

From City to Country

**HELPING YOU  
NAVIGATE  
THE PERKS & QUIRKS  
OF BUYING  
A HOME**



Exploring the differences in English residential properties, from a luxury city apartment to an expansive retreat in the country, our team cover the legal particularities and peculiarities to be aware of on your buying journey.

### Read online

[From City to Country.  
Helping you navigate the Perks  
and Quirks of buying a home](#)



**03**  
Introduction

**04**  
New builds

**08**  
City flats and  
apartments

**12**  
City, town and  
village houses

**16**  
Listed buildings

**19**  
Large estate in  
the country

**23**  
Farms

**26**  
Equestrian

**30**  
Vineyards

**34**  
General  
considerations



# 1. Introduction



English property law is often complex, quirky and at times archaic; it retains its roots in the medieval feudal system of land ownership, which often makes it (perhaps unnecessarily) difficult for those who are not familiar with it to make sense of it.

One of its peculiarities, relates to the existence of both freehold and leasehold property. While many countries who have adopted the English “common law” system have largely replaced the concept of leasehold property (owning property for a fixed period of years, and which separates your ownership of the property from the ownership of the land beneath it), leasehold ownership currently remains central to the way a large amount of property in England and Wales is held.

In addition to the existence of leasehold properties, there are numerous other peculiarities to be aware of when purchasing a residential property in England and Wales. From Chancel Repairs, to rights of way, peppercorn rents, the nuisance of Knotweed, to stamp duty land tax (SDLT).

As a result of these quirks, combined with the ever-changing wealth of legislation relating to English property and the constant alterations to lender requirements, it is fundamental for anyone contemplating investing in property in England and Wales to ensure that they obtain excellent legal advice, so as to be sure that they understand the rights and obligations that attach to the property that they are acquiring.

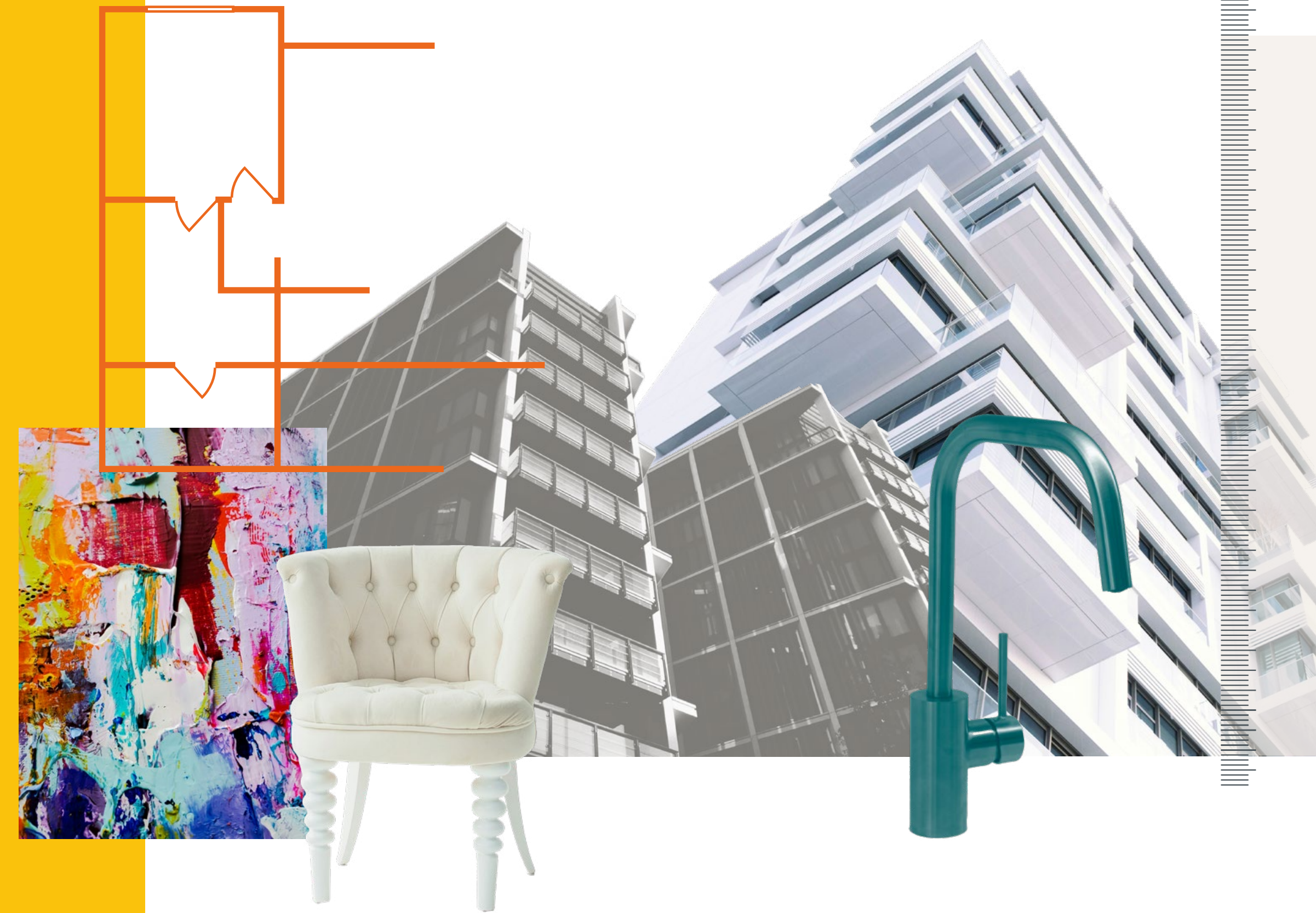
Each property comes with its own set of quirks and our lawyers are here to help you navigate them at every step of your home buying journey.



## 2. New builds

The face of residential development in London has undergone substantial transformation over recent years. Luxury schemes and branded residences designed by award winning architects boast state of the art tech and interior design. Concierge services have branched out from the 24-hour desk in the entrance hall to partnerships with renowned top-tier hotels offering amenities from personal training and spa treatments, private movie screenings to private jet bookings, securing tables at exclusive restaurants to procuring private chefs and much more.

