



VAT FACT SHEET

VAT is a major issue that affects all listed property owners, increasing the cost of all approved alterations, including many minor works, by 20%. This makes owning a listed much more expensive, and puts the upkeep of many listed buildings at risk.

THE FACTS

- VAT was imposed on approved listed building works for the first time ever in 2012.
- Between 1946 and 1973 there was no tax levied on building works.
- When VAT was introduced in 1973, the construction industry was given an exemption.
- In 1984 when VAT was applied to the building industry, listed buildings were granted their own unique exemption.
- Successive governments from 1984 to 2012 recognised the importance of listed buildings by continuing the 0% rate of VAT on approved alterations.
- In 2012 the treasury, claiming VAT relief enabled millionaires to build tax free swimming pools, removed all tax relief on all listed building works of all types.
- There was an immediate drop in applications for listed building consent, as the price of carrying out work effectively rose by 20%.
- Since 2012 up to 30,000 owners per year have been charged VAT on critical conservation work.

OUR POLICY

We are asking the treasury to reduce VAT to 5% on approved alterations, repair and maintenance works. This would place listed building works in the same tax bracket as renovation work on non-listed buildings.

WHY?

Owning a listed building is expensive. Adding VAT increased the cost even further. Many owners were placed under financial pressure by the imposition of VAT, preventing them from carrying out essential works.

Listed building owners are legally obliged to maintain their property in line with government regulations, requiring consent requests as well as specific materials and techniques. Taxing owners for carrying out these required works is simply punitive.

Listed buildings are of critical historic importance and once lost they can never be rebuilt. 90% of listed buildings are privately owned, and are protected entirely at their owners expense with no public support. Reducing VAT would be a public show of support for owners to ensure our listed buildings survive.