

# Charity Property Matters Survey 2018

## In summary

## Themes & Findings

This is the fourth bi-annual property survey run by the Ethical Property Foundation in partnership with the Charity Commission and for the first time, with the Charity Finance Group.

### Our Survey reveals:

- ▶ How charities hold and use their property, whether rented or owned.
- ▶ The big property challenges charities face and how they impact on staff, volunteers and service users.
- ▶ How good charities are at managing their property effectively.

## Findings at a glance

### Charity Property Characteristics

- ▶ More charities than ever before (33%) stated they rent from a commercial landlord – up from 21% in 2014. More rent than own their premises (31%).
- ▶ 32% of charities have experienced difficulty in finding funding for property costs while a further 26% anticipate this will be a challenge in the future.
- ▶ 26% of charities believe that a lack of long-term security of tenure, due to short term funding, has been or will be an issue in the next three years.

### Charity Property Issues: risk, costs & funding

- ▶ Property costs account for over 20% of total expenditure for 23% of respondents.
- ▶ 30% of charities say property is a barrier to delivering their charitable objectives, almost double the proportion in 2016 (17%).
- ▶ More than one third of charities (36%) believe that property poses a high or very high risk to their organisation
- ▶ 19% have had difficulty accessing professional advice due to cost, while 26% anticipate this.

### Charity Property Knowledge & Management Skills

- ▶ 66% of charities do not have a strategic property plan (up from 52% in 2016)
- ▶ 41% say no-one is specifically responsible for property within their organisation
- ▶ 27% have experienced unforeseen property costs.
- ▶ 44% do not report regularly on property to trustees
- ▶ 39% do not carry out regular risk assessments on their property
- ▶ 32% do not have complete records of the property they own or rent

## Methodology

During the period from 23 January to 15 July 2018, the Survey was promoted across the sector with extensive use of social media. In total we received 474 responses, a 12% increase on 2016 (425 responses).

# Key Messages

Property underpins everything we do. Our sector is extraordinarily rich and varied in its diversity of people and causes as well as its property holdings whether rented or owned.

## For Voluntary Sector Trustees

There is widespread weakness in charities' own capacity to manage property effectively. This starts at the top with a lack of knowledge among trustees and a misunderstanding of their responsibilities. The message for trustees is to institute regular property reports and risk assessments, assigning a key person with property responsibilities, whether volunteer or paid staff.

## For Funders

Every project is almost always delivered by people in a building – and a proportion of any funding should reflect this – for the well-being of staff, volunteers and service users.

With over 23% of respondents spending over 20% of annual expenditure on property costs, and over 15% spending a quarter of their income on property charities report widespread problems in obtaining core funding for property costs. This is impacting on projects and service delivery and long-term sustainability.

## For the Property Industry

We are more reliant on commercial leasing as we shift away from being local authority tenants. This means as a sector we are going to need far greater strategic engagement with the commercial property sector - from the perspective of a growing client group with often complex and distinct needs.

There are big problems for the sector in finding suitable and affordable premises – reflecting the scarcity of affordable community premises.

## For Policy makers

There is a serious mismatch between the attention given to voluntary sector property needs and the clear threats to the sector's objectives and long-term viability – particularly among voluntary organisations which are small and poorly resourced.

The message to both local and national policymakers is to consider an affordable social workplace strategy – akin to the current strategic policy thinking around affordable housing.

The Ethical Property Foundation gratefully acknowledges support from Steeles Law Solicitors Limited in preparing this Survey:



This survey has been produced in partnership with:



**CHARITY COMMISSION**  
FOR ENGLAND AND WALES

For the full report and statistical analysis of the survey visit [www.ethicalproperty.org.uk](http://www.ethicalproperty.org.uk)