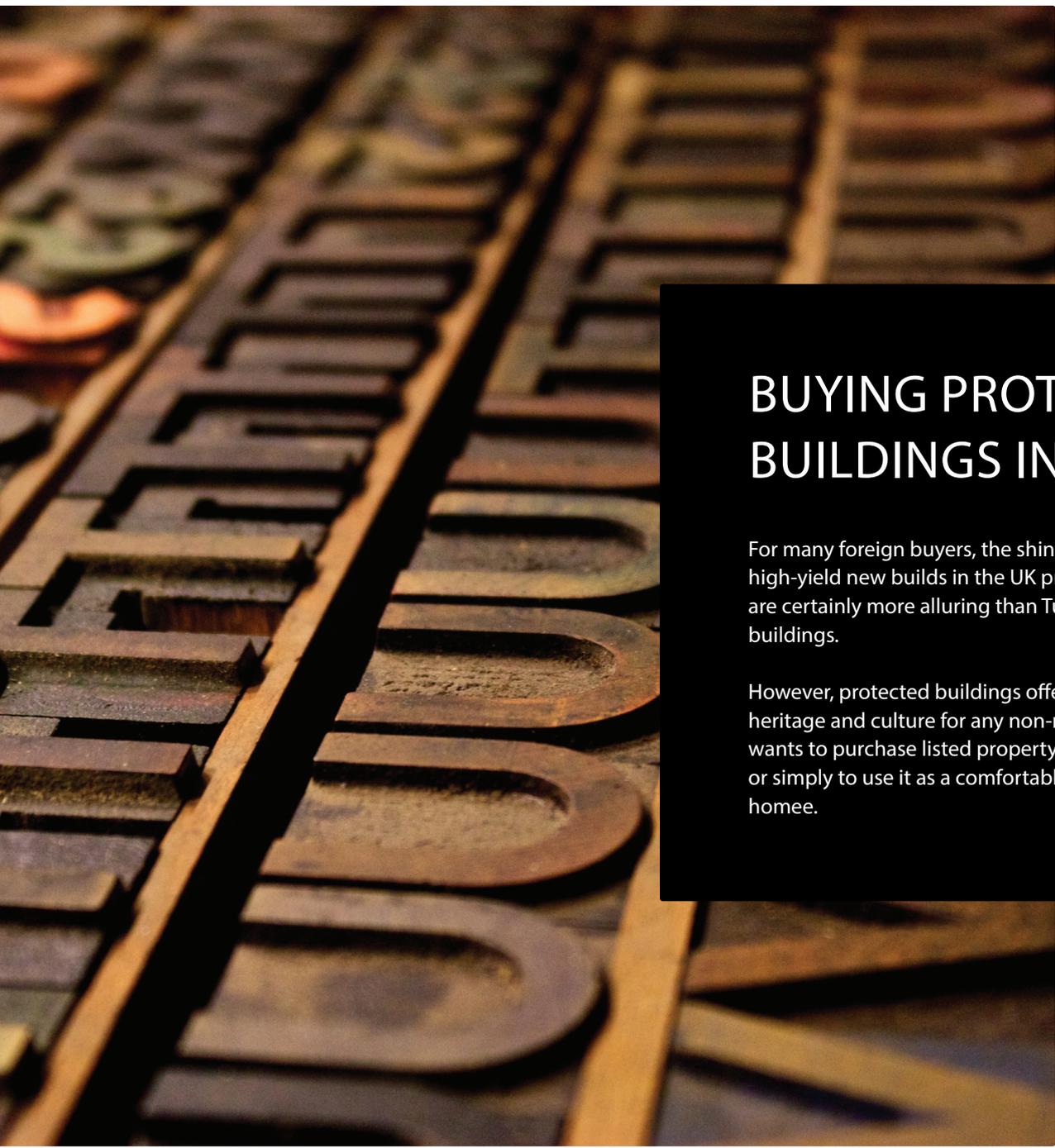




INVESTMENT

The Advantages And Disadvantages Of Buying "Protected Building & Heritage Sites" In the UK





BUYING PROTECTED BUILDINGS IN UK

For many foreign buyers, the shiny and potentially high-yield new builds in the UK property market are certainly more alluring than Tudor style periodic buildings.

However, protected buildings offer fascinating heritage and culture for any non-resident buyer who wants to purchase listed property as an investment or simply to use it as a comfortable home away from home.

OVER 10 YEARS EXPERIENCE

In the UK, the official listing of buildings began in 1947, following the passing of the Town and Country Planning Act. Listing protects buildings and areas of historic and architectural interest from illegal demolition and alterations that may take away their cultural value. Buildings constructed prior to 1700 or any property that is over 30 years old is considered eligible for listing or is already listed



"IT IS A CRIMINAL OFFENSE TO DEMOLISH OR ALTER A LISTED BUILDING"

The English Heritage is primarily concerned with the process of listing periodic buildings. English Heritage works closely with local authorities including county councils and local planning authorities to facilitate the process of listing or purchasing a protected property.

Although there are no restrictions on foreign ownership of protected property, it is important to obtain alterations and planning consent from the local authorities. It is a criminal offense to demolish or alter a listed building without obtaining the necessary approval.

TYPES OF LISTED PROPERTIES IN THE UK

As mentioned earlier, all buildings put up before 1700 or between 1700 and 1840 are virtually listed, as long as they have a significant semblance to their original form. In addition to its age, a building may be considered periodic depending on its historic significance and its architectural features.

There are three main categories of listed properties in the UK. It is recommended that potential buyers consult with the respective county council and local authorities to obtain the specific details and categorization of the building they are looking to purchase.



GRADE I:

Buildings in this category possess very special significance to UK's culture and historical heritage. Presently, about 6,000 buildings are categorized as Grade I. Owners need to be careful with the types of alterations that are acceptable for Grade I properties.

GRADE II:

Properties under this category have more than special interest and are very important to the country and this is the most likely type of building to be in the possession of a homeowner



MIXED DESIGNATIONS

These buildings are equally significant and a lot of effort and resources go into preserving them. Combined, there are about 500,000 Grade II and Grade II listed buildings in the UK. Most Grade I and Grade II buildings require the involvement of the English Heritage when it comes to purchases and alterations.

CONSERVATION AREAS

Some buildings that are not listed may be situated within Conservation Areas as part of their historic contribution to the protected area. It is advisable that potential buyers first check with the local planning authority to confirm whether development rights are required to make any external alterations to such a building. In some Conservation Areas, alterations to any building within the Area are prohibited.



We love to show potential investors the benefits of investing in listed properties outside of central London

MAKING IT HAPPEN

Enjoy the benefits of investing in a Grade II listed building, from beautiful architecture to historical values a properly converted listed building is an investment in art

ADVANTAGES OF BUYING LISTED / PROTECTED PROPERTY

INVESTING IN POTENTIALLY HIGH VALUE PROPERTY:

Undoubtedly, periodic property is different from regular buildings in terms of its cultural and historical value. Such property is often unique, aesthetically beautiful and sometimes, architecturally distinctive. For an investor who places a high premium on heritage, culture and quaint architecture, buying a listed building means investing in property that adds to the cultural value of the neighbourhood. Unlike regular property that can easily depreciate, buildings with significant historical interest are less likely to lose their market value.

Other than buying a piece of history, listed homes often possess artisanship, space of generous proportions and oftentimes, land attached to the property—features that don't usually come with modern city homes.

MAKING DESIRED ALTERATIONS

Once you purchase a listed building, you may be able to undertake some consented renovations on both the interior and exterior of the building. Owners are often encouraged to make alterations that look almost similar to the features of the original building to avoid detracting the property. Generally, the removal and replacement of windows, doors, interior walls and fireplaces can be done but with pre-approved permission from the English Heritage and the local authority.

THINGS TO CONSIDER BEFORE PURCHASING A UK LISTED PROPERTY

The charm of heritage and culture may be appealing enough to warrant an investment in a listed building. However, investors have to take into consideration several factors when planning to put money into such properties.

BEARING THE EXTRA RESPONSIBILITIES

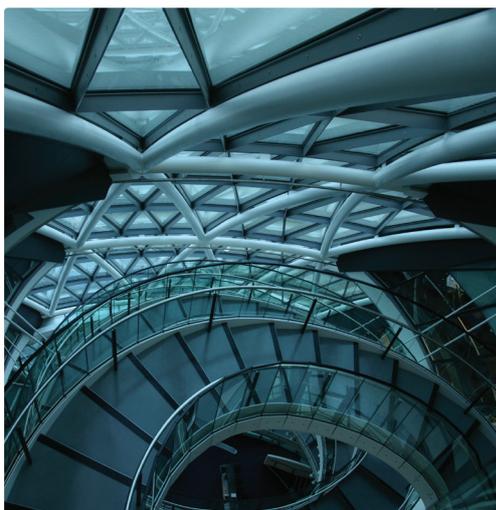
Unlike a new build that comes fully constructed with modern amenities and finishing, protected buildings are often very old and may require a good deal of refurbishment. The materials used to construct such buildings are usually outmoded and rare to find. Given that repairs and renovations need to be sympathetic to preserve the value of the property, owners must hire contractors who are licensed to work on listed buildings. Finding suitable material and hiring specialized contractors to sympathetically renovate a protected building is certainly a costly affair. A chartered surveyor who has expertise in listed properties can advise you whether the building will need repairs.

CONSENT FOR ALTERATIONS AND PLANNING IS MANDATORY

It is illegal for listed property owners to undertake any alterations to the building without prior consent from the local authority. In fact, performing unsanctioned works or alterations may lead to the local authorities requiring that you restore the building to its original condition. Importantly, it will be very difficult for you to sell the property if you undertake unauthorized alterations.

APPLYING FOR CONSENT

To apply for consent to renovate a protected building, simply obtain the application forms online from your local planning authority or at the [planningportal.gov.uk](https://www.planningportal.gov.uk) website. Before making the application, it is recommended that investors consult with both the local authority and the English Heritage for details on how to successfully apply. The verdict is usually out within 8 to 11 weeks and an additional 6 months is allowed for an appeal, if the application for alterations is denied.



UNAUTHORIZED ALTERATIONS BY PREVIOUS OWNER

When purchasing a listed property, investors must ensure that the seller is able to provide evidence that the local authority sanctioned any alterations or renovations made to the building. Purchasing protected property that has been renovated without consent from the relevant authorities can be extremely problematic especially when you, in turn, want to sell the property.

If you purchase a listed building without the assurance that renovations are authorized, you will be fully responsible for restoring the property back to its original condition. Prior to committing to a purchase, it is important for investors to consult with a property solicitor who will check that all the alterations on the property are actually approved.

INSURANCE COSTS

Many UK home insurance providers do not cover listed buildings due to the costs of sympathetic repairs and the extended time needed to obtain consent for these repairs. Even then, the English Heritage strongly recommends that listed property investors insure their properties against problems such as decay, flooding, fires or a plumbing breakdown. Listed property home insurance also offers protection against undiscovered unsanctioned alterations. The insurance provider will advise you on the appropriate amount to insure your property and create a policy that will pay for all expenses involved in restoring your listed property to its original form.

Since 2005, the UK has implemented important changes in how buildings are listed. These reforms are aimed at making the listing process more transparent for both the local authorities and potential buyers. A listed property can be a valuable addition to an investor's portfolio. However, to avoid potential losses, it is of utmost importance to check that the seller has complied with all the updated regulations relating to listed properties, before executing a purchase.

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