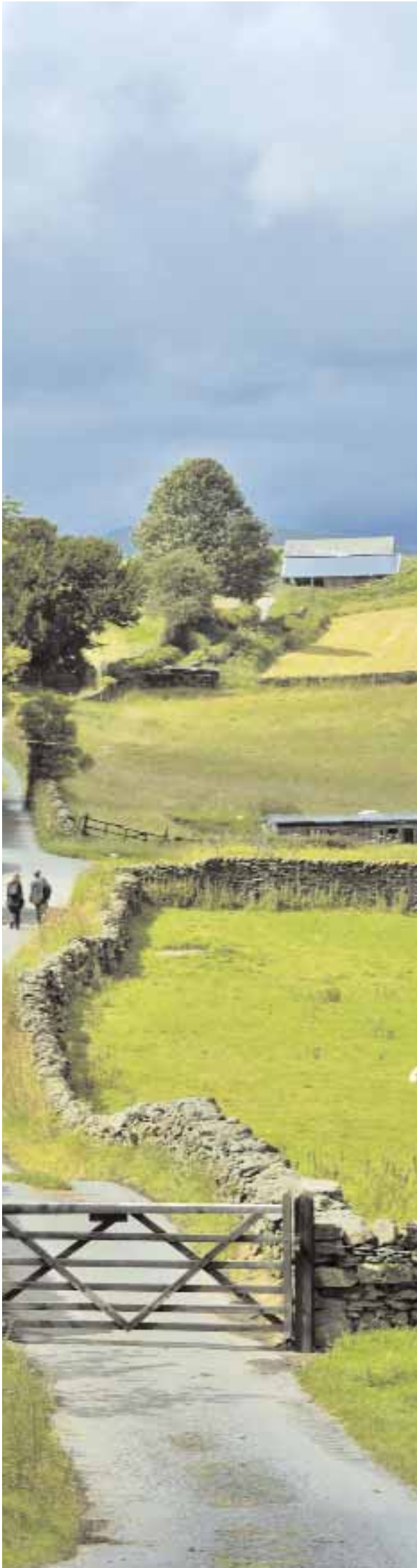


FAMILY VALUES

If you've got a yearning to upgrade your lifestyle, why not consider the benefits of a multi-generational property?





With house prices being as they are, and first-time buyers struggling to make the first rung of the housing ladder, living with your parents is sometimes unfortunately perceived by some as a mark of failure to make your own way in the world. But should this living arrangement really be viewed with such disdain? Traditionally, several generations would live under the same roof. This would enable them to pool resources, experience and time, to improve the lives of the entire group.

Times may have changed, but the benefits that can be reaped from sharing a property with your family have not. By choosing this option, you could not only afford to live in a larger house than you would have been able to purchase solely, but you can also enjoy the support of your own mini community. Grandparents can play an active part in their grandchildren's upbringing (perhaps even assisting with child care), siblings' children can enjoy the company of their young cousins, and adults can easily keep an eye on elderly relatives. You could even create a shared vegetable garden to produce organic food for the whole group.

If you've got a very close-knit family, you might decide that communal living is the way forward, and club together to buy a large house. This option is easier when it comes to finding a suitable property, since you simply have to find somewhere you all like, with the requisite number of bedrooms, in an area you all agree is suitable.

However, it is not the sort of living arrangement that suits everyone. Not all families would be happy living in such close proximity that they are all literally under the same roof. What if you like the idea of sharing a property with your relatives, but wonder whether a lack of personal space might turn the whole exercise into a day-in-day-out version of the overload that we associate with Christmas? Whichever your preference, the key is to choose your property wisely.

ALL TOGETHER NOW

If there are only two generations (or three, if the youngest are of school age) – for example, a couple with children and one partner's elderly parents – then there should be properties with annexes on the market in most areas. However, you should choose carefully. "There are properties that have been extended in the past to provide 'granny flat' accommodation, but these can often be a pokey afterthought if done out of necessity rather than a house being well suited for it," explains Miles Shipside, Commercial Director at Rightmove (www.rightmove.co.uk). "The best properties will allow each family unit to have their own privacy, yet have designated areas for communal enjoyment." You may even be lucky enough to find a pair of neighbouring properties for sale, either by one vendor or more likely two – make sure you let your estate agent know that this is the sort of option you'd be willing to consider.