There are two distinct ways to purchase a new build property in the UK, “off-plan” (i.e. contracting to buy before the development has completed) and “build complete”. Both come with their own perks and quirks so it is important to be informed before moving forward.



# Thinking of purchasing a new build property?



## Here are the quirks to be aware of:

1. There can be limitations when negotiating your purchase contract and the terms of your lease when buying new build properties. Developers are keen to ensure that the paperwork is consistent across an estate due to the volume of sales, and leases must of course be granted in largely similar form to ensure all residents are bound by the same obligations. Service charges and/or estate charges (an annual payment that goes towards the maintenance and upkeep of the estate) can be high, particularly where there are a range of facilities available to residents and large concierge teams. These charges should be reviewed and reported on by legal advisors and surveyors. It is worth comparing this (perhaps seemingly largely expenditure) against the potential costs of refurbishment/preservation works on a second-hand property.

2. Since the Grenfell Tower fire, a huge emphasis has rightly been placed on building safety, with a view to addressing the cladding crisis. The Building Safety Act 2022 is a complex and lengthy piece of legislation and many smaller conveyancing firms are now refusing to act on properties which might be caught by this Act. This is because they cannot get PI cover for advising on the legislation, due to the high risks involved in advising on the complexities of this new legislation which was rushed through Parliament. It is important for buyers to understand their rights when purchasing a building with cladding, and to be aware of potential costs of any potential remedial works which may be required as a result of these changes. The perks that recent, ongoing, and future developments have, is that the developer is obligated to have complied with current building and fire safety standards, in order to commence work. As such, these properties should be less likely to present concerns to buyers, lenders and residents.





### **It's the inside that matters**

Having a home built exactly to your taste is the perfect way to fit your specific lifestyle.

3. Under current legislation, new homes must be sold with the benefit of a new home structural warranty of at least 10 years. There is the potential for this to be increased to 15 years in the near future. Many developers will also offer a 2-year defect period from the point of completion, resulting in a more confident and reassured buyer.

4. Transactions are generally chain-free on the seller's side, meaning there is no dependency on other sales/purchases further up the line which might potentially delay or derail the transaction. That said, most developers will expect a quick exchange (even where the property is "off-plan") as they often have multiple buyers interested in the scheme and are reluctant to keep their apartments and houses ringfenced for more than a few weeks.

5. During the construction of the most luxurious developments, buyers may have an opportunity to work with the developer to deliver a new build property that is slightly more personalised than the other apartments or acquire the apartment "shell and core", enabling the buyer to completely fit out the apartment to their own design. Whilst the additional costs of creating a bespoke home would no doubt be substantial, with sufficient notice and subject to the developer being able to agree it, there may also be opportunity for the developer to facilitate these works via their contractor and consultants. This is likely to be cheaper than an investor procuring their own professional team, and the developer may in fact require only their team to do such works, ensuring they retain control over the personnel working on what often is still a broader construction site. We recommend making any such intentions clear at the outset of negotiations, so that the contract can provide for these works on or prior to completion.



6. Most new build schemes pay careful attention to “placemaking” and strive to forge communities, create a style of living and even develop a whole neighbourhood rather than an isolated block of flats. Added benefits might include indoor and outdoor play areas for children, private gym and spa facilities, carefully curated retail spaces, and residents only business lounges/member’s clubs. This creates a sense of “village” living, not often found in more urban environments.

7. Exactly when you purchase may alter the SDLT. In one extreme, completing on the purchase of bare land with a building contract is very different from buying a completed dwelling from a SDLT perspective, and there will be VAT compliance to consider in the bare land scenario.

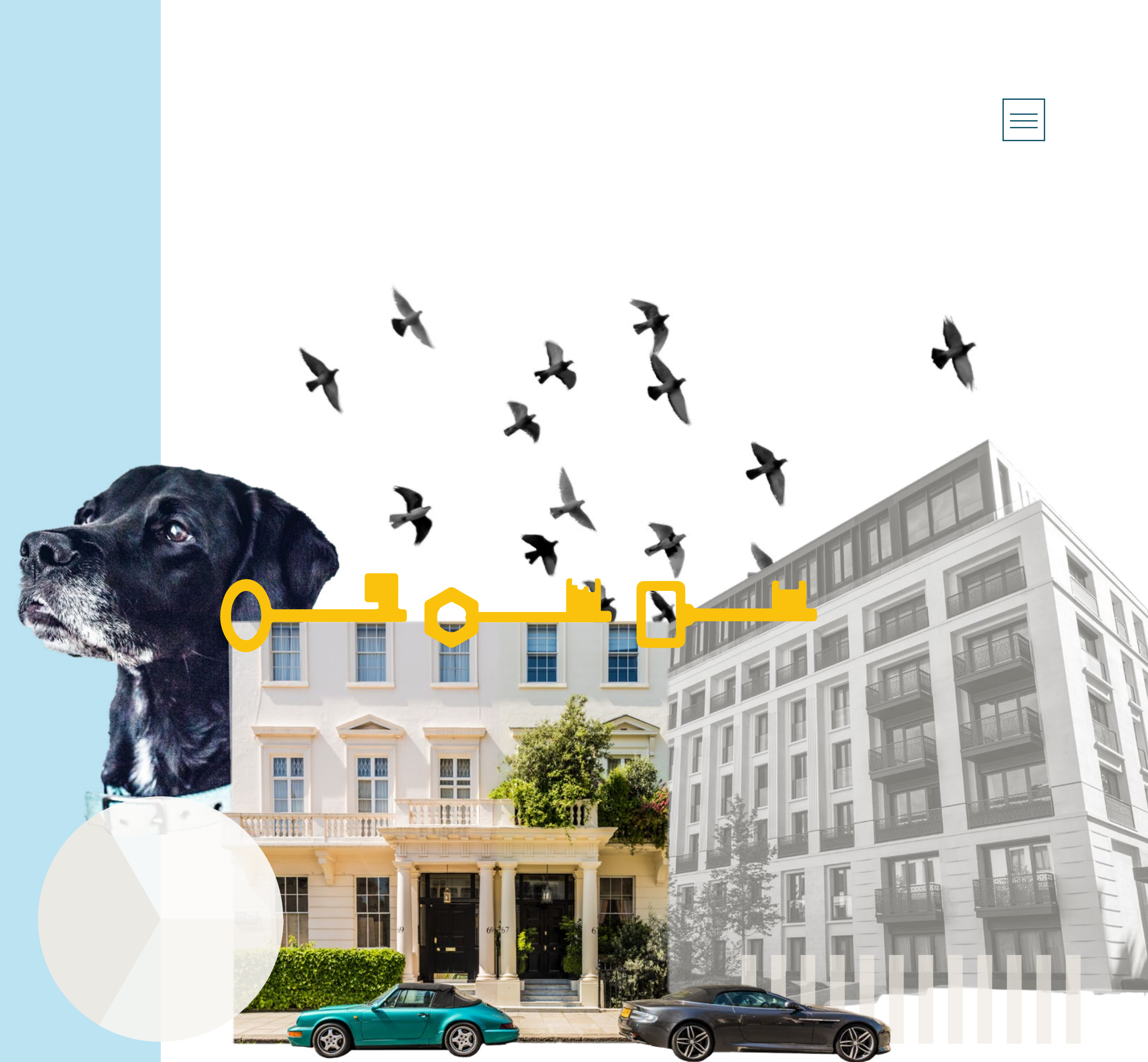
Find out more about  
[purchasing a new build](#)



### 3. City flats and apartments

If you are seeking high-end amenities, beautiful finishings and extensive views of London from spacious balconies, luxury city flats/apartments are the perfect home choice for you. For homeowners, they fulfil the desire to maintain a higher quality of life, offer an array of amenities (from fitness centres to housekeeping services), provide privacy and security, and are typically located in central or well-connected areas.

It should be noted that the vast majority of flats and apartments in the UK are leasehold properties. For the following quirks, we are assuming the property is a leasehold.



# Thinking of purchasing a city flat or apartment?



## Here are the quirks to be aware of:

1. To undertake alterations you must ensure you have complied with all the terms in your lease. You need to obtain all the necessary consents from the landlord pursuant to the lease, as well as all necessary statutory consents such as planning permission - and if applicable, listed building consent. There may also be consent required pursuant to an estate management scheme if you live on an estate and in a building where this applies. It is popular to want to install wooden floors at flats, but the lease may not permit this, and if there are wooden floors already they may be in breach of the lease, so it is important to seek professional advice.

2. If you are an animal lover, it may surprise you to note that some leases will not allow leaseholders to keep pets in the home. To keep a pet, consent from the landlord is usually required and revocable, should the animal cause a nuisance or annoyance to other tenants in the building. If you have a pet it needs to be a quiet one!

3. Long leaseholders have the option to claim a lease extension of their lease by 90 years if they have owned it for 2 years, which prevents the lease from becoming too short to obtain a mortgage. The lease extension will also reduce any ground rent payable to a peppercorn, and again a premium is payable for buying out the ground rent. However, there will be a premium payable for this extension.





4. Have you considered assignment? Many leases will require the landlord's consent to assign them, and this provision is there so that the landlord has the opportunity to check that the incoming tenant is reputable and can afford the outgoings and service charges at the flat, as they will want to ensure that there is no shortfall.

Landlords often ask for service charge deposits as a condition of giving consent to the assignment where the leaseholder is based overseas.

5. If you are buying to enjoy yourself, then buying in your own name rather than a company is most sensible. Ownership through a company is likely to result in annual tax on enveloped dwellings (ATED) charge, and possible benefit-in-kind issues if you are also a director of the company. Plus, with no commercial use, there will be a flat rate SDLT charge of 17% (plus non-resident SDLT (NRSDLT) at 2%) on the purchase. If you are moving to the UK you may also be able to claim back the 2% NRSDLT.

6. If you are buying to let-out on commercial terms to third parties and never use yourself (or by your immediate family), then owning through a company will provide numerous benefits. Examples of which include limited liability, ATED filings (but no liability), corporation tax on the rental profits, a more favourable regime for deducting interest expenses than personal ownership, and an ability to retain income in the company so that tax on distribution may be deferred.



## The power of the collective

Want to join forces with your neighbours to buy the freehold of the building you all live in?

7. There are collective enfranchisement opportunities available for residential leaseholders; a process that allows qualifying leaseholders to purchase the freehold of the building in which they live. Enfranchisement is a complex, multi-party process which can be a minefield for the unwary but, with the right advice, it can offer enormous opportunities for leaseholders.

8. If you want to buy a bit of extra space from the landlord, for example a section of the 'common parts' outside your flat that only you use, the option could be there! However, the landlord may (if the building fulfils the qualifying criteria) have to first offer it to the other tenants in the building through a process under the Landlord and Tenant Act 1987.

More than 50% of the other long leaseholders would have to join together to accept the offer which often doesn't happen, particularly if that space serves no purpose to them.

Find out more about [purchasing a city flat or apartment](#)



## 4. City, town and village houses

The allure of a house in England lies in its ability to blend centuries of architectural heritage with the comfort of modern living.

City houses were historically multi-storey homes for nobility and gentry to reside in, and today they continue to have the allure of traditional period features, including high ceilings, open fireplaces, and timber sash windows. In addition, they often form part of a private community or gated neighbourhood.

Be it detached or semi-detached, town and village homes are an ideal compromise between a city and country home, as homes with a garden are usually located on the periphery of central London and in touching distance of the English countryside.



# Thinking of purchasing a city, town or village house?



## Here are the quirks to be aware of:

1. A clear difference between owning a house versus a flat or apartment is personal space. With houses, you have exclusive use of your outdoor space as well as a private entrance. That additional space comes with further benefit. Increased land footage increases your chances of approved planning permission on renovations such as extensions because you are less likely to impact on your neighbours' rights and amenity. However, it is important to remember that space in the capital is a premium, and for this reason most houses often have limited garden space and limited development potential. Although for the lucky few, many of London's beautiful townhouses often have access to their own garden square (though it must be cautioned, just because your house is adjacent to a garden square, does not mean you have permission to enjoy it).

2. Subject to planning permission, there is far greater development opportunity potential when owning a house (for example, if you wanted to build your own home gym). This is because owning the freehold warrants greater control to make alterations to your property.

