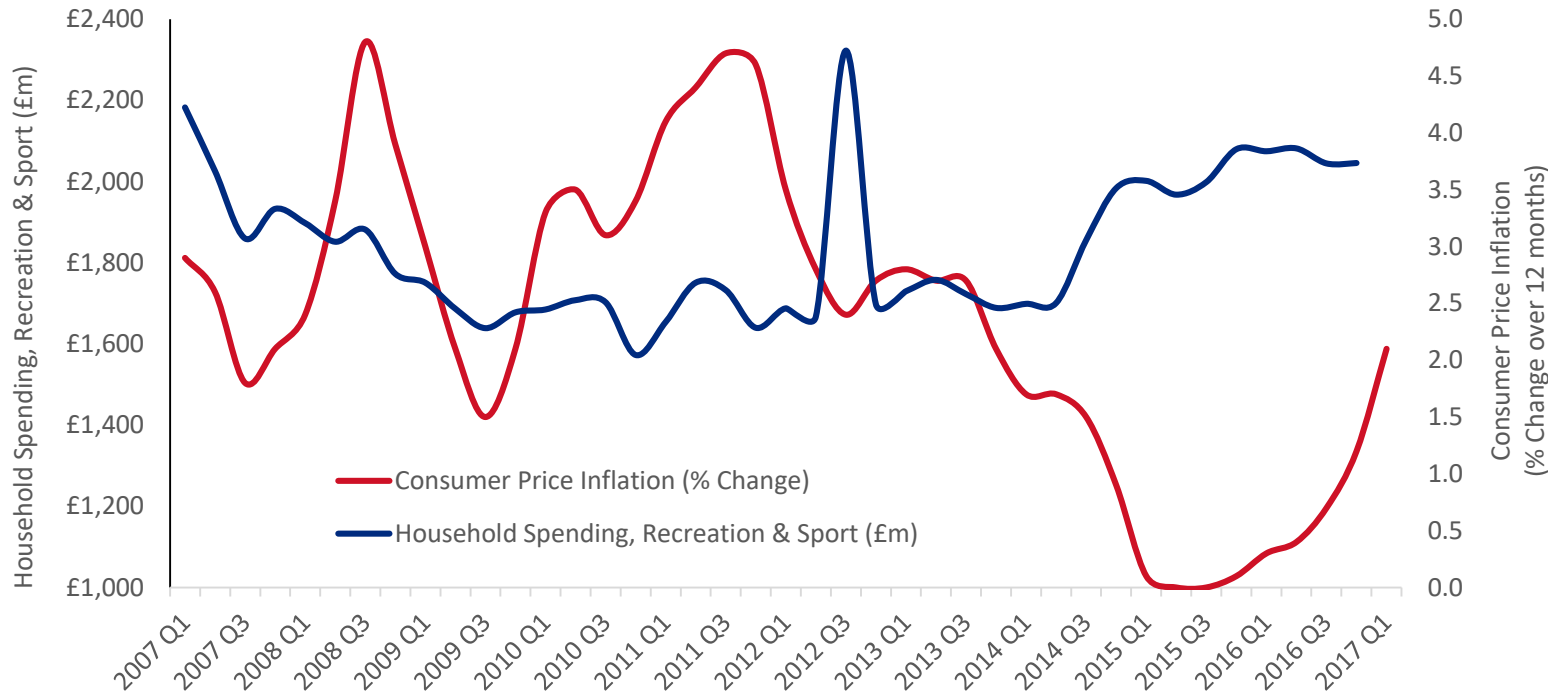
UK Consumer Confidence Trends



Source: OECD, Consumer Confidence Index

While the outlook among British consumers sank following the vote to leave the European Union (declining by **-0.9%** in Q2-3 2016), there has been a stuttering recovery since then, with confidence growing by **+0.2%** between July 2016 and January 2017. Fears over Brexit dampened towards the end of 2016 with UK macro-economic data remaining strong throughout this period. However, instability and uncertainty has returned in 2017. With the recent General Election result muddying the mandate for upcoming Brexit negotiations, consumer confidence has returned to the same level as July 2016. With domestic political infighting probable, and the upcoming UK-EU negotiations expected to cause further uncertainty, consumer confidence is likely to fall further in the coming months.

Consumer Price Inflation & Leisure Spending Trends



Source: Office for National Statistics, Household Spending; Office for National Statistics, Consumer Price Index

Inflation has risen steadily since the vote to leave the EU, climbing to **+2.1%** by the end of Q1 2017. The cost of goods and services is forecast to rise sharply by the end of 2017, with inflation anticipated to reach **+2.7%** according to the latest Bank of England analysis. These price climbs are primarily due to a rise in the cost of imported fuel and foodstuffs. As a result of these rising living costs, household leisure spending is also forecast to contract as increased living costs eat into discretionary spending.

The Inland Marinas & Moorings Sector

Inland Marinas & Moorings Sector Market Analysis

British Marine's latest economic research indicates that over the last financial year, the inland marina sector generated revenues of over **£70m**, rising by **3.6%** on the previous year's turnover, whilst directly contributing **£30m** in Gross Value Added to the UK economy, and supporting nearly **1,000** Full-Time Equivalent employees.

Business sentiment from British Marine business surveys shows that while experiencing a slight dip in confidence following the EU referendum in June 2016, the outlook for business has recovered swiftly and now sits at its highest level (**+64%**) since 2014. The 'Leave' vote in June had an immediate impact on marine businesses, with the majority of marine enterprises reporting a negative outlook for the coming 6 months. However, business outlook in the inland boating sector has benefitted from a weakening of sterling and an increase in both domestic and overseas tourists and boaters. Berth occupancy has now reached its highest levels since 2013 (**88.7%**), with inland marina operators reporting positive performance across many major marina trades.

However, this positive sentiment is also tinged by concern. Marinas continue to struggle to retain customers with an ageing market that finds it increasingly difficult to justify the rising costs associated with marina berthing, particularly in an environment of rising costs and economic and political uncertainty. And on the inland waterways, with licensed boats only growing by **+0.1%**ⁱ (or less than 200 boats), and proposed and planned new moorings facilities outstripping demand, competition for berthing among marinas is only going to intensify as operators eat into each others' customer base.

With this ageing market not being replenished with new, younger boat owners, the biggest challenge for operators is encouraging uptake while adapting to changes in customer behavior. As a result, inland marinas are seeking more innovative ways to encourage engagement with boat ownership, through 'shared' ownership schemes and flexibility in the services that are offered to boaters in the marina. In the inland sector this is characterized by a greater movement into residential moorings to attract a new kind of customer and the development of marina hubs as all-encompassing leisure and tourism facilities in order to diversify in a challenging trading environment.

ⁱ This figure is taken from the Canal & River Trust's annual accounts for 2015/16, available online [here](#).

ⁱⁱ This figure is taken from British Marine's Industry Trends and Marina Market surveys and represents the net balance score or the difference between members reporting a positive and negative response to questions about their business's future prospects over the next 6 months.

ⁱⁱⁱ Marina "occupancy rate" refers to the percentage of boat storage spaces that are occupied out of all boat storage spaces that are advertised ("capacity").

^{iv} Yield per berth refers to the average revenue generated by each marina berth or mooring.



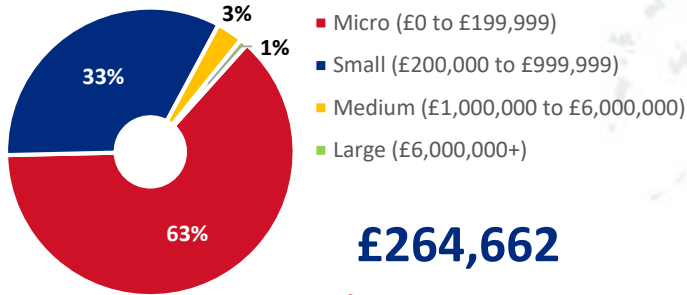
Structure of the Marina & Moorings Sector

UK Inland Marinas, Berths & Economic Impact by Region

Region	No. of Marinas	No. of Berths/ Moorings	Average Berths/ Moorings per Marina	UK Employees (FTE)	Revenue (£ million)
South West	12	1,787	149	62	£3.43
South East	52	6,862	132	209	£17.78
East of England	47	5,218	111	164	£7.87
East Midlands	45	7,284	162	180	£16.98
West Midlands	43	5,440	127	129	£7.17
North West	34	4,786	141	101	£7.46
North East	-	-	-	-	-
Yorkshire	19	1,963	103	48	£2.45
London	2	338	169	18	£2.10
Wales	2	182	91	9	£0.72
Scotland	7	612	87	41	£3.50
Northern Ireland	3	188	63	14	£0.93
Channel Islands	-	-	-	-	-
Total	266	34,660	130	975	£70.40

Inland Marina & Moorings Operations: Facts & Figures

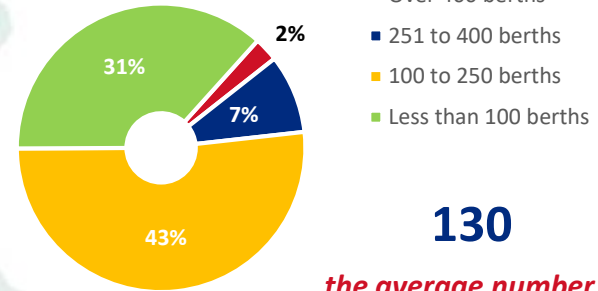
Inland Marina Operators by Business Size



