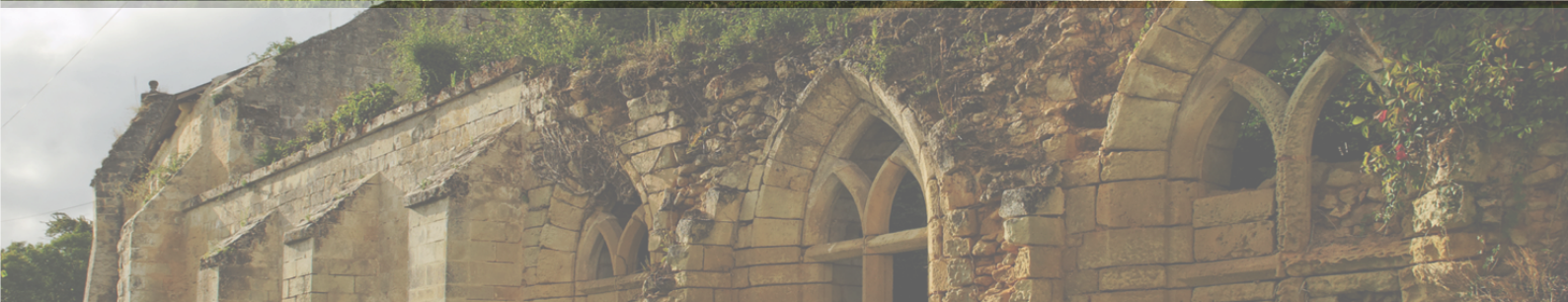




Activity Report 2013-2014





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EUROPEAN
HISTORIC HOUSES

Foreword



Unity, commitment, and passion – these three elements are at the core of the European Historic Houses Association's philosophy. They are guiding the actions we undertake to protect Europe's private historic houses, gardens, the entrepreneurs that are behind those houses and, on a larger scale, cultural heritage. We aim to prevent them from being pushed to the sidelines of the European Union's 2014-2020 Agenda, and also from being abandoned or destroyed, which is unfortunately too often the case. The European Historic Houses Association is bound to this vision and will actively promote it as a new chapter opens with the expected changes to the EU institutions, and as new opportunities arise.

It remains a powerful fact that cultural heritage tourism offers tremendous contributions to the economy and society, providing, according to figures from 2010, €335 billion in revenue and generating 9 million indirect and direct jobs. From the new European Commission Communication "Towards an integrated approach to cultural heritage in Europe" (COM(2014)477 final) we even learn that for 27% of EU travelers cultural heritage is the key factor in choosing a travel destination. The European Commission in this Communication is stressing a variety of key issues such as economic and social value with the need of data collection, the creation of locally-rooted jobs, the link with nature, the need of more heritage professionals, the enhancement of remote regions and last but not least the illicit trafficking of cultural goods. This reassured us that the priorities we have been pursuing for years now are on the right direction.

Within this vast concept, private historic houses represent a unique niche that needs to be acknowledged and recognized by politicians and decision-makers on all levels. They are like jewels that cannot be outsourced resting within our landscapes, thus providing local jobs and growth. Yet, most of the politicians and authorities remain deaf to pleas of the entrepreneurs, as houses are left on the market and specialized jobs disappear. The picture may seem grim, yet owners are not powerless. The European Historic Houses Association and its 22 national Association members, representing no less than 50,000 houses, continue to fight to defend their interests to the best of their capacities



As we enter our 29th year of existence, I am encouraged by the increased support and attention that the Association is getting through various measures implemented over time and particularly the joining of the 3 new association members. With a new website, increased activity on social media and more publications in numerous magazines, the European Historic Houses Association is looking ahead and adapting to a rapidly changing world. We have also, in 2013 and 2014, taken practical measures to create a group of young generation under the umbrella of the Association. This is in addition to enlarging our focus on tourism and moveable objects, whilst continuing to monitor key issues, such as biodiversity and environmental protection, taxation and VAT reduction, energy efficiency, and illicit trafficking of cultural goods.

Furthermore, the European Historic Houses Association has the pleasure of holding its 2014 General Assembly in the beautiful, historic city of Lisbon, Portugal. This will prove an excellent opportunity to tackle the crucial issue of public interest, and, dare I say, the disinterest of politicians. Portugal is currently seeing too many inestimable treasures, representing our past and our identity, being abandoned and in deterioration.

With 2014 well under way, the European Historic Houses Association is committed to promoting and protecting private historic houses across Europe and, as such, to allowing the continuity and preservation of our roots, uniqueness, and our history.

Rodolphe de Looz-Corswarem
Executive President



Introduction

You currently have in your hands the 2013-2014 European Historic Houses Association Activity Report. This annual publication is an essential way for the association to communicate our major achievements throughout 2013 and our expectations and goals for 2014. The past year has proved productive in terms of increasing our recognition through hands-on actions. We have maintained an active dialogue with European and international institutions and organisations, in order to ensure that historic houses and gardens are properly taken into consideration during conversations on important matters, such as energy efficiency and the environment.

We have also been closely monitoring the crucial issue of taxation and, as in all previous editions of the Activity Report, here you will find a comparative spreadsheet of the taxation in all member countries. This tool serves as a particularly good indicator of the relative situations of historic houses across Europe. Yet, however differently historic house are treated between countries, there is no way of denying their tremendous economic, social and cultural value. They are carriers of Europe's history, enablers of a European identity, creators of local jobs and growth, protectors of biodiversity, and attractions for millions of tourists, as cultural tourism gains increasing significance in Europe.

The Association is constantly striving to expand its influence and, as such, we are delighted to receive the interest of three new member associations this year: *Elliniki Etaira* from Greece *Fredet* from Norway, and the *Latvian Castles & Manor Houses Association*. We have no doubt that they will bring invaluable knowledge and added-value to our already strong and dedicated membership, helping us promote and protect our valuable heritage. *Now, let's roll up our sleeves and dive into the core issues of the European Historic Houses Association.*

Happy reading!

CHAPTER 1

Main Issues





EUROPEAN
HISTORIC HOUSES

European Heritage Alliance 3.3

All for Cultural Heritage, Cultural Heritage for All

Collaborating closely with Europa Nostra for many years, the European Historic Houses Association has also been a member of the European Heritage Alliance 3.3 since its creation in 2011. Founded upon the principle of Article 3.3 of the consolidated Lisbon Treaty of the European Union, which stipulates that The Union “shall respect its rich cultural and linguistic diversity, and shall ensure that Europe’s cultural heritage is safeguarded and enhanced”, the Alliance is a platform comprising of 32 members, who share ideas and visions for EU initiatives on culture and feel stronger in being united.

On December 4th 2013, in the midst of Europa Nostra’s 50th anniversary’s Policy Conference, the members of the Alliance reunited. A Steering Committee was held in Brussels to officially launch: **“Cultural Heritage Counts for Europe: Towards a European Index for Cultural Heritage”**, a European cooperation project funded, in part, by the Culture Program of the European Union. The objective of this project is to create a European map of already existing research and evidence including four domains: culture, society, economy and environment; at all levels: European, national, regional and local. It aims to demonstrate the value and impacts of cultural heritage in Europe, *“to understand and interpret the results of hundreds of research studies and more specifically heritage’s social and economic effects on society as well as its impact on smart, sustainable, inclusive growth and quality of life.”*

The European Historic Houses Association invited its members to participate in the gathering of data towards this goal, as we strongly believe that mapping will provide a reliable tool to help with our advocacy and credibility vis à vis the EU.

The final report containing policy recommendations is expected to be presented during Europa Nostra’ General Assembly 2015*.

This meeting allowed members to perceive the urgency and timeliness of this initiative, as acknowledge by Mr. Denis de Kergolay, Executive President of Europa Nostra, who commented that we are now witnessing the “acceleration of the history we are living”. There is a need for stakeholders and politicians to listen and recognize culture and heritage as having undeniable socio-economic influences, and for organisations and associations to work in cooperation since we are stronger together than individually. Finally, it is crucial to develop and deepen our dialogue further with civil society, as they prove to be powerful protectors of Europe’s cultural heritage.

