

What should a country house cost to run?

Anything from £50,000 to £500,000 a year or more, and costs will depend on how large the house is, how many staff are employed and most importantly, the lifestyle of the owner.

“There is usually scope to drastically reduce expenditure.”

Despite the many variables, it is possible to benchmark costs according to the size of house and the staffing. For a manor house of around 10,000 square feet with seven or eight bedrooms, we would expect annual running costs to be between £70,000 and £100,000 a year. This is inclusive

arrangements can also greatly increase costs. We have advised on houses where running costs have exceeded £1 million a year but in these cases there is usually scope to drastically reduce expenditure, without compromising the owner's comfort or lifestyle.



of housekeeping, gardening, general maintenance, utilities and insurance and assumes the house has been refurbished and is in good repair.

If staffing levels exceed one full time housekeeper and gardener, then running costs can increase dramatically. Similarly, elaborate security

Where can savings be made?

Staffing is the most significant cost, especially if accommodation is provided as part of the employment package. The first step in containing costs is to avoid the employment of permanent staff, unless absolutely necessary. To do this successfully, systems need to be created which avoid unnecessary work. One example might be garden design. It should be possible to calculate how much “manpower” will be needed to maintain the garden. There is little point in committing to an extravagant garden design, unless you are prepared to employ the necessary staff to maintain it, and are prepared for the costs that this will entail.

“It is possible to benchmark costs to ensure value for money.”



“Consider the income a house could generate.”

Apart from staff, there are many other savings that can be made, not least insurance. Whilst it is vital that everything is properly covered and values are adequate, savings can often be made by sourcing alternative quotations from specialists. If insurance costs exceed £5,000 per annum, the savings could be significant.

Fuel costs have been rising significantly over the last 12 months, and there are savings to be made by shopping around. