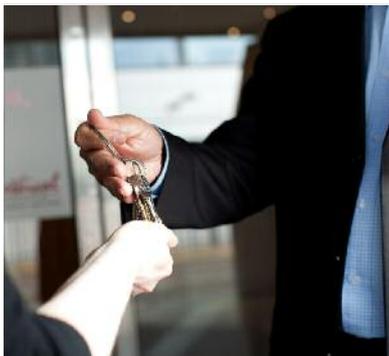


### Briefing three

# How can charities use their property to support their mission?



17% of charities fear that they will fail to deliver services due to property constraints.

## Background

In 2012 the first national survey of property issues affecting charities in the UK was commissioned by the Ethical Property Foundation, the leading property advisor for charities. This paper summarises its findings on the key issue of using property to support charitable objectives, and outlines solutions to the problems identified.

Other topics covered in this series include:

- How charities get advice and support on property issues.
- How charities can use their property to survive in the current environment.
- A summary of survey findings.

## Key findings on this issue

- 17% of charities fear that they will fail to deliver services due to property constraints.
- 44% of charities experience unforeseen maintenance costs.
- 35% of charities have had difficulty in finding suitable premises in the last 3 years.
- 27% of charities experience costs or compliance difficulties due to health and safety, environmental or other regulations.
- 25% of charities have difficulty in raising long term funding due to insecurity of property tenure.
- 11% of charities are seeking to share premises with another organisation.
- 60% would consider sharing premises if it could generate savings.
- 47% of charities use more than one property.
- 59% of charities mainly own their property assets.
- Smaller charities do not seem to be regularly reviewing their properties or seeking planned asset management advice.

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## Why is this happening?

Charities are often not well placed to make the most of their property assets. For most, their income and limited number of property-related transactions makes employing a property specialist in-house or on a retainer unrealistic.

This increases the likelihood that charities will deal with issues such as maintenance, rent reviews, lease negotiations and relocations in a reactive and unplanned way. This can be costly and inefficient.

## Why does this matter?

In times of austerity, good management of property assets can make funds work harder and offers financial opportunities (for example the cost savings brought by sharing premises with other charities).

Many charities evolve in an organic way. This opportunistic approach extends to premises, resulting in a piecemeal acquisition of properties. As demand for these charities' services changes over time, they find their premises are no longer of the appropriate size, layout or location to meet their beneficiaries' current needs. Poor planning of facilities can affect service delivery and client relationships.

## What can be done about this?

Top tips for charities:

**Ask some strategic questions.** Have you reviewed your premises against your strategic objectives in the last three years? Are your property needs included in your strategic plan? Have you reviewed key property costs in the last year? Have you reviewed the income generation potential of your premises in the last year?

**Plan your maintenance.** Ensure you have an up to date condition survey for the building. If not, commission one. Include a costed schedule of planned maintenance, from a building surveyor, and budget for the costs of planned work. This will prevent unforeseen costs and maintain the building in a safe, welcoming condition.

**Deal proactively with unexpected maintenance and repair costs.** If you are a tenant, check the terms of your lease to establish whether undertaking and paying for the repairs is your responsibility. If you are unsure, consult a solicitor for clarification. Where the work and costs are your responsibility, negotiate with the landlord: agree details of how the work will be carried out, by whom, and at what cost. Negotiate to reduce cost and disruption.

**Get the most from utilities and resources.** Efficient 'housekeeping' of energy, water, waste, transport and purchasing will keep costs down and support the social and environmental aspects of your mission.





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## Further information

A summary of the survey report is available for free download at [www.ethicalproperty.org.uk](http://www.ethicalproperty.org.uk).

The Ethical Property Foundation is the leading provider of property advice to the charity sector. Its advice and consultancy services include:

- Free online guide to all aspects of renting, buying and managing property for charities.
- Tailored advice and support on property problems, with initial help provided free.
- Access to a network of over 80 property professionals, offering free or discounted support to charities.
- Consultancy including business and strategic planning, options appraisals, feasibility studies and social audits.
- Training on all aspects of property from a charity perspective.

For further information, visit [www.ethicalproperty.org.uk](http://www.ethicalproperty.org.uk) or call 020 7065 0760.

## Survey methodology

The survey was commissioned by Ethical Property Foundation in partnership with the Charity Commission, and delivered by independent consultants Campbell Tickell. It comprised quantitative research on 250 charities, whose turnover, remit and geographic spread match the sector profile; and qualitative research with 20 representatives from infrastructure and frontline charities and local authorities.

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