The Alliance 3.3 gathered together again on Tuesday 20 May 2014, for a highly important meeting following the announcement of Dr. Lina Mendoni, Secretary General of the Hellenic Ministry of Culture and Sports, that the EU Council will adopt the **Conclusions on cultural heritage as a strategic resource for a sustainable Europe**.

* <http://www.europanostra.org/news/407>

This Decision* is of tremendous importance for the cultural heritage sector. It emphasizes the role that cultural heritage plays in creating and enhancing social capital, as well as its important economic impact. In particular, it highlights its significance in achieving the Europe 2020 strategy goals for a smart, sustainable and inclusive growth, via its contribution to social, economic and environmental sustainability.

The conclusions also call for more resources to be invested in cultural heritage, and for the mainstreaming of cultural heritage in national and European policies. Member States are invited to consider including cultural heritage in the framework of the next Council Work Plan for Culture, which will be implemented from 2015 onwards.

The European Commission has been invited to further support the pooling of resources between public and private sector heritage experts, practitioners, as well as civil society organisations at the European level.

As a follow-up to this political signal, the European Commission adopted the **Communication entitled "Towards an integrated approach to cultural heritage in Europe"**** on July 22nd 2014.

This Communication is directed towards a more integrated approach for Cultural Heritage, a position that we have defended for years now. We acknowledge that the Communication is giving a very important overview of what is at stake for cultural heritage at the EU level, and we are very proud that the European Commission is referring explicitly to the Alliance 3.3 activities.

It is comforting that the priorities of the European Historic Houses are highlighted by

the Communication, which amongst others, stresses the economic and social value (creation of locally-rooted jobs), the importance of tourism, the approach to nature and landscape, the valorisation of remote areas, the illicit trafficking of cultural goods and so on. Nevertheless, we deplore that it failed to address the issue of energy efficiency and the access to finance for private individuals (reduced VAT). For years we have been underlining the importance of Historic Houses in all of these thematics and we will continue to do so.

The European Historic Houses will work to stress the importance of highlighting the role of private Historic Houses in this initiative, the largely unrecognized part of the cultural heritage sector. With the newly elected European Parliament and appointed Commission, we will bring this message forward, together with our partners from the Alliance 3.3.

* Conclusions on cultural heritage as a strategic resource for a sustainable Europe, *EDUCATION, YOUTH, CULTURE and SPORT Council meeting, Brussels, 20 May 2014*

**Brussels, 22.7.2014. COM(2014) 477 final, communication from the Commission to the European parliament, the council, the European economic and social committee and the Committee of the regions, "Towards an integrated approach to cultural heritage for Europe"

For more information on the Alliance and its members, please visit
<http://www.europeanheritagealliance.eu>

For more information on the *Cultural Heritage Counts for Europe* Project, please visit:
<http://www.encatc.org/culturalheritagecountsforeurope/>

The 7 Most Endangered

The Historic Houses Association is supporting **“the 7 Most Endangered” Programme** which identifies endangered monuments and sites in Europe and mobilize public and private partners on a local, national and European level to find a sustainable future for those sites. “The 7 Most Endangered” programme was launched in January 2013 by Europa Nostra with the European Investment Bank Institute as a founding partner and the Council of Europe Development Bank as an associated partner. Last year, the Associação Portuguesa das Casas Antigas from Portugal introduced the story of manueline style monastery and church of Jesus in Setúbal Land which were recognised as monuments that deserve the attention of the programme.



Monastery and Church of Jesus in Setúbal, Portugal (Photos: Mario Peneque)

Website: <http://www.europanostra.org/7-most-endangered>

Other Alliances

Most of the time when dealing with issues linked to private house sector, the European Historic Houses is working together with a Coalition composed mainly of the *European Landowners’ Organization* (ELO), *International Union of Property Owners* (UIPI) and *European Property Federation* (EPF). Our work is particularly enriched by those partnerships and we are more than pleased with the results achieved so far on energy efficiency, house market reform, and sustainable buildings. We have a lot of challenges ahead in the energy efficiency sector and beyond, and this synergy will continue as we are convinced of the necessity to share our efforts in favor of the built patrimony and private owners.

We are also particularly connected with the association of the *Friends of the Countryside* (FCS) and we will continue to strengthen this close collaboration as we are more and more connected in our ideas and actions.



EUROPEAN
HISTORIC HOUSES

Taxation issues

The Sword of Damocles for owners

The European Historic Houses Association pays close attention to the crucial issue of taxation, as it deeply affects the house owners and their capacity to manage their properties adequately and efficiently. There is an added difficulty for our Association, as taxation and reduced VAT rates for restoration works is an exclusive national competency, varying from country to country. Nonetheless, it tends to be the case that a general increase of taxation rates, and the associated problems this causes owners, can be witnessed across Europe. Reduced VAT for restoration works under different conditions is still applied in France, Belgium, Spain, Netherlands, Italy, Ireland, and Portugal, but the rate is dramatically increasing each year.

Under the EU VAT Directive, Member States must apply a minimum standard VAT rate of at least 15%, but have the option of applying either one or two reduced VAT rates, with a minimum of 5%, for goods and services included on a restrictive list annexed to the Directive. Our Association is

actively addressing the necessity for the EU to recognize and appreciate historic houses' specificities and needs when discussing taxation matters. We strive to give our members the necessary knowledge and information to continue that argumentation at their national level. We also strongly believe that countries benefiting from reduced VAT rates should share their experiences and examples with others who are struggling with government policies.

The question of transmission through death duties is also a major concern for historic houses owners. In many cases and countries those who inherit historic houses have to pay high value taxes, preventing them from managing their buildings and surroundings efficiently.

We invite you to take a look at the following taxation table that offers an updated comparison of the taxation rates in the countries of our members.





Tax comparison table – September 2014

COUNTRY	INCOME TAX		PROPERTY TAX	WEALTH TAX	CAPITAL GAINS TAX	DEATH DUTIES	VAT
	RATES	DEDUCTIONS					
AUSTRIA	Up to 50%	All expenses in connection with the rental income may be deducted. Not regular maintenance costs may be distributed over 10 years. Interest on loans deductible. Rental Loss cannot be carried forward. (Only rental income if overall profit expected – otherwise private activity)	Real estate transfer tax 3,5% resp 2% (transfer to relatives). Real property tax is not considerable.	No	25% for capital gains on buildings acquired after 31-3-2002	Real estate transfer tax on heritage. Preferential real estate tax base if heir is close relative.	10% on rental of flats; 0% or optional 20% on renting of business real estate
BELGIUM	25-50	After deduction of grants on HH, 15% of restoration and maintenance cost are deductible (with a maximum deduction of 11,292€ VAT included).	Regional taxes from 1.25%-2.5% on rateable value. Brussels region: listed monuments: exemption from 25% to 100% reduction if 2 days/year opening to public Flemish region: listed monuments transferred by the Flemish region to specific associations are exempted.	No	16,5% if sold within 5 years	Regional matter min. 3 % to max. 30 % (direct heirs), (up to 80% non family)	- 21% - 6% house repairs and maintenance on private HH <5 years
CZECH REPUBLIC	16-35%		Listed monuments exempted	Listed monuments exempted	No	None in direct line neither in secondary line	- 19,5 % - 9% Housing repair (until January 2011) 9% on Income from visits
DENMARK	40-60%	Approximately 30% of maintenance (indoor + outdoor)	Listed buildings can avoid property tax if special declaration is registered. Buildings worth preservation 16-34%	No	40-52% None if property occupied by owner for at least three years	0% between spouses children 15% from grandparents 36,25%	25%
ESTONIA	21%	Deductions for sport, health and education; for house loan NOT for maintenance and/or restoration of historic houses	Not for property; land tax rate is variable depending on local county decision, max is fixed	No	No	No	20%; 9% for cultural events and accommodation