It should be caveated that some freehold properties have alteration limitations imposed if they are part of an estate. Estate Management Schemes can limit some of your rights to make alterations to your property because the landlord has retained some management control. Restrictive Covenants may also be in place affecting your property title.

3. Often period houses and basement flats may come with underpavement vaults. These could be incorporated into the property or be accessed externally. Land Registry plans often overlook these areas, and are therefore often excluded from your freehold title (i.e. the property/land you own). This can easily be addressed in a number of ways.

4. With rich history comes considerations around heritage and preservation. Historic England currently names over 400,000 properties on 'The List', which are listed buildings that have additional protection within the planning system.

## Hidden underground treasure?

'Treasure' might be an exaggeration, but period houses and basement flats sometimes come with space that is excluded from the freehold title.





5. A buyer should also be aware of the impact of Section 106 agreements. Obligations under s106 often include financial contributions towards local amenities (e.g. schools or recreational areas), or the provision of affordable housing or other services. It is also common for restrictions to be imposed on parking (whether within the development or on the street)– in order to limit the traffic impact of the new development.

6. It is always important to check the pedestrian and vehicular access to a property prior to purchase. Some properties can only be accessed via privately owned roads that have not been adopted by the local authority, particularly on estates or in suburban areas. Such roads might belong to a private landowner, or to a trust or company owner by local residents. It is crucial to know that you have the necessary legal rights of way over the roads and who is responsible for their maintenance, and what costs (which can be substantial) attach to the property. There may also be public footpaths or private rights of way passing through or alongside a property, or other rights such as the right to connect to services or to lay and maintain pipes and cable across the property.

7. There are also environmental considerations at play. Prior to purchase it is worth checking if your property falls in an AONB (Area of Outstanding Natural Beauty) or a National Park. Properties located in AONBs and National Parks carry their own set of limitations, in particular around further development such as extensions and conversion of out buildings.



Most houses are freehold, occasionally if on development, a house will be leasehold with additional facilities.

**8.** If your property is located close to a nature reserve (such as a Special Protection Area or a Site of Special Scientific Interest), the local authority may impose requirements and obligations on you to ensure the protection of any protected species - some common examples are bats, newts, badgers, dormice, and hedgehogs.

**9.** If the property is in a conservation area it means that the local authority has designated the area as one of special architectural or historic interest, the character or appearance of which it is desirable to preserve or enhance. This will mean you need to obtain planning permission for certain changes to buildings which would otherwise be freely permitted.

**10.** If you are trading up and haven't managed yet to sell your main smaller town apartment by the time you buy this second property, you will be liable to pay SDLT at the higher rates for additional dwellings (HRAD). This adds 5% to each rate, so that the top rate of 12% becomes a top rate of 17% (19% with NRSDLT). If you subsequently sell your apartment, you may be able to claim back that 5% surcharge.

**11.** But you may be able to pay considerably less if either the property is totally derelict, or there is genuine commercial use of some or all of the premises and in which case commercial rates of SDLT at a top rate of 5% may apply.

**12.** If the property is derelict and has been so for at least 2 years, it may be possible for your contractors to charge 5% VAT on some of the remediation works.

Find out more about [purchasing a city, town or village house](#)



## 5. Listed buildings

Archaeological and historic sites in England were first protected by legislation in the form of the Ancient Monuments Protection Act 1882. Subsequent legislation was introduced, especially after the Second World War and again in the late 1960s. The current legislation can be found in the Planning (Listed Buildings and Conservation Areas) Act 1990 (as amended).

Historic England has responsibility for maintaining and updating the National Heritage List for England, known as 'The List', which currently contains over 400,000 entries. It is publicly available and free to access, and is the only official and up-to-date statutory list of all protected historic buildings and sites in England. Each property on The List is categorised as being Grade I (being of exceptional value), Grade II\* (being of particular importance) or Grade II (being of special architectural or historic interest).



# Thinking of purchasing a listed building?



## Building work could send you to prison

It is important to obtain Listed building consent before you do any work.

### Here are the quirks to be aware of:

1. Any proposed repairs, maintenance or alterations to the property must be carefully considered as to whether such works required listed building consent in addition to planning permission before being carried out. This is because it is a criminal offence to extend, demolish, or carry out any internal or external alterations which would affect the character of the property without Listed Building Consent, whether or not the owner is aware that they are committing such an offence. The maximum penalty is two years' imprisonment and an unlimited fine. It should be noted that planning permission is not required for internal works, but listed building consent may still be required.

2. The listing may extend beyond the building itself, as it attaches to any item or structure fixed to it or within the curtilage of the building, provided that the latter has formed part of the land since before July 1948. Since 25 June 2013 English Heritage has been able to define and highlight the features of buildings which they are particularly concerned about protecting but notwithstanding the identified features, the listing still attaches to the entirety of the site so checks will still need to be done when works are proposed.

3. Specialist legal advice should also be sought when purchasing a Listed building so that it can be ascertained whether or not the current or a previous owner carried out works which required Listed Building Consent but for which no Consent was obtained, or where the works were not carried out in strict adherence to the approved plans or the conditions of the Consent. If one were to purchase a Listed building where this had happened the local planning authority might issue an enforcement notice on the current owner (even if they did not carry out the unlawful works) requiring the building to be restored to its former state, or for further works to be undertaken to alleviate the effect of the works carried out in contravention. Should the current owner fail to comply with the enforcement notice, they will have committed an offence for which the maximum penalty is two years' imprisonment and an unlimited fine.

4. Listed buildings are often (but not always) old and, as such, a buyer should consider the ongoing cost of maintaining and repairing such a property as it is likely to be substantially higher than in relation to a newer building. There may be an element of conservation, not only restoration, in relation to a property. It is also important to consider the availability of skilled tradespeople and craftspeople who may be required to carry out any such works to the property. Another aspect of owning a Listed building which could lead to higher ongoing ownership costs are insurance, especially if the property is thatched.

5. Planning applications are likely to be subject to a greater deal of scrutiny than for a property which is not Listed. The requirement for Planning Permission is separate from the obligation to obtain Listed Building consent. Planning Authorities have different views on what alterations to Listed buildings they find acceptable and what form those alterations may take and what materials must be used.

6. Unless you buy the building and use it to make VATable supplies, the VAT on the upkeep is not going to be recoverable.

Find out more about [purchasing a listed building](#)



## 6. Large estate in the country

Views of the rolling hills right outside your window, a large garden, land to “grow your own”, perhaps even a tennis court or swimming pool for good measure, for those ambitious to experience an alternative way of living a beautiful house in the countryside in the quintessential way.

The English countryside is well sought after - owning a piece of it appeals to many homeowners who wish to move permanently, or split their time between the hustle and bustle of city and the peace and quiet of the countryside.



# Thinking of purchasing a large estate?



## Here are the quirks to be aware of:

1. Many large country homes are laced in history, and this usually means they are included in the National Heritage List for England, being either Grade I or Grade II Listed, because they are of special architectural importance. This means that there could be planning constraints on altering the house, outbuildings, or grounds which will need to be considered before any development is undertaken.

2. Owning country houses carries with it several tax considerations and potential benefits. There are some specific tax reliefs that can apply to larger homes including IHT and SDLT reliefs. Many large houses in the country comprise of not only the main house, as there is almost always ancillary accommodation such as a separate cottage which can be used for private purposes, or even rental opportunities bringing in a surplus income.

3. Space and privacy are one of the main benefits to acquiring a large country house. Subject to quirk number 5, they usually have a large garden or a few acres of land which may ring fence the home from neighbours, affording much-desired peace and quiet which other smaller homes may not provide.

4. If the house does come with a large amount of surrounding land, it is important to know exactly where the boundaries to the property lie so that they can be maintained and preserved. This is not always a straightforward exercise: a prospective purchaser may wish to discuss any areas of ambiguity with the current owners or a surveyor.



5. Public rights of way can be an issue for those who live in a rural location. Enquiries should always be raised of the seller and the local authority to determine the existence of any public rights of way or any pending applications to create new rights of way. For a purchaser who wants a quiet life in the country, having the locals exercising a right of way along a footpath outside your front door may not be very appealing!

6. Many large country homes benefit from a private water supply and may also have a duty to provide a water supply to neighbouring properties. In England, the rules on private water supplies are governed by The Private Water Supplies (England) Regulations 2016 which when purchasing a large country home, a purchaser will need to be aware of their obligations and responsibilities.

7. Swimming pools, tennis courts and additional outbuildings can be a perk of purchasing a large house in the country. Providing any planning requirements have been met (and special attention should be made when purchasing a listed property), such amenities will not only provide enjoyment but in the case of outbuildings, may provide opportunities for development/conversion for other uses, such as a home office or party barn.

8. Commercial rates of SDLT may be relevant either because there is genuine commercial use of part of the estate or because the estate comprises 6 or more dwellings.





## Look out for hedgehogs

The natural environment is part and parcel of the experience of living in the country. But watch out, you may be legally responsible for protecting it.



**9.** Beware as the seller may have opted to tax (OTT) for VAT purposes the commercial areas. This means that the price for those parts may be 20% higher unless you can disapply the seller's OTT, or you carry on the same commercial activity and so there is a transfer of a going concern (TOGC), or your offer was made inclusive of VAT.

**10.** If you are converting commercial premises into residential, a perk may be that it is possible that some of the building works are charged to you at 5% VAT.

**11.** As with city, town and village houses, it is important to check if the property falls in an AONB, Special Protection Area, Area of Scientific Interest or Conservation Area.

Find out more about [purchasing a large estate](#)



# 7. Farms



A true escape to the country may be found somewhere amongst the rolling meadows and patchwork quilt of countryside farms. Waking up to the sight of sheep happily chewing the cud or birds nesting in the hedgerows as the sun rises will certainly bring a whole new way of life and with that lots quirks.



# Thinking of purchasing a farm?



## Here are the quirks to be aware of:

1. Farms regularly have the quirks of containing unusual physical features including ha-ha's and protected scheduled monuments such as burial mounds, dovecotes and even some areas that are not always visible above ground. These structures are protected by Historic England, which means that it is imperative before any works are carried out, written permission is obtained from the Secretary of State for Culture, Media and Sport as it is a criminal offence to demolish, destroy, damage, remove, repair, alter or add to a Scheduled Monument.

2. Owning a Farm comes with a multitude of responsibilities. From large oil tanks to silage storage, to the historic propensity for the use of asbestos in barns, there are a number of potential sources of pollutants that need to be safely managed on agricultural land. Assuring oneself that you are not inheriting any environmental problems from a previous owner is also something that should be checked.

3. Opportunities for managing the land Unless you intend to farm the land yourself, there are different opportunities for how you manage the agricultural and farming aspects which may include letting the land out on a licence to a local grazier so they can graze their sheep or cattle or entering into a farm business tenancy. There are lots of wonderful opportunities for farmland and it may be sensible to also take advice from a local land agent.





## Thinking of Moo-ving?

Waking up to the sight of sheep happily chewing the cud will certainly bring a whole new way of life and, with that, lots of quirks.

4. Public rights of way can be an issue – enquiries should always be raised of the seller and the local authority to determine the existence of any public rights of way or any pending applications to create new rights of way.

5. Many rural properties do not benefit from mains drainage. Where this is the case, it will be important to check where the drains run, where the septic tanks or sewage treatment plant is located, what type of system it is and when it was installed and whether it is compliant with the General Binding Rules 2023. If pipes and/or systems are located on third party land, it will also be necessary to check that the correct easements are in place for the use and maintenance of the drainage facilities. Any contamination caused by effluent from drainage systems can be subject to extensive remediation costs and fines.

Find out more about [purchasing a farm](#)



## 8. Equestrian

Buying equestrian property comes with its own set of unique quirks that go beyond bricks and mortar – it isn't just about fences and fields, it's a whole different breed of real estate. From scouting the perfect location with good grazing and great transport links, to mastering the maze of SDLT rates, planning permissions, and water rights; every detail adds to the tapestry of owning a property that will help, not hinder, your equestrian goals.

Our multidisciplinary team, many of whom are equestrian enthusiasts themselves, work seamlessly alongside our trusted network of agents, bankers, and insurance brokers to ensure your equestrian interests are protected, nurtured, and set up for long-term success.