£264,662

...the average revenue generated by an inland marina

Inland Marinas by Berths



130

...the average number of berths per marina

£112,331

...the average GVA created by an inland marina

£75,966

...the average tax contribution of an inland marina

3.7

...the average FTE jobs supported by an inland marina

£24,750

...the average salary of an inland marina manager



£36.53

...the average amount spent on expenses by each berth holder on a boating trip

88.7%

...the average occupancy of a 130 berth marina

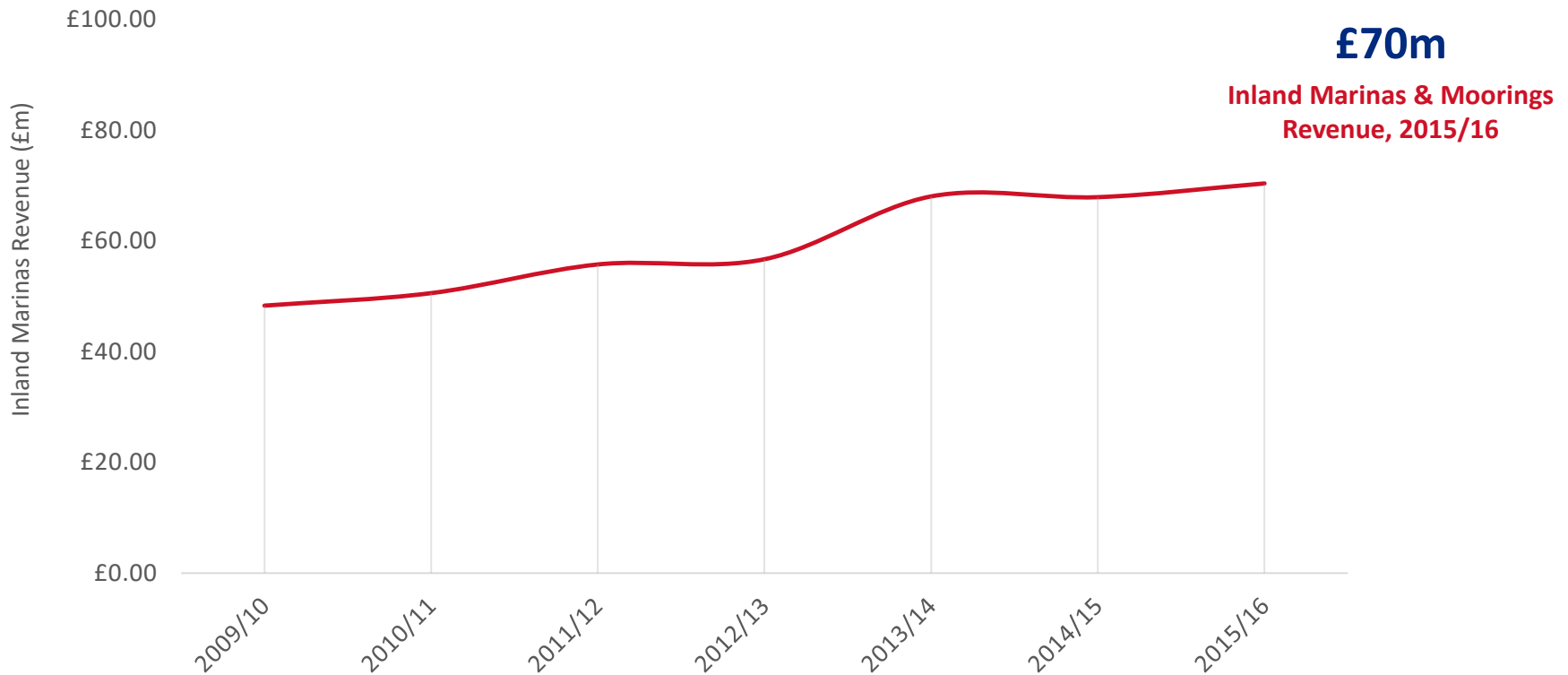
64%

...% of marina berth holders who regularly participate

6.0

...the average trips taken by berth holders annually

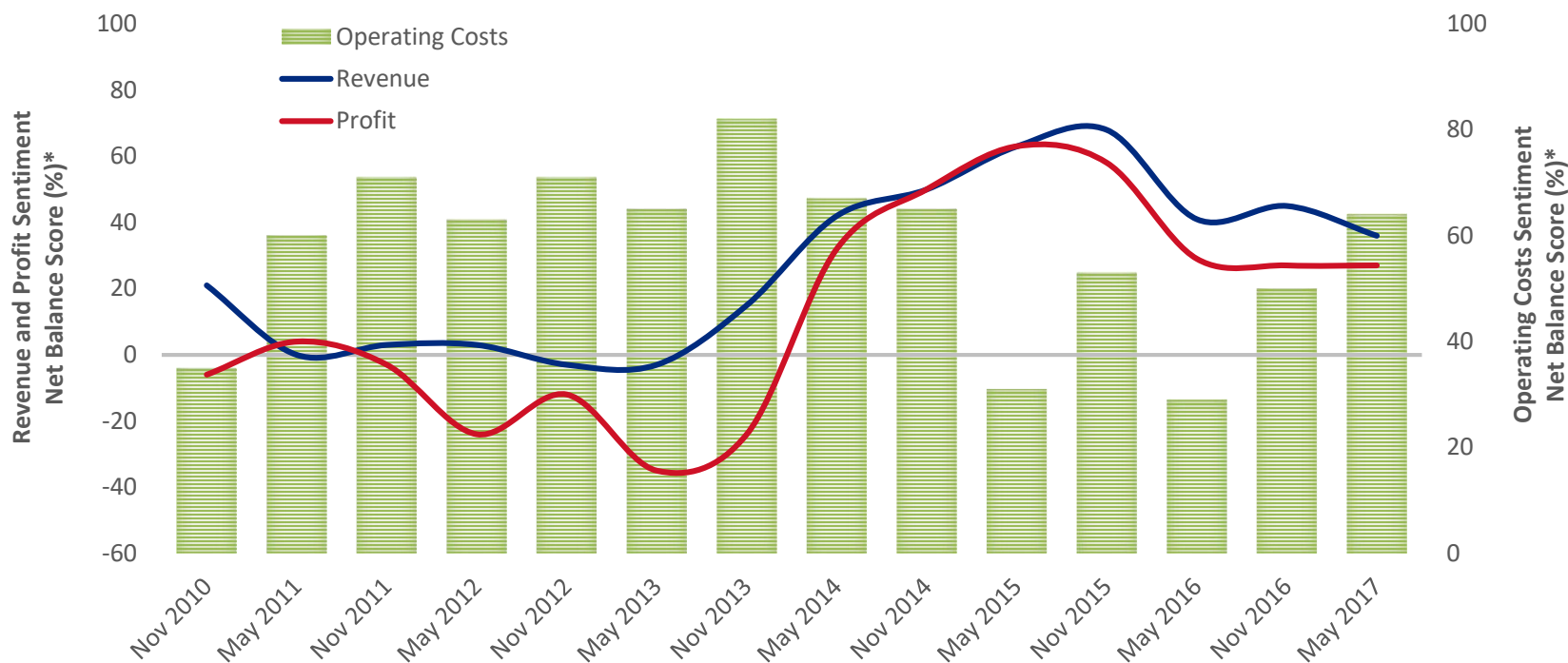
Inland Marinas: Revenue Trends (Actual)



Source: British Marine internal economic data

The total revenue of the inland marina and moorings sector increased to **£70.4 million** in 2015/16 (+3.6% on 2014/15 and +3.4% on 2013/14). Inland marinas and moorings revenue has grown gradually since the recession and is now hitting a new peak. With a weak pound promoting increased inland tourism and sustained interest in inland boating thanks to a growth in media exposure, this trend should continue in 2017. The greatest influence on the health of the sector remains the UK's economic and political stability during the negotiations to leave the European Union, and the affect this will have on consumer optimism over the next 12 months.

Inland Marinas: Revenue, Profit & Operating Costs (Business Sentiment)

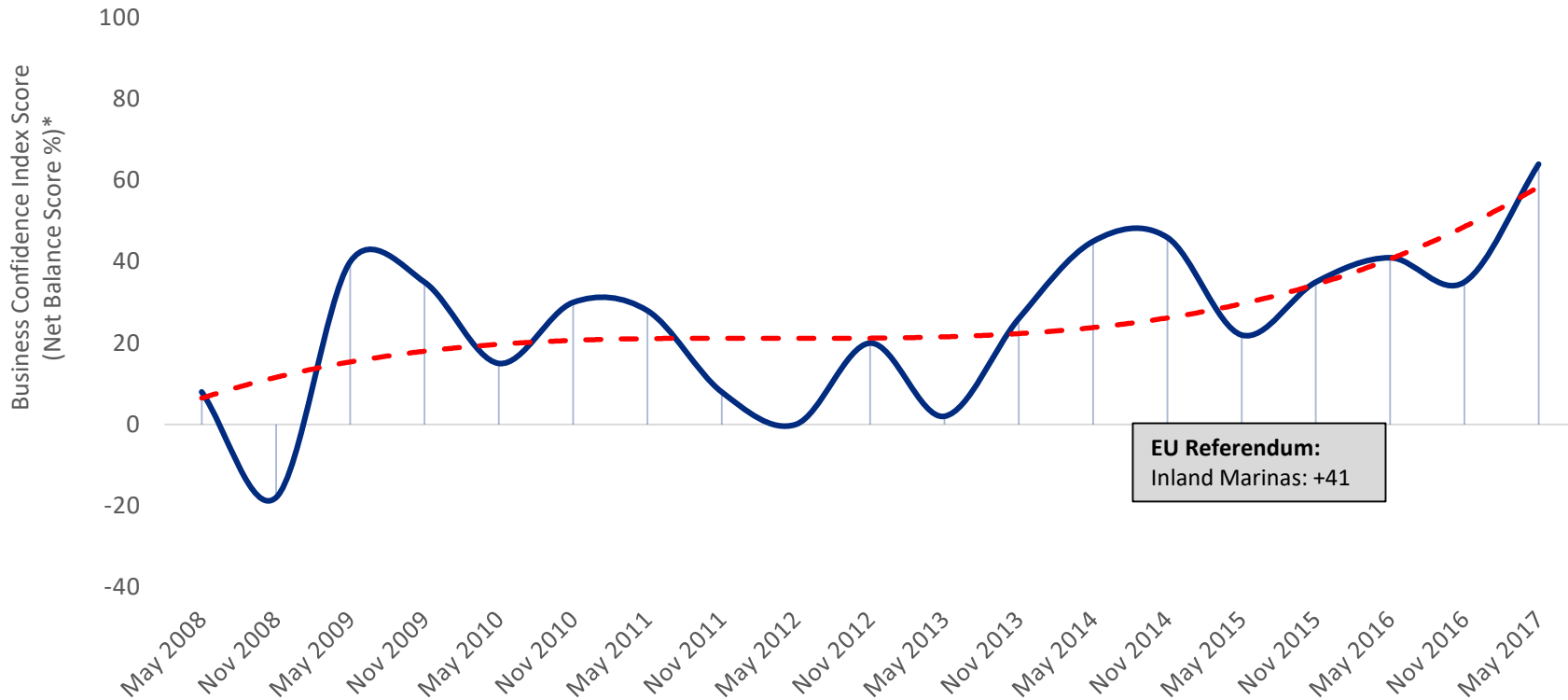


Source: British Marine Industry Trends Survey; British Marine Marina Market Survey

Revenue, profit and costs sentiment among inland marina businesses shows a slightly more nuanced picture. Prior to the EU referendum, turnover and profit was in fact climbing steadily, thanks in part to the increased interest in inland boating over the last 12 months. This sentiment, of course, dropped sharply following the vote to leave the EU. Opinion has stabilised somewhat since then with the recovery of confidence among customers. However, operating costs for marina operators have risen steadily over this period. With increases in inflation, business rates and other overheads eating into profit margins, costs are now approaching their pre-2014 highs. These costs are expected to continue to rise in line with inflation, as the pricing trend charts on page 24 indicates.

