

the
ESTATES OFFICE

The Planning Department
Argyll & Bute Council
Albany Street
Oban
PA34 4AW

PN/MP/MCGillivray
9 October 2023

Dear Sirs

Local Review Reference 23/0006/RB
Planning Application Reference 22/02100/PP

We have been passed a copy of your letter dated 5th October in respect of the above.

We have been asked to firstly confirm the status of Eilean Loch Oskair and secondly to provide our opinion as to the financial viability of the proposal.

I have managed the Fell Trust Lismore Estate since 1998 and throughout that time Mr McGillivray has been not only an agricultural, but also a crofting tenant of the Estate.

In July 2013 he approached us to exercise his statutory right to acquire the croft of Eilean Loch Oskair and completed the purchase in September of that year.

The Estate undertook due diligence at that time, and it was confirmed by the Crofters Commission that Eilean Loch Oskair was a stand alone croft and had never been part of a wider holding.

Under the Crofting legislation, Mr McGillivray therefore exercised his statutory right to acquire the croft and has been farming it as part of his wider agricultural holding on Lismore since that time.

If I could now turn to the financial viability of the proposal and the special case for considering this application.

Mr McGillivray has been a tenant of the Fell Trust for most of his life and currently holds Achuaran Farm on a full agricultural tenancy which gives him security of tenure. He also rents additional ground at Clachan from the Estate under a fixed term tenancy.

In addition, his son Calum has recently taken over the farm of Stronacroibh on a fixed term tenancy.

The agricultural sector is at present in flux and investing capital in rented land, particularly if held under a fixed term, is not financially viable and farmers need to consider diversification.

Agriculture in Argyll is currently at a crossroads.

Landlords find the return on capital to be unsustainable and letting the land to tenants brings with it a number of obligations on landlords, such as maintenance of fencing and provision of infrastructure that are uneconomic and therefore landlords now seriously consider not letting the land. This being exacerbated by the Green Agenda, where landlords see possible financial benefits from leaving land vacant.

Tenants are therefore faced with a situation where there is serious uncertainty as to whether tenancies will be renewed and also whether they will be able to farm in a manner that the landlord would find acceptable.

As such, farm tenants need to broaden their businesses and take advantage of certainties going forward.

Prior to Mr McGillivray submitting this application, he asked us to suggest options for his farm and the croft of Eilean Loch Oskair.

As Mr McGillivray owns the Island in its entirety, this was an opportunity to broaden the scope of his business and provide some financial certainty going forward.

We looked at various agricultural and non-agricultural opportunities for the Island and felt that Mr McGillivray's current business was too heavily reliant upon agriculture and the uncertainties set out above.

We researched various opportunities, both within agricultural and commercial sectors.

It was felt that a non-agriculture use would be more sustainable and help broaden the base of Mr McGillivray's business.

To that end, we looked at the self-catering sector which had experienced a boom post Covid.

We were of the opinion that the boom is unsustainable and many of the properties that were being offered to the market would not comply with the new Short Term Licensing legislation and this would force many operators to either move out of the sector, let the properties on a long-term basis or actually sell them.

We felt after much research, that the sector of the market that was sustainable would be the unusual and ultra-high quality offerings.

Eilean Loch Oskair provided this opportunity and to that end, we employed an architect who only works on sustainable green projects which we felt was a further added selling point.

We feel that the proposal that has been put forward is one that is in high demand and will be sustainable.

A local example of such a development is Storm Houses (www.stormhouse.uk) adjacent to Castle Stalker Café in Appin.

There are two more properties available which each let at £2,750 per week and enjoy high occupancy rates.

We looked beyond the aforementioned and could find nothing of similar quality in the Argyll area and we feel that the opportunity that presents itself to Mr McGillivray at Eilean Loch Oisair is something that should be encouraged.

In terms of the practicalities, Mr McGillivray owns the pier at Port Ramsay, and he can service the Island from that pier.

In summary, the application will allow Mr McGillivray to invest capital in a business that will be sustainable and help support the other parts of his business which face uncertainty and allow him and his family to remain on Lismore and also to provide an example of how rural Argyll can lead the way in providing high quality holiday accommodation.

Yours faithfully



Paul Nicoll MRICS
RICS Registered Valuer