# Thinking of purchasing an equestrian property?

## Here are the quirks to be aware of:

1. The rates of SDLT you will be liable to pay differ depending on many factors including how the seller has used the site: a commercial venture or for private leisure or both? If the property being purchased is classed as a business at the time of purchase, you may be paying SDLT at commercial rates (with a top rate of 5%). If on the other hand you are simply buying a glorious home with stabling for your own horses, then residential rates of SDLT should apply with a top rate of 19% if you are a non-resident individual buying a second home.

If you are considering using a company to purchase the property then there will be further considerations regarding the flat rate of SDLT and annual ATED filing.

It is critical that contemporaneous evidence is sought through the due diligence process and assessed by your solicitor at an early stage.

2. If you are buying an equestrian property as a business venture, you must ensure all business regulations are complied with. This includes ensuring an asbestos register is available on site and checking whether any current workers are protected agricultural tenants before seeking to evict them. Note that grooms are not classed as agricultural workers, so are not considered protected tenants.

3. Your solicitor should ensure that the property has the correct planning consents in place prior to any purchase. If the property has not been running as a commercial equestrian property for long, you should check that an application to change the use class of the property functioning as a business has been granted.

## Looking for a stable investment?

Equestrian property comes with its own set of quirks beyond that of bricks and mortar lots of quirks.





4. The types of insurance necessary will depend on the nature of the property being purchased. Equestrian equipment, machinery and buildings can be very expensive, and so ensuring a comprehensive insurance plan is in place prior to completion is essential. If the property will be used to run a business, all relevant business insurance policies should also be put in place.

5. It is essential that the property has access to an ample water supply. Equestrian properties, whether commercial or private, require large volumes of water to function. Your solicitor should ensure the correct water abstraction licenses are sought or transferred to enable you to keep your horses and irrigate any fields, as necessary.

5. A Local Authority search may reveal a right of way running through or along your property. You should consider the impact this may have on your privacy, the welfare of your horses and any potential dangers that may arise because of it. For example, if you are purchasing a stud, it would be wise to ensure any stallions or horses which may pose a threat to curious passers-by are grazed away from the path or ensure that signs highlighting the danger are displayed.

6. Whether you are buying an equestrian property as a commercial venture or for private leisure, you will likely need people to assist you. Whether that is ad-hoc support from a local groom or a team of permanent employees, these arrangements should be properly documented. You should also have regard to any legal obligations on you as an employer. For example, ensuring you have mandatory policies and procedures (including those relating to health and safety) in place, pay staff in accordance with the national minimum wage and giving staff proper breaks and annual leave. Getting this wrong can result in costly claims.

7. Equestrianism tends to be a family affair, whether pursued as a competitive sport, a business or a passion project. The ability to pass equestrian assets from one generation to the next in an efficient manner with as few disruptions as possible is an important goal for many clients. Having succession in mind when planning the purchase of equestrian property pays dividends further down the line.

For those running equestrian businesses, or businesses where equestrianism plays a part, the structure of the enterprise and how its assets are held are critical to securing a successful claim for inheritance tax reliefs. With the introduction of a £1 million cap on the value of assets eligible for 100% business property relief and agricultural property relief (as announced in the October 2024 Budget), early and strategic planning has never been more important.

Find out more about [purchasing an equestrian property](#)



## 9. Vineyards

Many landowners are further diversifying by converting some of their land to grow grapes. However, winemaking is labour intensive. While some machines can pick grapes, you will need to employ pickers as well as a team for the general management of the estate and operations, including sales and marketing.



# Thinking of purchasing a vineyard?



## Here are the quirks to be aware of:

1. When buying an existing vineyard, consider the staff already there. In a share sale (i.e. an acquisition of the shares in the existing operating company) the buyer will automatically inherit the staff. In an asset sale (e.g. the property, machinery and goodwill are sold separately), the Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”) are likely to apply. Under TUPE, employees wholly or mainly assigned to a business/property automatically transfer on their current terms and conditions. In both scenarios, a well-prepared buyer will review the current arrangements to understand who and what they are inheriting and work out whether they fit with their plans. In addition, under TUPE, the buyer and seller must follow a prescribed information and consultation process with staff members.

2. Ownership of a vineyard doesn’t mean you have to become a winemaker. Lots of vineyard owners either have other companies make their wine for them, or they simply sell their grapes to other producers. When purchasing land or a vineyard you may also be able to buy an existing business. But, just as no vintner wants to sell a corked bottle of wine, no purchaser of a vineyard or winery wants to buy a tainted business. If the structuring of your purchase dictates that, instead of buying the specific assets, you buy the company that owns the assets required to run the business, such as the land, crops, machinery and brand, you will be undertaking a share or corporate purchase. This means that you (and any other purchaser involved) will become the shareholders of the target company.





3. Vineyards don't just have to be about growing grapes and making wine. Consider adding the ability for the public to visit, attend tastings, watch the wine being made and staying for lunch at a café or restaurant on site, further diversifying the property.

To facilitate this, your winery will need premises to lay down bottles, keep expensive equipment, house people on site, and entertain your visitors and customers. From bats to asbestos, there are nuances with bricks and mortar. A good surveyor is important if you want to understand the potential liabilities and costs of upkeep or conversion of the farm buildings.

## Stop and smell the rosés

Owning a vineyard doesn't mean you have to become a winemaker, but you can certainly enjoy the wine.

Be aware of any covenants affecting the property which would prevent its use as a vineyard, as well as listing or other restrictions on any buildings you intend to use. Are there restrictions that could stop you growing vines on it? Whether or not the site has the right consents in place for your proposed use must be checked by your solicitor – the planning rules are not straightforward, and many wineries will require specific consents for retail and leisure.

4. Around 400,000 buildings in England are listed, including a surprising number of old agricultural barns. Carrying out unauthorised works to a listed building without consent is a criminal offence so cannot be taken lightly, and there is no limitation period for enforcement action, so you could have to put right unauthorised works carried out by the seller. In the most serious scenarios, you may decide that the seller has to apply for consent for unauthorised works themselves before completion, and you might keep back some of the sale price as a retention to deal with the risk.





5. Making wine is expensive. You need the land, the labour and specialist plant and machinery plus long-term capital to support expansion and maintenance. It takes five to ten years for a new vineyard to start selling wine. Start-up costs can be high, with the cost of planting per hectare reaching up to approximately £40,000. As such, it is crucial that proper financial forecasting and cashflow planning has been considered, with sufficient capital needed in the early years.

Growing grapes is still agriculture and the land is, therefore, eligible for agricultural subsidies. These can be lucrative but complicated, particularly as the Common Agricultural Policy fades away post-Brexit in favour of Environmental Land Management Schemes. Just as an early frost can ruin a crop, an unexpected tax bill can ruin your cash forecast and harm both investment and distribution. Tax will present itself at every stage so at a business level, keep in mind to establish the right structure at the outset.

6. Funding a vineyard endeavour can be complex, and where that money comes from is important. Are you borrowing it? From whom? What is the loan secured on? A range of assets can be used for security, not just land itself; some require more bespoke financing than others. The right finance can make a huge difference to the amount you can borrow, the interest you pay and how much flexibility you have over the operation of the business. Generally, land is the easiest asset to secure and, in recent years, money has been reasonably cheap. However, high street lenders will not usually lend against agricultural property, meaning you need to approach the handful of specialist lenders in this area. Larger and more established vineyards with a trading history meanwhile are increasingly using asset-based lending, which is borrowing against receivables generated by the business as well as land, plant and machinery. This often provides more flexible working capital than vanilla loans secured against just the land.

As with any financing, it is often helpful to approach a specialist broker who can find the right lender for your business and its borrowing needs. You will also need a solicitor to act on your behalf. Lending terms can be onerous and it is important to take legal advice to understand them in the context of running the business day to day. A good lawyer will explain potential defects in your security to your lender and give solutions, rather than simply identifying problems.

Find out more about  
[purchasing a vineyard](#)



# 10. General considerations

## Property Ownership Freehold vs Leasehold

### There are two types of property in England & Wales: freehold and leasehold.

#### 1. Freehold properties are usually houses.

The owner of a freehold property owns the property, the land it sits on, and the space above it. No ground rent is payable for a freehold property and the maintenance of the building is up to the owner. There may however be a requirement to pay a service charge to an estate owner, to contribute towards the cost of maintaining and repairing any communal areas on the estate which are shared such as private roads, parks or communal garden areas.

#### 2. Leasehold properties are generally flats.

A leasehold property is held under a lease which is for a finite period of time, and details the terms of ownership. While the owner of the leasehold owns the flat - usually extending to the surfaces of the walls, ceilings and floors.- the landlord (freeholder) owns the land and structure of the building.

Ground rent and service charge are usually collected by the landlord in order to pay for the maintenance of the building and land. The amount of service charge payable will vary from year to year, depending on what works are planned. It is sensible to make enquiries regarding any planned large items of expenditure which are on the horizon, so that you can plan accordingly. Leases also generally restrict an owner's ability to carry out works to, or sublease, the flat. These leases will have varying terms as to what is required in order to carry out works or sublet the flat, where such works or subletting is permitted.

The process of buying a property is predominantly the same irrespective of the property type, but the conveyancing process for leasehold transactions can carry an extra layer of complexity. Your conveyancer must review (amongst other things) the lease, and report on any ground rent or service charge provisions as well as any supplemental documents required to register you as the legal owner of the flat with the landlord. They will also review the management information provided by the managing agent or landlord which contains information about the service charge, insurance, and general upkeep of the building.



## Co-owning a property

If you are going to co-own your home, there are two ways to hold the property: as joint tenants, or tenants in common. Where a property is held by joint tenants, by the principle of survivorship should one owner die their share will revert to the other owner automatically. However, where ownership is held as tenants in common, each owner holds their own distinct share that will follow their will when they die, and not be automatically left to the other owner.

## Buying a property for someone else

Thought should be given to how a buyer will want to fund and own the property, particularly if the property is being bought for a child (a child will often benefit from first-time buyers relief, which will include a saving on the SDLT payable). Bank of Family purchases are commonplace in London, but the varying ownership types and funding options can have different impacts, therefore it is important to speak to a professional advisor to review your options.

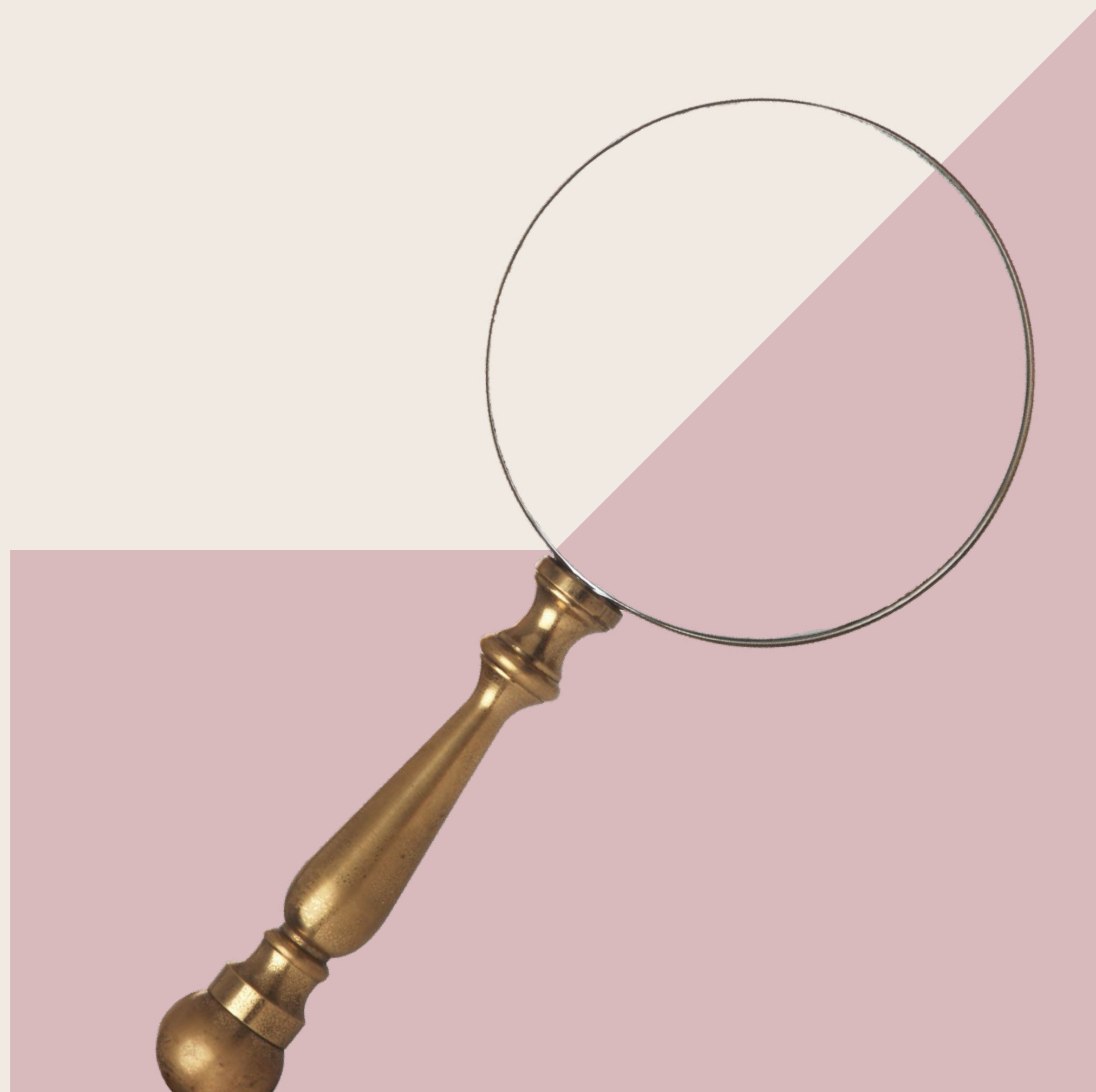
## Living with a third party

A cohabitation agreement is a vital consideration for buyers who will share the property with a third party, i.e. a friend or partner that has not financially contributed to the purchase; as this can ensure the third party does not acquire a financial interest in your property if that is the intention throughout the duration of their stay. In reality, it is easy for situations to arise whereby an occupier does acquire an interest in the property, for example funding remedial works, or being a stay-at-home parent.

## Buying a property at auction

The lure of a bargain can be very tempting. It is always advisable however to obtain legal advice beforehand and in good time before the auction. Buying a property at auction has its perks, but there is plenty for prospective bidders to be aware of as the property could have problems which are expensive to resolve, or in some cases there could be such defects on the title wherein that the property cannot be sold or mortgaged on the open market.





## Mortgages

The majority of buyers finance their purchase in part with funds borrowed from a bank. The amount that can be borrowed will depend on circumstances but a maximum of around 75% is common with 60% perhaps being typical. Invariably the lender will require their loan to be secured by way of a first legal charge over the property. The lender will require legal representation and this is either provided by their own independently appointed solicitors or, more commonly, by the buyer's own solicitors but as a separate instruction. Either way the legal costs will be payable by the borrower. Lenders offer many types of mortgage, for example repayment or interest only, owner-occupied or buy to let, and can impose all sorts of specific conditions. While solicitors will advise on the conditions relating to the property, they will not normally advise on interest rates and other financial conditions unless specifically asked to do so.

Taking out a mortgage on a property may be part of a tax planning exercise. For example, for offshore buyers a loan may reduce their exposure to UK Inheritance Tax. Specific advice on this should be sought before proceeding with a purchase.

There are also specific finance arrangements available from a limited number of lenders to those who are, for religious or cultural reasons, unable to enter into a standard UK loan arrangement. These Sharia compliant products are considerably more complicated from a legal point of view, and will result in higher legal fees.

## Special Purpose Vehicle purchases

A significant number of property purchases continue to be undertaken as corporate transactions. Setting up a special purpose vehicle (SPV) to hold property is a well-known structuring device; for example, it may help with co-ownership of a property.

The purchaser has the choice to acquire the property directly from the seller SPV or to acquire the shares in the SPV itself. Where the SPV has entered into various contracts in relation to the property, a sale of the SPV's shares will not require such contracts to be assigned or novated to the new owner together with all the resulting paperwork, time and costs that this process entails. Instead, the SPV itself will continue to be the direct property owner and consequently the contracting party, albeit with new shareholders.

Such a transaction raises various additional issues, including tax considerations should you ever wish to de-envelope the property, and expert advice should be sought.

# Additional costs and considerations



## Chancel repair liability

An archaic but potentially all too relevant liability to watch out for is chancel repair liability, which dates back to the dissolution of the monasteries by Henry VIII. Homes (houses or flats) built on land with this liability can be called upon by the local church to contribute financially towards the cost of upkeep of the church building. Until 2003, most people believed that this was no longer an enforceable liability but a bitterly fought case which went to the House of Lords, and considered the European Convention on Human Rights, proved this to be wishful thinking. A couple in Warwickshire were held to be responsible for chancel repairs of £100,000 (plus legal fees of £300,000). The law has been changed since then, but it is still a potential risk on all properties (even if not registered on the title). Searches for potential liability can be carried out fairly cheaply, and indemnity insurance obtained.

## Planning Applications

When considering a property to buy, a buyer will also take into account the development potential of the property, as well as what is there already. Some alterations and extensions to property will not require planning permission if they come within the permitted development rules, but it is important to understand where planning permission would be required, and how likely it is that such permission would be given. An architect or planning consultant will be able to advise on what kind of alterations would work and whether planning permission is required. Depending on the alteration work proposed, and the council involved, getting planning permission can be quite a difficult and slow process. Again, a planning consultant can be extremely helpful here as they have experience of the council's approach on similar applications and, will be able to work with the architect to tailor the application and increasing likelihood of success. Planning permissions, once granted, usually have conditions attached to them. It is important to take these into consideration when planning and carrying out the project, as these conditions are taken seriously, and breaches of planning condition are enforceable by the council. For example, if a particular type of brick is specified but are not used, the council can require the brick work to be removed, which could of course require the re-building of a significant part of the property.

Remember also, that even if planning permission is not required, building regulations approval is required for most building work. There may be other consents required (e.g. under a landlord or an estate management scheme, or restrictive covenants on the property).

**Forsters LLP**

22 Baker Street  
London  
W1U 3BW

T +44 20 7863 8333  
**forsters.co.uk**