COUNTRY	INCOME TAX		PROPERTY TAX	WEALTH TAX	CAPITAL GAINS TAX	DEATH DUTIES	VAT
	RATES	DEDUCTIONS					
FINLAND	0-50 %	Mortgage interest	residential building 0,32-0,75% other buildings and sites 0,6-1,35%	No	30-32% 0% own home if used and owned longer than 2 years	0-35% according to amount + relationship	24% 14% agricultural goods + food 10% accommodation, entrance fee (culture events)
FRANCE	<p>Rate = 0% under 6.011 €</p> <p>Rates = 5,5% up to 30 %</p> <p>If income > 71.397€, rate = 41%</p> <p>If income > 151 200€ rate = 45%</p>	<p>50% of maintenance if house closed, 100% if open providing house inscribed or classified monument historic.</p> <p>Insurance premiums for buildings allowing visits + for their movables.</p> <p>Income tax reduction for sponsorship -66% of the amount can be deductible under conditions</p> <p>Income tax reduction for restoration work on listed movables when open to visits: 18% of expenditure.</p>	Land Tax and Council Taxes. Different rates according to regions, towns and departments...	<p>Exempted under 1.300.000 €</p> <p>- From 800 000€ to 1.300.000€ Rate is 0,5%</p> <p>- From 1.300.000€ to 2.570.000€ rate is 0,7%</p> <p>- From 2.570.000€ to 5.000.000€ rate is 1%</p> <p>- From 5.000.000€ to 10.000.000€ rate is 1,25%</p> <p>- over 10.000.000€ rate is 1,50%.</p> <p>- works of art exempted</p> <p>- forest taxed at 25% of value</p> <p>- Wealth tax can be partly given to sponsorship</p>	<p>Deduction for income tax (effective January 1st 2014):</p> <p>-6% every years from the 6th year,</p> <p>-4% every years from the 22nd year.</p> <p>Deduction for social taxes:</p> <p>-1.65% every years from the 6th year to the 21st year.</p> <p>-1.60% for the 22nd year,</p> <p>-9% every years from the 23rd year.</p> <p>Deduction of 25% property disposals of September 1st 2013 to august 31st 2014.</p> <p>Assignment of Land: 34,5% for real estate (including social taxes)</p> <p>-Exemption after 30 years of possession.</p> <p>Stocks and securities: 32,5% (including social taxes)</p>	<p>From 5% to 45% depending on the family relationship</p> <p>- If not family relationship 60% from the 1st €</p> <p>If special agreement with indefinite time has been signed with ministries, historical monument can be exempted. Recipient has to open 60 to 80 days per year during his life and cannot sale the monument.</p>	<p>- 7% houses older 2 years if the work does not lead to the construction of a new building 10% effective January 1st, 2014</p> <p>- 19,6% (normal rate) for parks and gardens - 20% effective January 1st 2014</p>
GERMANY	19,9-48,5% + solidarity surcharge 5,5%	Maintenance deduction spread over 10 years if owner occupied (depreciation provision). Prior approval required. Interest only deductible from rental income	0,8 – 1,8 % of the rateable value (Grundsteuer)	No	Exempt (own home) if used longer than 2 years otherwise 10 years same rates as income tax	Historic houses: - exemption > 60% - total exemption if open to public	19% (7% for agricultural goods + food)
GREECE	0-45%	Mortgage interest if house smaller than 35 m2 pp (up to two), 25 m2 for every child	Communal tax 0,025 – 0,035%	No	No	0-60% depending on amount relationship children max 25%	18%
IRELAND	22-44%	Maintenance deduction providing certificate of importance by public works + open to public	No	3% probate tax on death 6-9% stamp duty on house purchase	Yes purchase price + index deducted from sale value. Exemption if re invested within 2 yrs rate 20%	20/40% allowance £ 188.000 + contents exempt if displayed in suitable house 60 days a year for six years + lived in permanently by decujus	- 20% - 12,5% private dwellings for repairs + maintenance if labour content > 60%

COUNTRY	INCOME TAX		PROPERTY TAX	WEALTH TAX	CAPITAL GAINS TAX	DEATH DUTIES	VAT
	RATES	DEDUCTIONS					
NETHERLANDS	Owner occupied dwellings: 1.85%-52% income tax on net rental value. Investments : 1,2% of market value	Maintenance listed monument deductible with threshold of 0.8% of market value (owner occupied) or 4% of market value if rented. Interest on loans for owner occupied dwellings deductible.	Communal property tax for user + owner varies from town to town. Indication: 0.5% of value.	No	No	Listed country estates under Nature Preservation Act 1928 exempt if estate opens to public. If not open, 50% exempt. Conditional upon continuation of listing for 25 yrs.	19% 6% : Painting and plastering services for the renovation and repairing of private dwellings more than 15 years old
ITALY	19 / 43% for leased historical houses taxable income is only 65% of rents. Unrented historical houses pay only IMU	- 19% of maintenance of listed buildings if prior approved - 50% spread over 10 years + 1/2 of 19% immediately= 59,5%; max € 96.000 - 19% of mortgage interest if owner occupied	- IMU: New Communal tax (n. 1) - 0,2% -10,6% of half cadastral value -TASI: New Communal tax (n. 2) – 0,8% of half cadastral value - Land tax: 1% - Mortgage duties: 2%	3% stamp duty on real estate transactions	Only if profit result of change in character or legal status	None for listed monuments and mobile goods (archives, statues, paintings etc.)	- 22% - 10% for restoration + maintenance of private dwellings (only for a maximum of € 96.000 per year)
PORTUGAL	14,5-56%	15% of interest on mortgages for purchase of restoration of houses, up to the limit of €296	Exemptions for entirely listed estates. The exemptions also apply in case of property transfer tax	No	Yes same rate as income tax over 50% of capital gain. No reduction for time owned No tax if sale home reinvested	Exemptions for listed monuments. Replaced by stamp duties from 2004 on. No exemptions foreseen in case of listed monuments, but tax does not apply in case of direct heirs.	23%
SPAIN	24,75/ 52% Catalonia: maximum rate 56%	15% of maintenance + restoration costs of listed buildings. Not more than 10% of owners taxable revenue	Exemption for Grade 1 listed houses and gardens. Historic buildings with an economic exploitation are not exempt.	Yes exemption for listed houses 0,20 – 2,5% Catalonia: 0,21- 0,2750	The gain/ patrimonial increase became a part of the tax basis of the Income Tax. Prayed exemption: The transfer of real estate of urban nature members of the Historical, declared individually "cultural interest" or included in the scope of a "historical-artistic whole" and are protected by the urban planning with the highest level of protection provided during the tax period, have been conducted in the same rehabilitation, conservation or improvement, by their owners or holders of real rights.	7,65–34% depending on kinship and wealth recipient 95% reduction for all listed houses and gardens Catalonia: 7,00 – 32% depending on kinship and wealth recipient	- 21%. - 10% bricklaying repairs private dwellings

COUNTRY	INCOME TAX		PROPERTY TAX	WEALTH TAX	CAPITAL GAINS TAX	DEATH DUTIES	VAT
	RATES	DEDUCTIONS					
SWEDEN	Earned income 31% council, 25% state. Income from capital 30%. Part of income from private business taxed as capital 30%.	Interest 100% deductible. Maintenance, repairs, restoration costs deductible. 50% of labor costs up to SEK 100.000 deductible against tax paid. Benefit value tax Owner using the house for his home gets a value of the benefit added to his taxable income.	0,75% of 75% of market value on habitable houses maximum SEK 6.362/house. No other property tax.	NO	30%	NO	25% 12% food 6% books, entrance fees museums
SWITZERLAND	Federal around 10% Canton higher commune	Maintenance costs can be deducted	No	Commune + canton variable	Only canton Rates reduced, long possession. Variable	None between spouses and in direct line	7,5%
UNITED KINGDOM	20-50% (45% from April 2013)	No deductions or allowances except where house is run as a business and taxed as such (but the ability to set house business losses against other income will be severely reduced from April 2013)	Local Council Tax charges varying by regions according to use	No, but an Annual Charge on high value houses (>£2m) owned by companies is proposed from April 2013, but houses open for 28 days are expected to be exempt	18% (28% for top rate income tax payers) but principal private residence + grounds exempt. Other reliefs also available for certain categories	40% above £325,000. Lifetime transfers exempt if donor lives more than 7 years. Exemptions for pre-eminent houses + contents if open to public. Transfers between spouses also exempt. Agricultural land and some family owned business may be exempt if certain conditions are met.	20%, including on listed building repairs. Extension of 20% VAT on improvements to or alterations of dwellings from 1 Oct 2012

* Updated figures, September 2014