



## **Revaluation 2010**

### **Miscellaneous Properties Committee**

#### **Practice Note 1**

#### **Valuation of Salmon Fishing Rights**

### **1.0 Introduction**

- 1.1 This Practice Note applies to the valuation of Salmon Fishing Rights where the Assessor has been requested to carry this out by a District Salmon Fishery Board.

### **2.0 Basis of Valuation**

- 2.1 Salmon Fishing Rights should be valued on the basis of the Comparative Principle of valuation using rates per fish or rates per lb, as appropriate, derived from local rental evidence.

### **3.0 Rental Analysis**

- 3.1 Analysis of rental information should be undertaken in accordance with SAA Basic Principles Committee Practice Note 1 (Adjustment of Rents).

### **4.0 Valuation Considerations**

#### **4.1 Rod Fishings**

The derived rate per fish should be applied to the average annual catch over the five year period from 2003 to 2007. However, as a cross-check, it may be useful to apply a derived rate per lb to the average annual weight over the same period.

In arriving at the average catch figure, no differential should be made between salmon and grilse. Grilse are small salmon which have only spent one winter at sea. However, for valuation purposes, all "salmon" are assumed to be of equal value, i.e. a fish is a fish. This approach is supported by market practices in arriving at capital values. Sea trout should be taken at one quarter, whilst in calculating the average weight no adjustment is required as it may be assumed that sea trout will average approximately one quarter the weight of a salmon.

Due to generally falling stocks of salmon and sea trout, it is becoming increasingly common practice to release a proportion of the fish caught. Generally, such release is restricted to hen fish or fish caught later in the season which are approaching spawning condition. However, in

some systems, the current levels of stock may be such that there is a voluntary agreement between the riparian owners that a much larger proportion of the catch is released. For example, there is an agreement in place on the Aberdeenshire Dee whereby anglers are required to return all fish caught.

For the purposes of valuation, the total number of fish taken, i.e. including those released, should be used in the calculation. Again, this approach is supported by market practice. Whether some or all of the fish caught are returned has no bearing on the valuation. Anglers generally take part in the sport for the enjoyment of fishing, with the retention of fish being a secondary consideration.

The resultant valuation should then be considered to determine whether any additions or allowances require to be made in order to arrive at a reasonable valuation of the Fishing Rights.

Any adjustment made to the valuation is a matter for the Valuer, depending upon the circumstances affecting a particular Fishery and how such compares to those from which the evidence of value is derived. However, the following factors may be worthy of consideration.

#### 4.1.1 Access

Vehicular/pedestrian.

#### 4.1.2 General Level of Catches

Is there any fall or increase in catch over the period of the Return which is not mirrored throughout the river?

#### 4.1.3 Reciprocal Arrangement

If the Fishings being valued have a reciprocal arrangement with a neighbouring or opposite Fishing, do the valuations reflect the agreement?

#### 4.1.4 Single Bank Fishings

Comparison of valuation with Fishings on the opposite bank.

#### 4.1.5 Surprisingly High/Low Catch

Does the catch return fall in line with that achieved on similar beats?

#### 4.1.6 Catch Return

Does the catch being valued represent the total catch, i.e. Landlord's, Tenant's and any returned fish?

#### 4.1.7 Unexercised Fishings

Where the right to fish a particular beat is not exercised, the existence of the right to fish will require a valuation based on local evidence.

#### 4.2 Net Fishings

Falling wild salmon stocks, together with increasing conservation concerns and competition from farmed salmon, have together resulted in a dramatic fall in the number of commercial netting stations remaining in operation. For example, due to the activities of the Tay Foundation, there are no longer any active netting stations on the river Tay. Accordingly, such evidence as may be of assistance in arriving at a unit rate for valuation is expected to be minimal.

In the absence of local evidence, a rate of £0.50/lb may be applied.

#### 4.3 Fishing Huts and Other Structures

At the request of a Clerk to a District Salmon Fishery Board, the Assessor is required to value and enter any Rights of Salmon Fishing in the Valuation Roll for the purposes of Fishery Assessment only (Section 151 of the Local Government etc. (Scotland) Act 1994, Section 40 of the Salmon and Freshwater Fisheries (Consolidation) (Scotland) Act 2003).

Following the cases of Assessor for Tayside Valuation Joint Board v Joseph Johnston & Sons Ltd 2000 and FIM Holdings Ltd v Assessor for Grampian Valuation Joint Board 2004, it is necessary to consider the distinction between essential and non-essential items associated with Fishings. Lands and heritages that are not necessary for the exercise or enjoyment of the Fishing Rights (as they are exercised) should be considered as separate Valuation Roll entries e.g. Fishing Huts, Car Parks, etc. However, rights or structures which are considered essential to the operation of the Fishings, such as the embankment in a river fishing; the pond in an artificial fishing; access rights; and the right to control water, etc should be deemed included in the valuation of the Fishing Rights.

Further guidance between essential and non-essential items can be found in the Stair Memorial Encyclopaedia of the Laws of Scotland, vol 18, paragraphs 327-8.

Fishing Huts should be valued by reference to the beacon values contained within the SAA Miscellaneous Properties Committee Practice Note 29 (Valuation of Fishing Huts).