*The net balance reflects the difference between members reporting a positive and negative response to questions about their financial performance

Inland Marinas: Business Confidence Trends

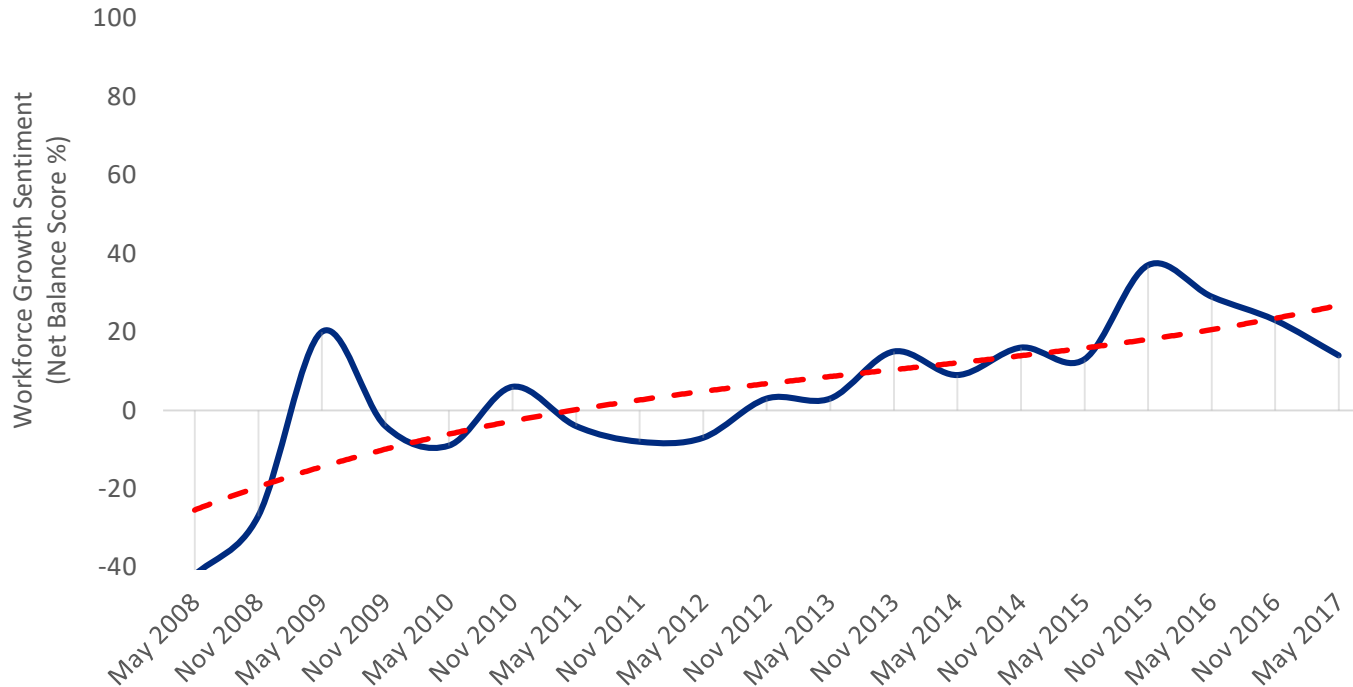


Source: British Marine Industry Trends Survey; British Marine Marina Market Survey

While the EU referendum in June had an immediate negative impact on business confidence, over the last 12 months it has also had a positive impact on certain sectors of the marine industry, including the UK's marina sector. Inland hire boats and moorings have been comparatively cheaper for European tourists, while the rise in consumer confidence and spending has benefitted marinas as much as other tourism businesses, helping business confidence to rise to a new high.

*The net balance reflects the difference between members reporting a positive and negative response to questions about their business prospects

Inland Marinas: Workforce Growth (Business Sentiment)



Source: British Marine Industry Trends Survey; British Marine Marina Market Survey

975

Full-Time Equivalent Jobs
Directly Supported by
Inland Marinas

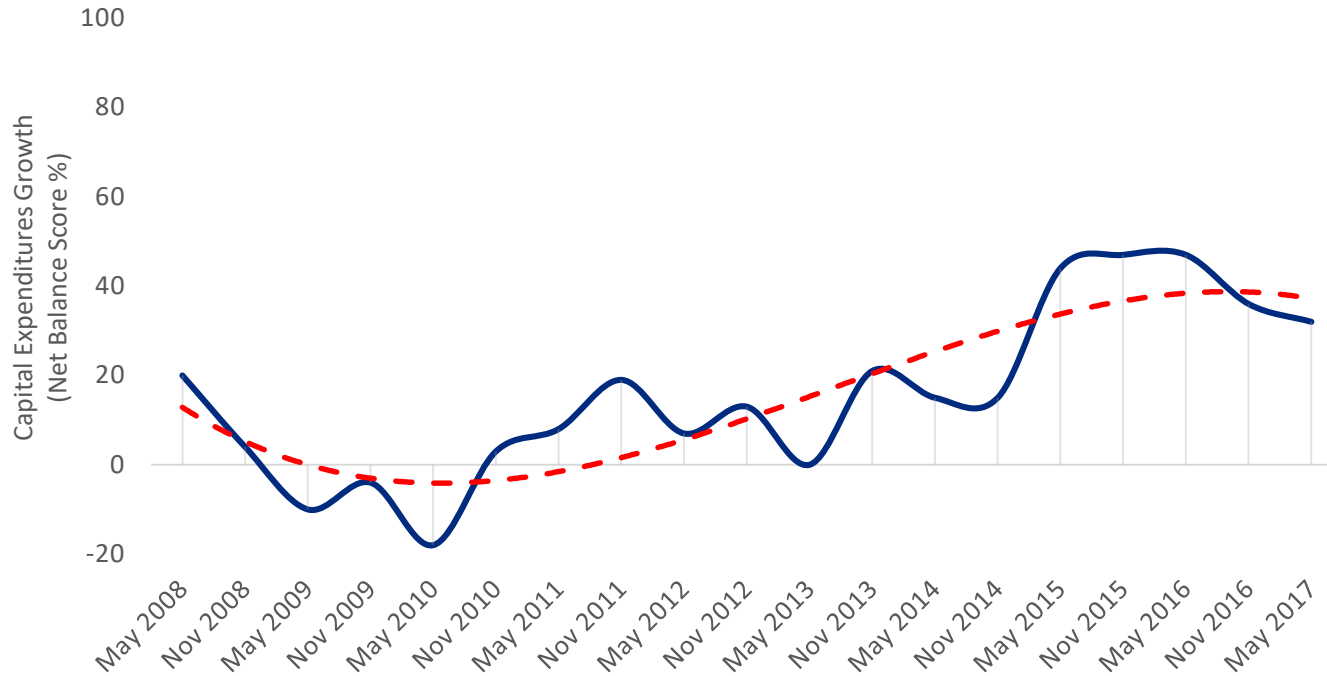
47%

...inland marinas increasing
payroll costs, Jan-May 2017

Full-Time equivalent employment in the inland marina sector sits at approximately **975** employees (**+0.2%** on 2014/15), or an average of **3.7** Full-Time equivalent employees per inland marina. If we look at the trends in business hiring sentiment, we can see that after recruitment plummeted during the recession, it took until 2012/13 for inland marina businesses to start actively hiring again, which mirrors the slow post-recession increase in investments in other areas shown on page 23. After rising consistently since 2012, and spiking in 2015 with a bumper year for the inland boating sector, employee growth has now returned to 2014 levels. Hiring activity is expected to slow further over the next 12 months with rising costs, economic and political volatility and receding consumer confidence denting recruitment sentiment among inland marina employers.

*The net balance reflects the difference between members reporting a positive and negative response to questions about recruitment

Inland Marinas: Investments (Business Sentiment)



+22%

Increase in investments in Environmental Protection

+7%

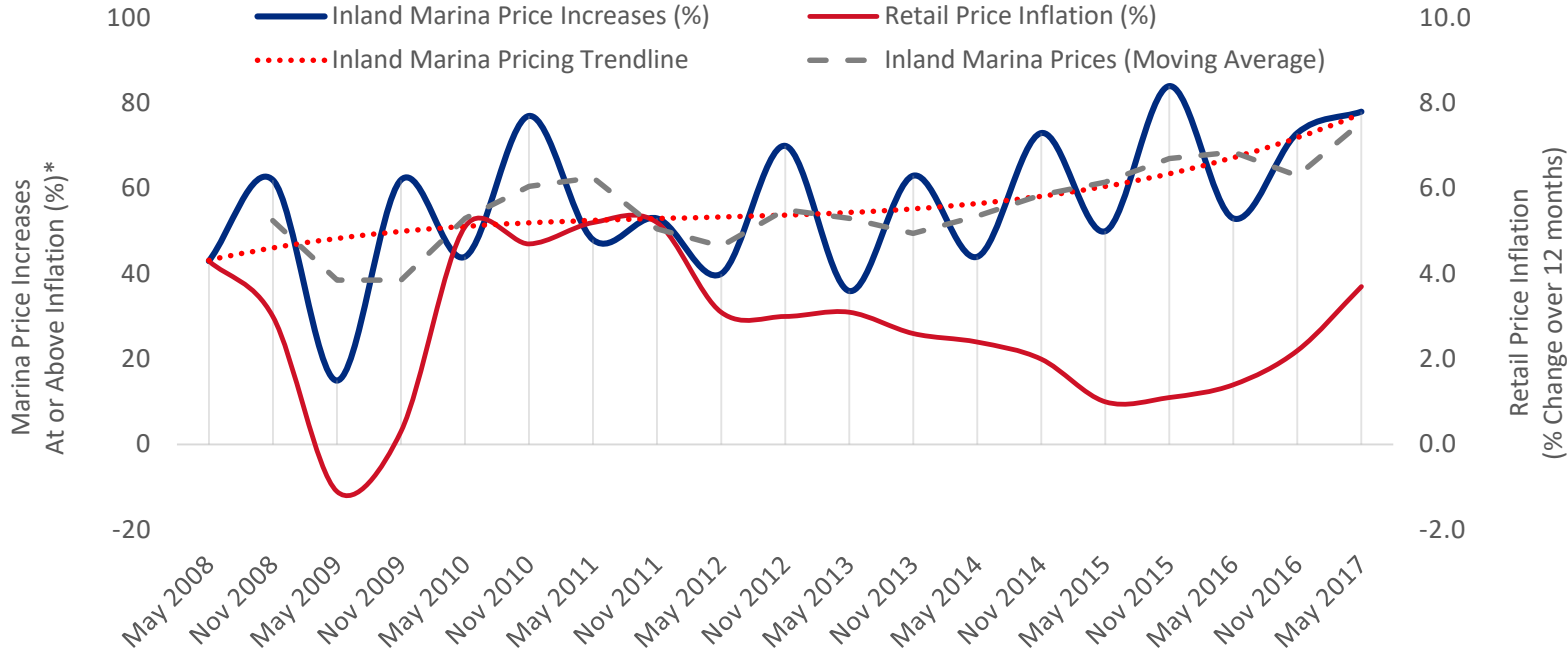
Increase in investments in Social Programmes

Source: British Marine Industry Trends Survey; British Marine Marina Market Survey

Capital expenditures and other kinds of investment among inland marina businesses plummeted during the financial crisis, but recovered quickly, and have been on an upwards trend until 2015, when it improved substantially during a successful year for the inland boating sector. The EU referendum did little to affect sentiment, with investments only dipping slightly 12 months on from the 'Leave' vote.

*The net balance reflects the difference between members reporting a positive and negative response to questions about their investments

Retail Price Inflation & Inland Marina Pricing Sentiment



Source: British Marine Industry Trends Survey; Office for National Statistics, Retail Price Index

Inland marina pricing sentiment has a seasonal fluctuation between off-peak to peak periods, from winter to summer. Beneath this seasonal movement, however, the trendline above shows that prices have gradually increased over the period from 2008 to 2016. If we compare this with the moving average for price sentiment for this period, we can see prices dropped and recovered sharply following the recession, before following a more gentle upwards trend after 2012. This marina price movement loosely follows the movement of retail price inflation, and with the dramatic increase in inflation projected over the course of 2017 following the sharp depreciation of the pound in July-December 2016, inland marina berth prices will continue to increase over the coming 12 months.

*This figure represents the percentage of marinas that stated they were expecting to increase their prices at or above the level of inflation.

“The canal operator is not helping a difficult trading environment. The new reciprocal licencing arrangements – and their aggressive enforcement – for visiting craft are killing the business.”

Independent Moorings (Canal)

“There is an oversupply of moorings causing boats to move more often and only some to take a winter mooring. The lack of maintenance of track by CRT may well lead to a decline in boats on the inland waterways”

Independent Moorings (Canal)

“There is a very strong demand for good quality moorings on the Thames. We are now able to keep a waiting list because of the strength of demand.”

Independent Marina (Non-Tidal River)

**Inland Marinas:
Market Commentary**

“The market for mid priced craft is slowing. We have seen downsizing in boat and berth sizes, so we have begun charging more for our best pontoon berths.”