OPPOSITE PAGE: Rural properties with outbuildings suitable for conversion are often a great bet for a family purchase.

TOP: It may be possible to purchase neighbouring properties, so keep your eyes peeled for these opportunities.

ABOVE: Some cottages – often those with quite a linear layout – are suitable for splitting into two dwellings.

HOT PROPERTY



ABOVE: You may find that your combined purchasing power will enable you to buy a much grander property!

Of course, properties that tick all these boxes are more difficult to find. Be prepared to spend some time surfing the internet and calling around estate agents. Do consider that the fact that you have some specific needs will probably mean that you have to make compromises – but make sure they are the right ones. For example, you may have to be flexible on location in order to obtain the type of property you need. This is a far better idea than settling for a space that is not ideal – remember, the key to harmonious living is finding an arrangement that will work for your family.

JUST RIGHT

Bear in mind that you probably won't find the perfect place that you can move straight into. But this doesn't necessarily mean that you have to take on a big renovation project. Quite often all you have to do is adapt a suitable building to your own needs – perhaps splitting one large house into smaller dwellings. Some areas will yield more period properties that are suitable for such work than others, depending on the vernacular architecture. For instance, the traditional Suffolk longhouse is often able to be comfortably divided into two for such a purpose.

But if you've got the stomach for it, a proper restoration project may pay dividends, enabling you to not only create a home that's just perfect for you, but adding value to it too. In addition, your criteria may actually help bag you a bargain, as vendors have to price their property according to the demand – which, for this more unusual type of house and grounds, would be less than a standard four-bedroom house. "Rural homes with outbuildings suitable for conversion and extension allow most scope within the planning regulations," says Miles. "Difficulties with access or planning may have prevented them being sold off separately, so they are more affordably sold off as one lot."

Indeed, this type of property is a sort of holy grail, since the conversion of outbuildings ensures that the main house is left unmodified (retaining a more mainstream appeal). It also means that the dwellings, and the family units within them, can function independently. If you can all cope with living at close quarters for a time, then this sort of set-up can also be a bonus – while the outbuildings are being converted, family members can be accommodated in the main house. This avoids the need for a bridging loan, rented accommodation or living in a caravan until the work is completed.



TAXING TIMES

If your family is clubbing together to buy a property, you might want to know more about the prickly subject of Inheritance Tax. Ordinarily to avoid IHT you can give away assets with no strings attached, and if you live seven years after the gift their value will escape IHT. However, this is not easy with property you occupy, as occupation is a continuing benefit (and therefore a 'string'). After the gift you must either move out or pay a full market rent to the new owners whilst you occupy the property.

There is a solution for joint occupiers. Say mum and son live together in mum's property. She can give her son half without offending the IHT rules. Provided he remains in occupation until she dies then his half of

the house, if given to him more than seven years before, escapes IHT. Because of the joint ownership, the Revenue will discount the value of mum's half.

When buying property together the same discount can apply. Beware any prior gift from one party to the other as this could cause an IHT or pre-owned assets tax issue. In either case you need to be sure you can live happily together, and there are no other issues that could jeopardise the arrangement. Declarations of trust will help should the parties fall out.

Lee Young is a chartered tax adviser and a partner with law firm Clarke Willmott. His expertise includes the mitigation of tax for property wealthy clients through the use of wills and trusts. For further details go online to take a look at the firm's website www.clarkewillmott.com.

BEST BUYS

Check out this selection of homes ideal for family living



Strand Farmhouse

North Yorkshire, £450,000

■ 4 bedrooms ■ 1 bedroom cottage
■ studio / workshop ■ parking ■ stunning views



Old Corner House

Herefordshire, £475,000

■ 9 bedrooms ■ 4 reception rooms
■ studio space with kitchen ■ 2 bedroom annexe



Linden House

Somerset, £599,950

■ 5 bedrooms ■ 3 reception rooms
■ 1 bedroom annexe ■ mature gardens



East Hall

Norfolk, £800,000

■ 5 bedrooms ■ 4 reception rooms ■ 2 garages
■ 2 bedroom barn/studio ■ workshop



Church Farm, Winterton

Norfolk, £1.35 million

■ 4 bedrooms ■ 3 reception rooms
■ 2 bedroom annexe ■ 4 holiday cottages