Independent Marina (Non-Tidal River)

“Growth in residential is strong for us, while the leisure market is holding up and not contracting. However, economic and political stability is a concern and will probably dent customer confidence.”

Marina Group (Canals)

“There is still an oversupply of moorings on the canal network”

Independent Marina (Canals)

“Business activity seems moderately positive overall - for us, continued demand for residential moorings is the most important trend”

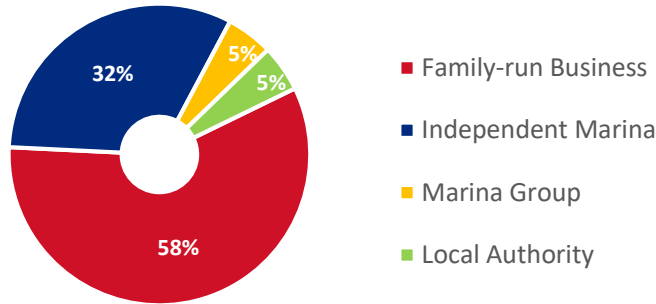
Independent Marina (Non-Tidal River)

“Accessibility and affordability are continuing to weigh on business. New boats aren’t selling, its difficult retaining berth holders in an ageing market with costs increasing, while there are limited new boat owners.”

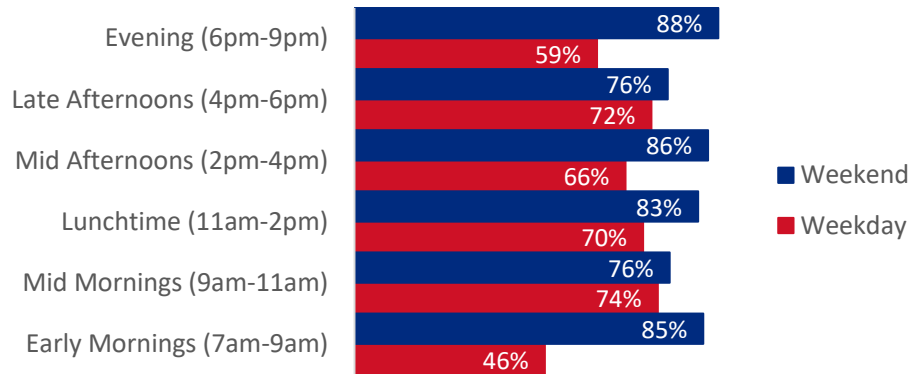
Independent Marina (Non-Tidal River)

Inland Marinas: Economic & Social Impact

UK Inland Marinas by Ownership Type



Most Popular Times to Visit an Inland Marina



Source: British Marine Marina Market Survey

Over **50%** of mooring businesses are family-owned and run, and almost a third are independent marinas, supporting local jobs and salaries, purchasing from local businesses, and returning that revenue to the local economy. A significant number of new marina developments are also designed as residential-commercial-recreational hubs, providing housing and hotels for the local community, as well as commercial and retail space, further supporting local economic growth. In addition, marinas act as recreational and social hubs for local communities, providing added social benefit to their economic impact, with **44%** allowing access to their site to the general public, with another **25%** holding structured social and recreational events to promote the boating lifestyle and culture.

50%

...of marinas have a boat launch facility that is made available to the general public

44%

...of marinas allow the general public to access their site

25%

...of marinas hold structured social/recreational events for their berth holders

7%

...of marinas with structured social/recreational events are increasing their investment in social programmes

The Coastal Marinas & Moorings Sector

Coastal Marinas & Moorings Sector Market Analysis

British Marine's latest economic research indicates that over the last financial year, the coastal marina sector generated direct revenues from marinas, moorings and associated activities of **£152m**, a contraction of **-1.2%** on the last financial year, but an increase of **+3.4%** on revenues posted in 2013/14. In addition, the sector directly contributed over **£70m** in Gross Value Added to the UK economy, while directly supporting nearly **2,000** Full-Time Equivalent employees.

Business sentiment from British Marine business surveys shows that the sector was experiencing a slightly depressed trading environment prior to the EU referendum. The 'Leave' vote in June had an immediate impact on marine businesses, with the majority of marine enterprises reporting a negative outlook for the coming 6 months. Business outlook among coastal marinas plummeted to its lowest levels since 2011, but over the last 12 months business confidence has been buoyed by the devaluation of sterling, encouraging an increase in overseas sailors and marina customers. Market demand is strong, with berth occupancy reaching its highest levels since 2013 (**88.0%**), with many members indicating healthy waiting lists, and reporting positive performance across many major marina trades.

However, this positive sentiment is also tinged by concern. Marinas continue to struggle to retain customers with an ageing market that finds it increasingly difficult to justify the rising costs associated with marina berthing, particularly in an environment of rising costs and economic and political uncertainty. In some quarters, the low valuation of sterling is a particular concern since it threatens a boat drain in the UK as European sailors capitalize on current beneficial exchange rates, further threatening marina occupancy in the UK.

With this ageing market not being replenished with new, younger boat owners, the biggest challenge for operators is encouraging uptake while adapting to changes in customer behavior, as berth holders downsize in boat and berth sizes. As a result, operators are seeking more innovative ways to encourage engagement with boat ownership, through 'shared' ownership schemes and flexibility in the services that are offered to boaters in the marina. In the coastal sector this is characterized by a growth in dry stack storage to cater to the smaller boat market, as well as the development of marina hubs as all-encompassing leisure and tourism facilities, providing diverse services for a broader customer base.

£152m **-1.2%**
Revenue % Growth

£74m **-1.2%**
Gross Value Added % Growth

1,841 **-0.6%**
Workforce % Growth

+53%
Business Confidence ⁱ
+/- Increase

88.0% **+3.1%**
Occupancy Rate % Growth ⁱⁱ

£2,526 **-1.2%**
Yield/Berth % Growth ⁱⁱⁱ

ⁱ This figure is taken from British Marine's Industry Trends and Marina Market surveys and represents the net balance score or the difference between members reporting a positive and negative response to questions about their business's future prospects over the next 6 months.

ⁱⁱ Marina "occupancy rate" refers to the percentage of boat storage spaces that are occupied out of all boat storage spaces that are advertised ("capacity").

ⁱⁱⁱ Yield per berth refers to the average revenue generated by each marina berth or mooring.

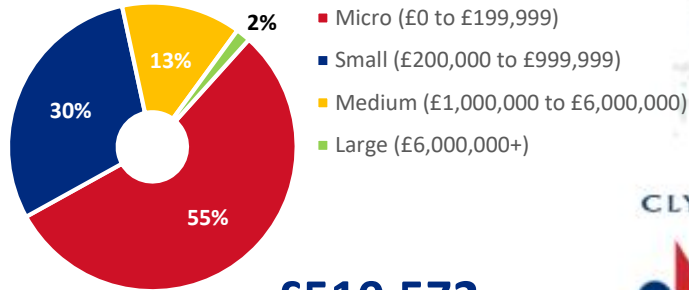
Structure of the Marina & Moorings Sector

UK Coastal Marinas, Berths & Economic Impact by Region

Region	No. of Marinas	No. of Berths/ Moorings	Average Berths/ Moorings per Marina	UK Employees (FTE)	Revenue (£ million)
South West	56	10,337	185	345	£26.74
South East	94	20,716	220	787	£75.88
East of England	29	6,566	226	147	£10.00
East Midlands	2	277	139	10	£1.37
West Midlands	-	-	-	-	-
North West	7	1,661	237	29	£1.26
North East	8	1,646	206	32	£1.95
Yorkshire	2	559	280	12	£0.50
London	16	1,303	81	106	£6.29
Wales	20	5,633	282	78	£4.66
Scotland	42	5,960	142	202	£14.61
Northern Ireland	12	1,525	127	50	£2.21
Channel Islands	9	3,857	429	42	£6.19
Total	297	60,040	202	1,841	£151.64

Coastal Marinas & Moorings Operations: Facts & Figures

Coastal Marina Operators by Business Size



£510,572

...the average revenue generated by a coastal marina

£248,350

...the average GVA created by a coastal marina

£142,327

...the average tax contribution of a coastal marina

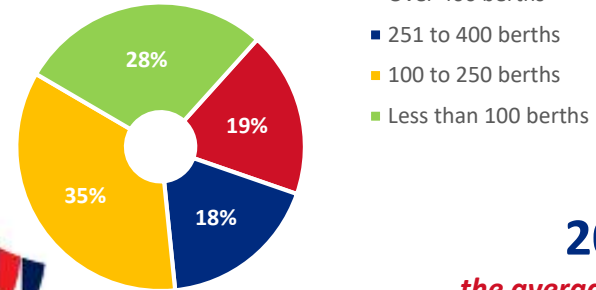
6.2

...the average FTE jobs supported by a coastal marina

£29,850

...the average salary of a coastal marina manager

Coastal Marinas by Berths



202

...the average number of berths per coastal marina

88.0%

...the average occupancy of a 200 berth coastal marina

45%

...% of marina berth holders who regularly participate

7.0

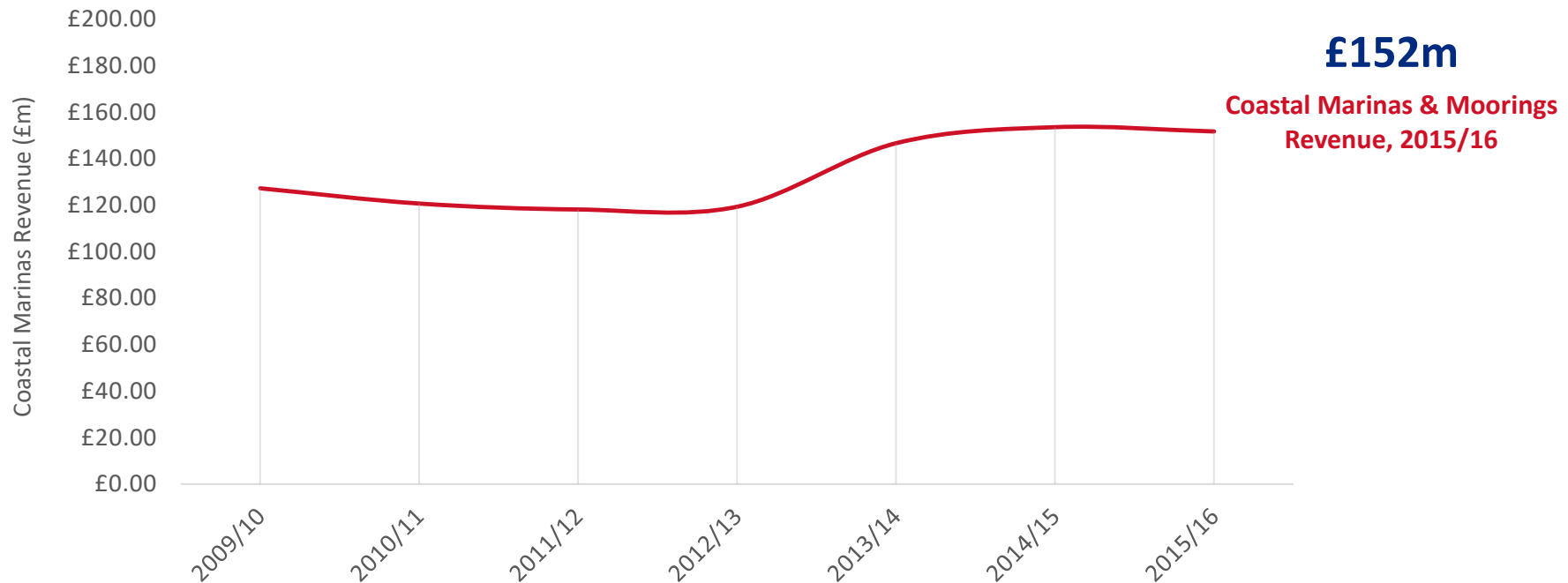
...the average trips taken by berth holders annually

£46.49

...the average amount spent on expenses by each berth holder on a boating trip



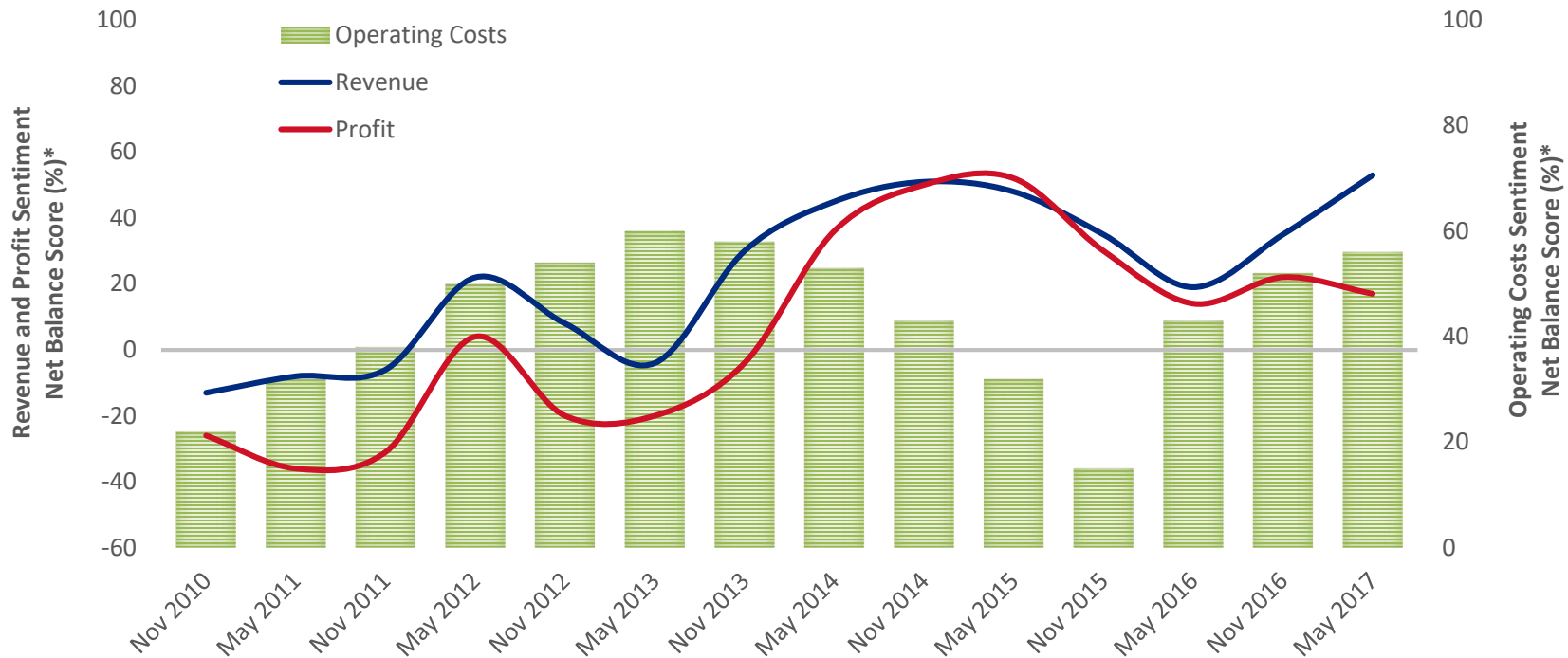
Coastal Marinas: Revenue Trends (Actual)



Source: British Marine internal economic data

The total revenue of the coastal marina and moorings sector was **£151.6 million** in 2015/16 (-1.2% on 2014/15 and +3.4% on 2013/14). Coastal marinas and moorings revenue has been relatively stable since the recession, with little movement after 2009 until a sharp increase in 2012/13. Sector revenue has remained steady since then and is not expected to change significantly over the next 12 months. With a weak pound promoting increased visits from European sailors and consumer confidence and spending positive despite economic and political uncertainty, the fortunes of the sector should remain steady. But while the market for coastal moorings is consistent, there are risks on the horizon. The weakness of sterling, while attracting European sailors, has added significantly to operating costs. In addition to the rising costs of boating in the UK, the exchange rate disadvantage with the Euro also threatens to reduce marina occupancy as UK boat owners sell to sailors in the EU to mitigate their costs.

Coastal Marinas: Revenue, Profit & Operating Costs (Business Sentiment)

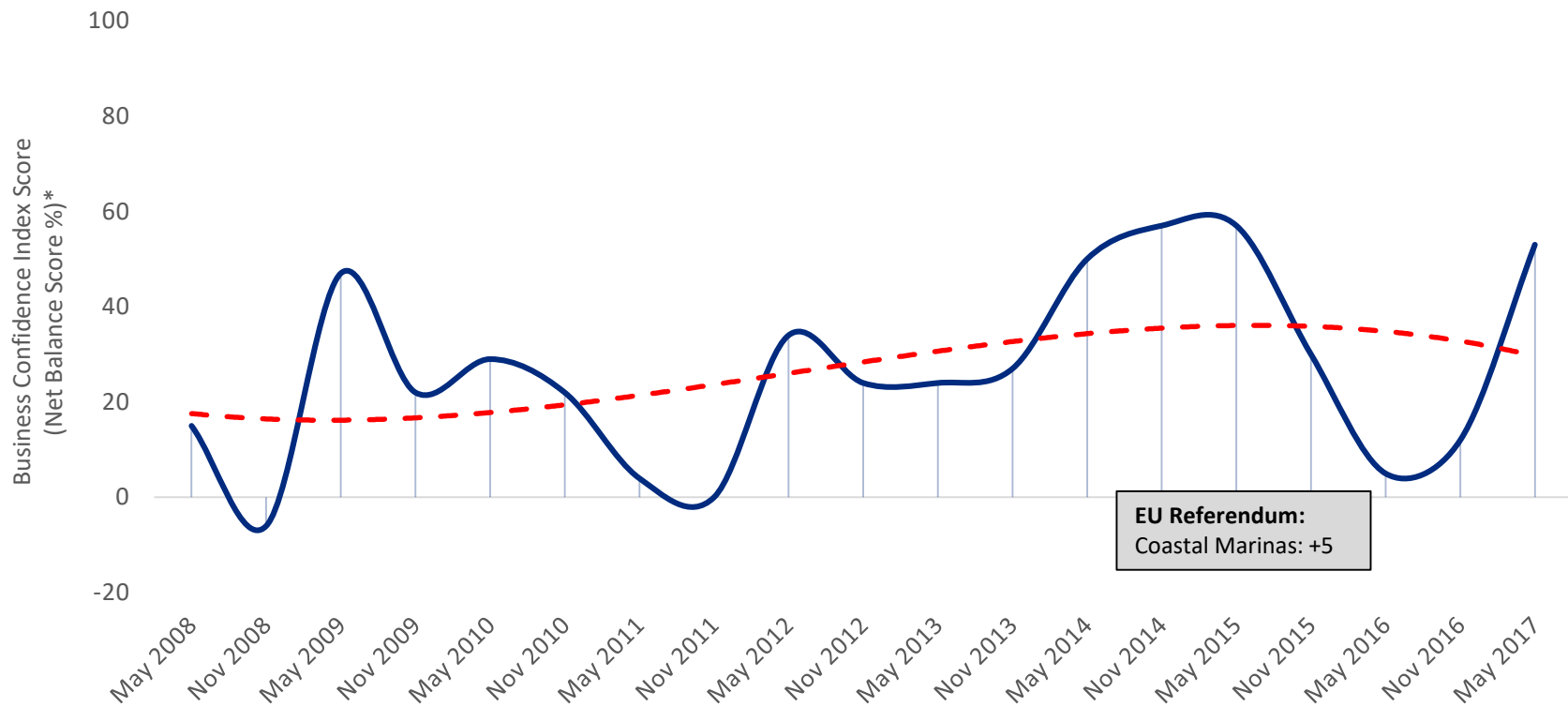


Source: British Marine Industry Trends Survey; British Marine Marina Market Survey

Sentiment among coastal marinas reinforces this picture. Unlike with the inland sector, prior to the EU referendum, turnover and profit was already perceived to be slowing. This sentiment dropped sharply following the vote to leave the EU. Since the vote, sentiment has recovered to 2014 levels, supported by consumer optimism and the boost of a weak pound increasing visiting and permanent berth holders from Europe, boat sales and other marina-based services. However, operating costs for marina operators have risen steadily over this period, with increases in inflation, business rates and other overheads eating into profit margins. These costs are expected to continue to rise, as the pricing trend chart on page 33 indicates.

*The net balance reflects the difference between members reporting a positive and negative response to questions about their financial performance

Coastal Marinas: Business Confidence Trends

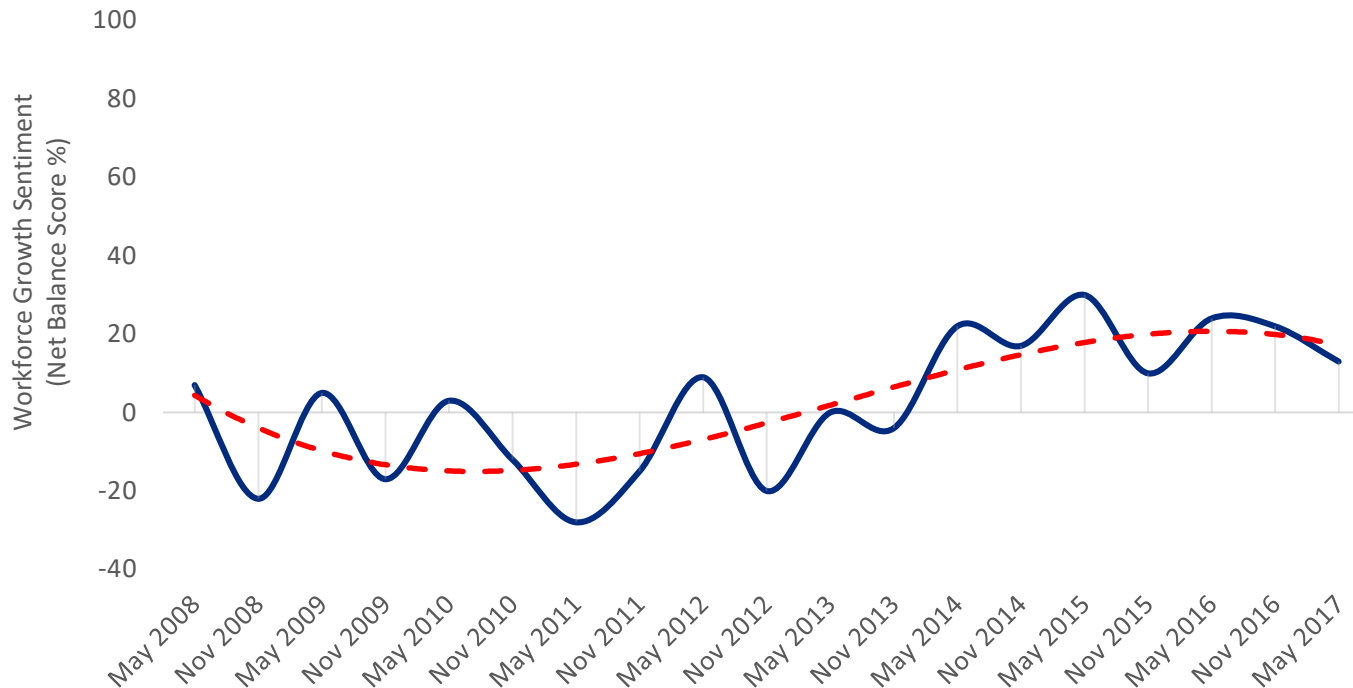


Source: British Marine Industry Trends Survey; British Marine Marina Market Survey

While the EU referendum in June had an immediate negative impact on business confidence, for coastal marinas it largely compounded existing pessimism about the prospects for the sector. Despite the negativity that quickly followed the ‘Leave’ vote, business confidence among coastal marina operators has quickly rebounded, returning to levels not seen since the end of 2014. This is partially driven by a buoyant consumer market, aided by the weakness of sterling and the attraction of European tourists to UK marinas.

*The net balance reflects the difference between members reporting a positive and negative response to questions about their business prospects

Coastal Marinas: Workforce Growth (Business Sentiment)



Source: British Marine Industry Trends Survey; British Marine Marina Market Survey

1,841

Full-Time Equivalent Jobs
Directly Supported by
Coastal Marinas

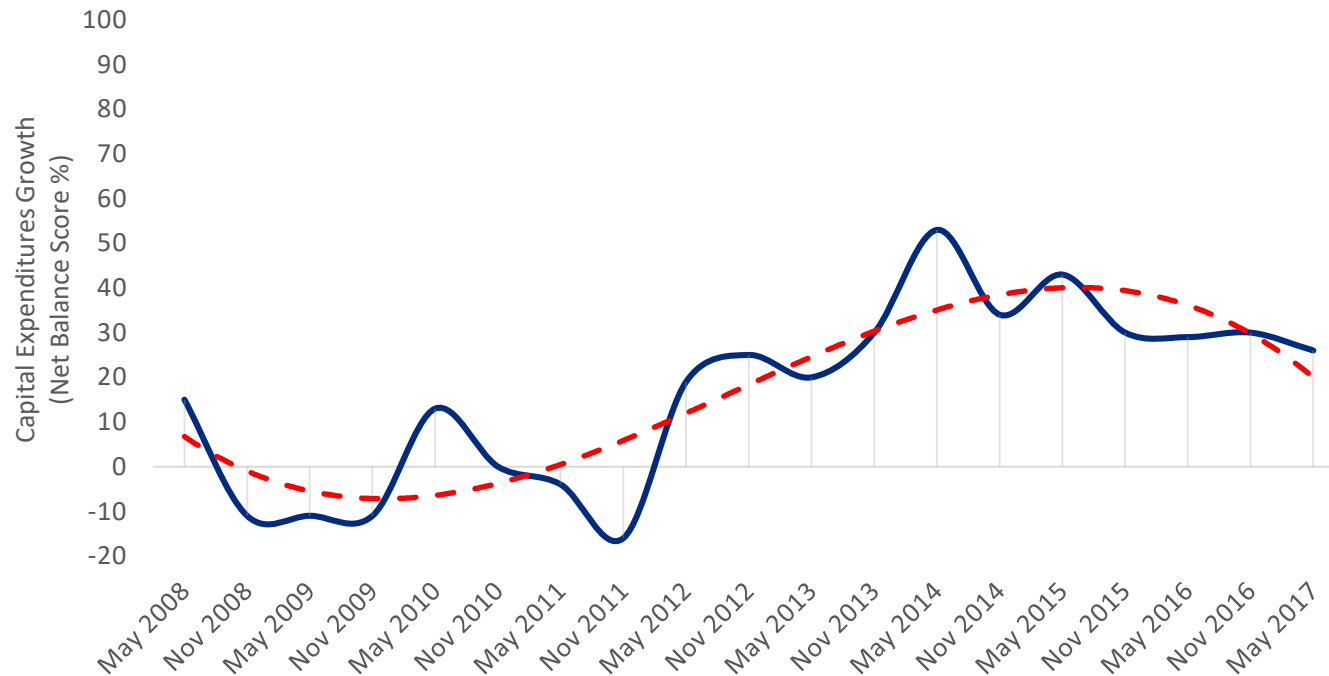
67%

...coastal marinas increasing
payroll costs, Jan-May 2017

Full-Time equivalent employment in the coastal marina sector sits at approximately **1,841** employees (**-0.6%** on 2014/15), or an average of **6.2** Full-Time equivalent employees per coastal marina. If we look at the trends in hiring sentiment, we can see that, after accounting for seasonal trends in marina employment, recruitment declined after 2008 before recovering sharply in 2012/13, mirroring the delayed post-recession increase in investments in other areas shown on page 32. After rising consistently from 2012, and spiking in 2015, employee recruitment has stalled again. Hiring activity is expected to remain muted over the next 12 months with rising costs, consumer trends, economic and political volatility and declining consumer confidence denting recruitment sentiment among coastal marina employers.

*The net balance reflects the difference between members reporting a positive and negative response to questions about recruitment

Coastal Marinas: Investments (Business Sentiment)



+32%

Increase in investments in Environmental Protection

+29%

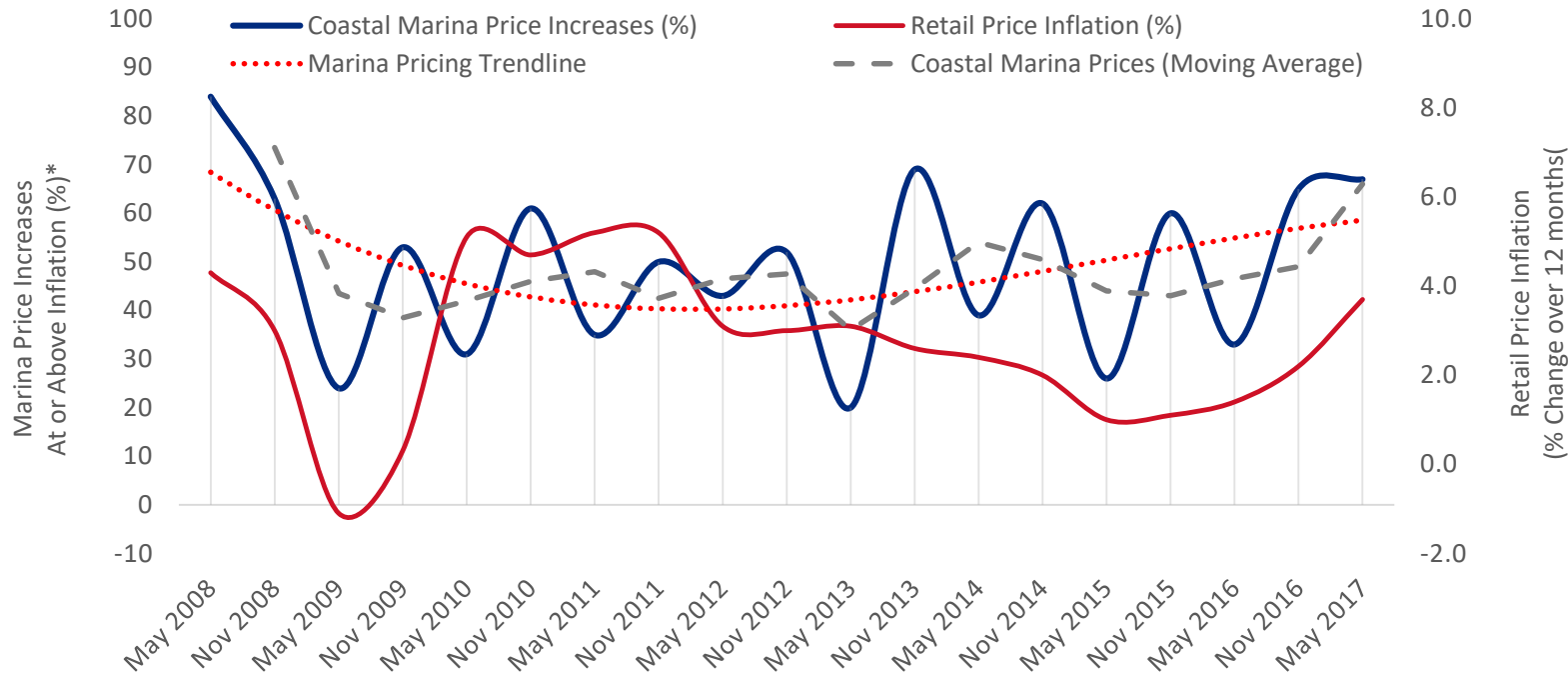
Increase in investments in Social Programmes

Source: British Marine Industry Trends Survey; British Marine Marina Market Survey

Capital expenditures and other kinds of investment among marina businesses plummeted during the financial crisis, but recovered quickly, and have been on an upwards trend from late 2011 to late 2014. The EU referendum did little to affect this downwards movement, with capex and other investments remaining fairly stable from 2015 onwards. Despite steady increases to operating costs in 2017, a clear majority of coastal marina operators continue to invest in facilities to protect their business, responding to changing customer trends in order to compete effectively in a congested marketplace.

*The net balance reflects the difference between members reporting a positive and negative response to questions about their investments

Retail Price Inflation & Coastal Marina Pricing Sentiment



Source: British Marine Industry Trends Survey; Office for National Statistics, Retail Price Index

Coastal marina pricing sentiment has a seasonal fluctuation between off-peak to peak periods, from winter to summer. Beneath this seasonal movement, however, the trendline above shows that prices have gradually been increasing after a sharp fall in 2008/9. If we compare this with the moving average for price sentiment for this period, we can see prices remained fairly stable after plummeting post-recession, until a steep increase in 2013 and then again in 2016/17. This marina price movement loosely follows the movement of retail price inflation, and with the dramatic increase in inflation projected over the course of 2017 following the sharp depreciation of the pound in July-December 2016, coastal marina prices are expected to continue to increase sharply over the coming 12 months.

*This figure represents the percentage of marinas that stated they were expecting to increase their prices at or above the level of inflation.

“One of our biggest challenges – and concerns – is keeping existing boats in the marina. With an ageing market finding it difficult to justify the expense of keeping their boat, and historically low sterling, boats are disappearing to Europe.”

Marina Group (Tidal River)

“There seems to be no growth in boating and the existing customer base is ageing. This may be the time to embrace the ‘share economy’ to grow boating among younger age groups”

Marina Group (Coastal)

**Coastal Marinas:
Market Commentary**

“We are hoping that low interest rates will support used boat sales, while the depreciation in sterling will encourage existing UK boat owners to stay at home rather than sailing in Europe.”

Independent Marina (Coastal)

“We have fairly strong demand for the facilities we provide. Our biggest challenge is adapting to changes in customer behaviour in terms of the provision of smaller boat facilities and the slipway launching of smaller craft.”

Independent Marina (Coastal)

“Our market is aging faster than it is rejuvenating, making an increase in numbers harder. Therefore we need to aim at increasing footage berthed, to maximise revenue yield from berths.”

Independent Marina (Tidal River)

“I have more berth applications from the UK and EU than I can shake a stick at. We are experiencing strong demand for long-term berths up to 25m, some residential.”

Independent Marina (Tidal River)

“Our trading environment is difficult, with the economy, recent election results, and increasing prices, particularly with the punitive new rateable value.”

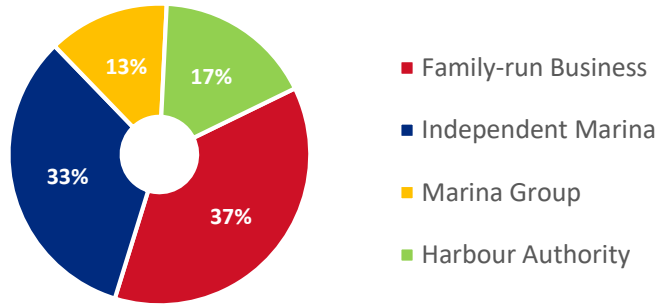
Independent Marina (Coastal)

“We are concerned over the strength of the pound following Brexit – particularly that the UK boat population may further diminish as brokerage boats are sold abroad. New boat sales in the UK are still at a very low level and there are few new customers entering the market.”

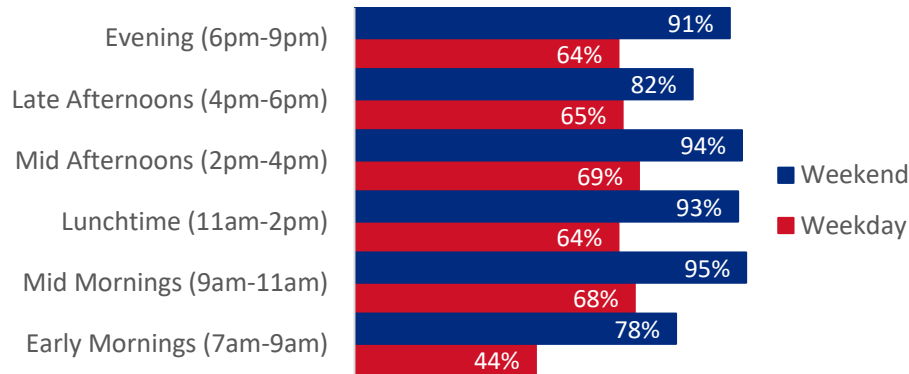
Marina Group (Coastal)

Coastal Marinas: Economic & Social Impact

UK Coastal Marinas by Ownership Type



Most Popular Times to Visit a Coastal Marina



Source: British Marine Marina Market Survey

37% of coastal mooring businesses are family-owned and run, and a further **33%** are independent marinas, supporting local jobs and salaries, purchasing from local businesses, and returning that revenue to the local economy. A significant number of new marina developments are also designed as new residential-commercial-recreational hubs, providing housing and hotels for the local community, as well as commercial and retail space, further supporting local economic growth. In addition, these coastal marinas act as recreational and social hubs for local communities, providing added social benefit to their economic impact, with over two thirds allowing access to their site to the general public, with over a third holding structured social and recreational events to promote boating and watersports.

39%

...of marinas have a boat launch facility that is made available to the general public

74%

...of marinas allow the general public to access their site

35%

...of marinas hold structured social/recreational events for their berth holders

29%

...of marinas with structured social/recreational events are increasing their investment in social programmes

Boat Ownership, Participation & Marina Occupancy in the UK

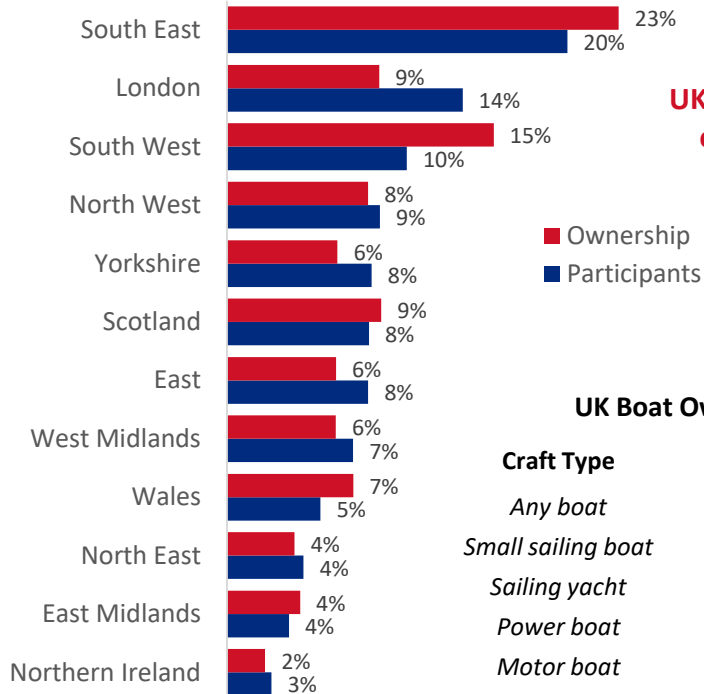
UK Boat Ownership & Participation



The image above shows hotspots for all boating participation across the UK. The data in the bar chart and table opposite are not represented in this map.

Source: British Marine Watersports Participation Survey 2016

UK Boat Ownership & Participants by Region (% Share)



3,494,000

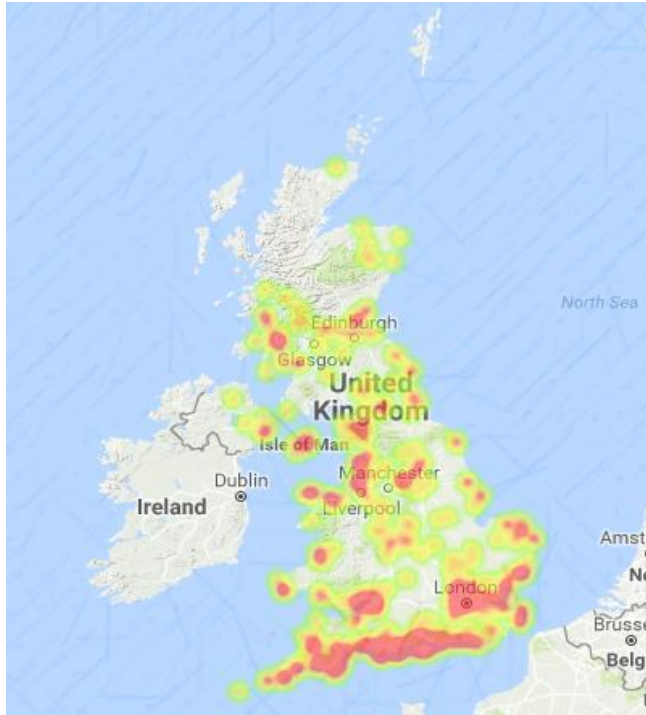
UK Participants in a Boating or Watersports Activity

■ Ownership
■ Participants

UK Boat Ownership by Craft

Craft Type	Total Boats	% Kept in UK
Any boat	1,147,265	95%
Small sailing boat	171,057	95%
Sailing yacht	52,266	93%
Power boat	45,193	84%
Motor boat	83,798	88%
Canal boat	27,917	97%
Canoe/kayak	547,729	98%
Rowing boat	45,330	94%
RIBs/Inflatables	34,962	93%
Windsurfer	104,381	96%
Personal Watercraft	34,633	91%

Coastal Marine Traffic



The heat map above shows hotspots for small sailboat, sailing yacht, motorboat and power boat coastal traffic.

Source: British Marine Watersports Participation Survey 2016

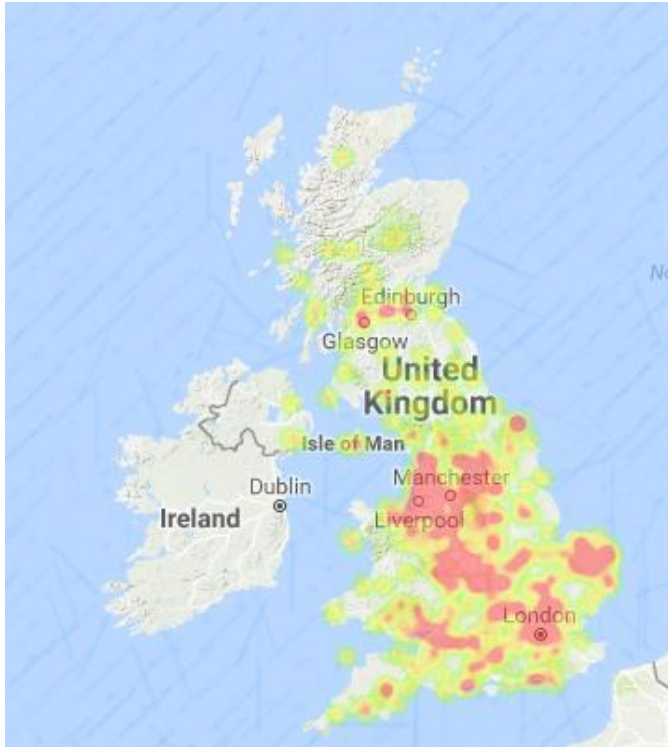
Frequency of Participation in Key UK Boating Regions (% Share)

Trip Frequency	Small Sail Boat Activities				Yacht Cruising			
	Once	2 to 5	6 to 12	13+	Once	2 to 5	6 to 12	13+
South East	20%	21%	28%	12%	38%	20%	20%	3%
London	6%	9%	49%	11%	23%	0%	0%	0%
South West	34%	34%	17%	0%	62%	7%	7%	0%
East of England	22%	37%	3%	38%	0%	93%	0%	7%
North West	60%	27%	0%	0%	47%	0%	0%	0%
Wales	0%	0%	34%	0%	42%	8%	27%	22%
Scotland	34%	42%	4%	10%	28%	24%	36%	12%

Trip Frequency	Power Boating				Motor Boating			
	Once	2 to 5	6 to 12	13+	Once	2 to 5	6 to 12	13+
South East	35%	18%	14%	3%	48%	34%	4%	4%
London	38%	13%	0%	0%	32%	25%	9%	0%
South West	43%	23%	0%	34%	27%	35%	0%	0%
East of England	60%	40%	0%	0%	45%	22%	13%	20%
North West	26%	21%	0%	22%	22%	41%	5%	0%
Wales	43%	26%	0%	0%	35%	12%	0%	0%
Scotland	34%	0%	18%	24%	60%	0%	12%	0%

The tables above show the frequency of participation among different boat types used most commonly on the coast. This data is derived from a different sample to the data used to create the heat map opposite.

Inland Marine Traffic



The heat map above shows hotspots for inland boating (primarily narrowboat) traffic in the UK.

Canal & River Trust Waterway Area*	Annual Lock Passages 2016	% Share of Inland Activity	Annual % Growth on 2015
Central Shires	4,203	16.6%	-2%
South East	4,010	15.8%	-
North Wales & Borders	3,823	15.1%	+2%
West Midlands	2,694	10.6%	+3%
Kennet & Avon	2,425	9.6%	+3%
South Wales & Severn	2,079	8.2%	-
London	1,928	7.6%	+1%
North West	1,261	5.0%	+4%
Manchester & Pennine	1,168	4.6%	-8%
North East	979	3.9%	+7%
East Midlands	779	3.1%	-8%

The table above shows the volume of passages through different locks on the rivers and canals controlled by the Canal & River Trust. This data is different to the data represented on the heat map opposite, which is based on inland boating participation from a separate consumer survey.

Source: British Marine Watersports Participation Survey 2016; Canal & River Trust Annual Lockage Report 2016

*Please Note: Detailed lock passage data is only available for the Canal & River Trust managed sections of the UK's inland waterways.

Marina & Berth Distribution

Example Marinas (Scotland):

Troon Yacht Haven; Largs Yacht Haven; Clyde Marina; Kip Marina; Rhu Marina; Ardfern Yacht Centre; Orkney Marina; Dunstaffnage Marina; Lossiemouth Marina; James Watt Dock.

Example Marinas (N Ireland):

Bangor Marina; Carrickfergus Marina; Ardglass Marina; Coleraine Marina.

Example Marinas (Wales):

Swansea Marina; Hafan Pwllheli; Neyland Yacht Haven; Conwy Quays; Cardiff Marina; Milford Haven Marina; Penarth Quays; Holyhead Marina; Goytre Wharf.

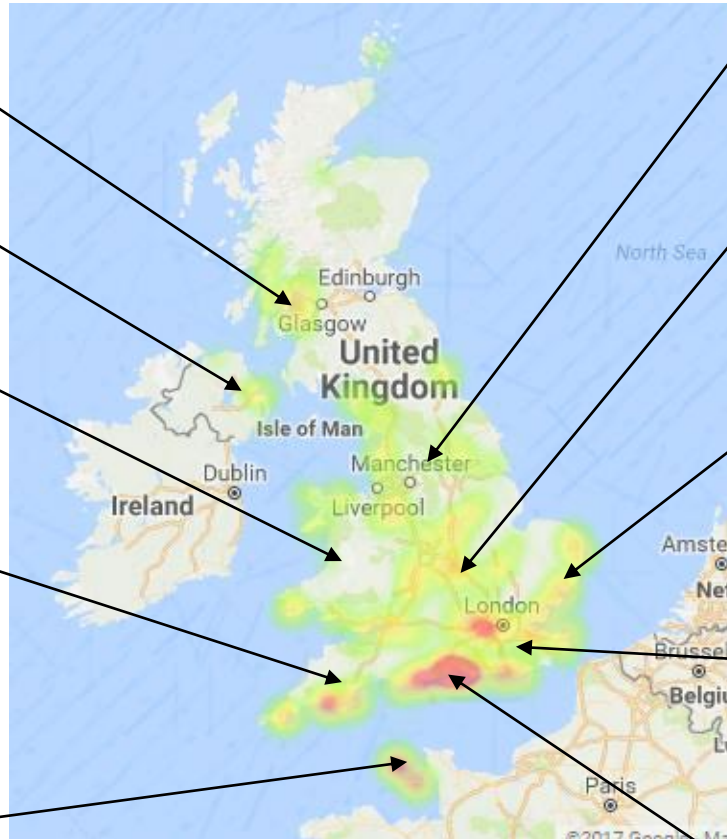
Example Marinas (South West):

Cobb's Quay Marina; Bristol City Docks; Plymouth Yacht Haven; Portland Marina; Brixham Marina; Mayflower Marina; Mylor Yacht Harbour; Falmouth Marina; Darthaven Marina; Torquay Marina; Parkstone Bay; Weymouth Marina; Bath Marina; Portishead Quays; Caen Hill Marina; Poole Harbour.

Example Marinas (Channel Islands):

Elizabeth Marina (Jersey); La Collette Yacht Basin (Jersey); St Helier Marina (Jersey); Beaucette Marina (Guernsey); St Peter Port Harbour (Guernsey).

The heat map below shows hotspots for berth/ mooring provision across the UK, coupled with example marinas from each major UK region.



Source: British Marine internal data

Please Note: The marinas listed here constitute a random sample, and are not listed in order of size or importance.

Example Marinas (Northern England):

York Marina; Overwater Marina; Royal Quays; Tattenhall Marina; Hull Marina; Windermere Aquatic; Anderton Marina; Preston Marina; Sunderland Marina; Glasson Basin; Wrenbury Mill.

Example Marinas (Midlands):

Pillings Lock; Buckden Marina; Nottingham Castle; Kings Marina; Braunston Marina; Calcutt Boats; Alvechurch Marina; Stourport Marina; Napton Marina; Diglis Basin; Ventnor Farm Marina; Droitwich Spa Marina.

Example Marinas (East of England):

Suffolk Yacht Harbour; Tollesbury Marina; Ipswich Haven Marina; Hartford Marina; Broads Edge Marina; Tidemill Yacht Harbour; Lowestoft Haven Marina; Burnham Yacht Harbour; Brundall Gardens Marina; Farnbridge Yacht Haven; Brundall Bay Marina; Broadlands Marina.

Example Marinas (London/ South East):

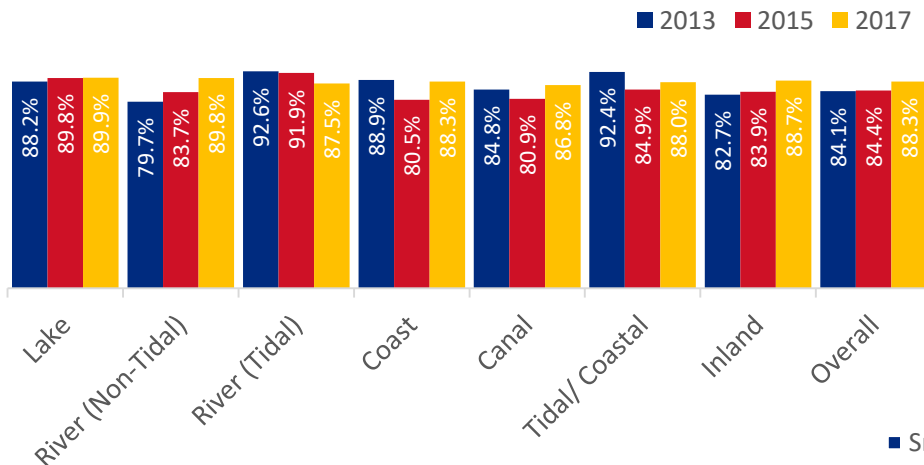
South Dock Marina; St Katherine's Docks; Limehouse Basin; Brighton Marina; Ramsgate Royal Harbour; Haslar Marina; Shepperton Marina; Harleyford Estate; Dover Marina; Gillingham Marina; Bray Marina; Thames & Kennet Marina; Gosport Marina.

Example Marinas (Solent):

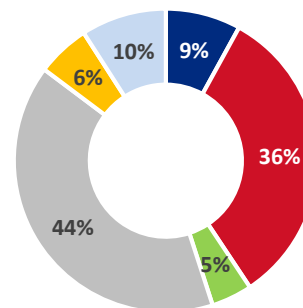
Port Solent; Buckler's Hard Yacht Harbour; East Cowes Marina; Mercury Yacht Harbour; Southsea Marina; Kemps Quay; Shamrock Quay; Universal Marina; Deacons Marina; Town Quay Marina; Swanwick Marina.

Marina & Moorings Occupancy Rates & Market Demand

Marina Occupancy Rate by Market Segment (%)



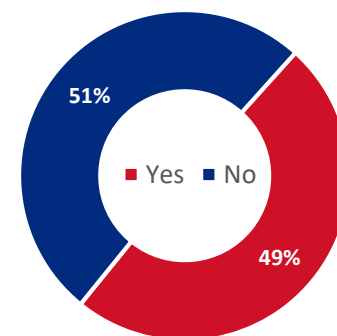
Coastal Marinas Occupancy Split (%)



88.3%

**Average Marina Occupancy Rate
Across all UK Marinas**

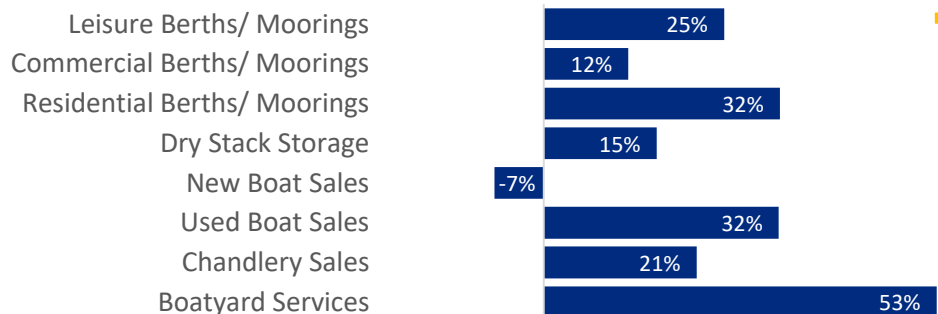
Do you have a berth holder waiting list?



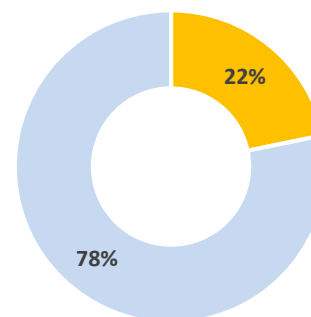
40

**Average Berth Holders
on a Marina Waiting List**

Marina Market Performance Net Balance Score*



Inland Marinas Occupancy Split (%)



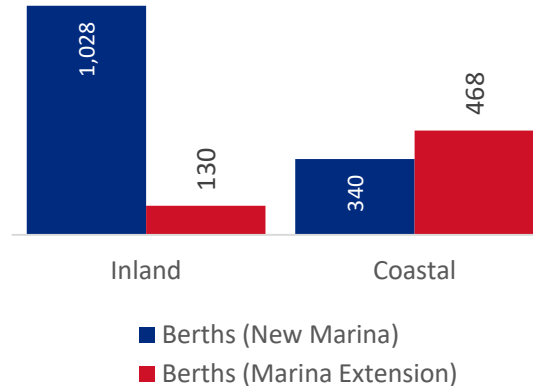
Source: British Marine Marina Market Survey

*The net balance reflects the difference between members reporting an increase or decrease in their business over the last 12 months when asked about each of these markets

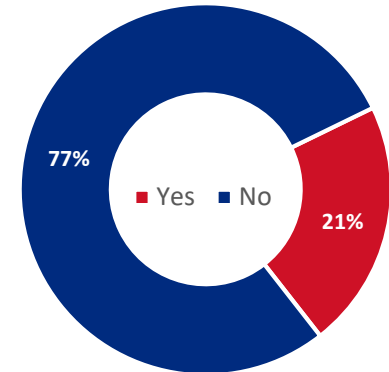
New Marina Developments in the UK



Projected New Marina Berths Currently in Planning*



Are you looking to increase or decrease the number of berths at your site(s) over the coming 12 months?



+2.1%
Estimated Growth in Capacity

Click the image above for an online, interactive map showing all current UK marina, harbour and port developments in planning.

Source: British Marine Marina & Harbour Planning Developments; British Marine Marina Market Survey

*Estimates are based on current (approved) planning applications to construct new marinas or extend current marina capacity, as well as responses to questions about marina developments asked in British Marine's Marina Market Survey.

Further Information

Thank you for reading this report. This research was produced by British Marine's Market Research and Statistics department. British Marine publishes a wide range of market and economic research to promote and support the UK leisure, Superyacht and small commercial marine industry, including:

- *Biennial KPI research providing insight on the economic performance and impact of the industry;*
- *Bi-annual reports tracking key business trends across all marine industry sectors;*
- *Annual market research tracking boating participation and ownership trends;*
- *Reports quantifying the volume, value and key characteristics of boating tourism;*
- *Interactive maps charting marine-related planning developments across the United Kingdom;*
- *Trade data exploring marine related imports and exports and the UK marine industry's key trading partners;*
- *Reports exploring the marine industry labour market and skills, training and productivity in the industry;*
- *And a host of other research reports providing insight on domestic and international leisure marine markets*

These research reports are available for free to all members of British Marine and can be downloaded directly from the British Marine [website](#). British Marine also provides a bespoke analytical service to support members' individual needs. To learn more about market research at British Marine, please contact research@britishmarine.co.uk.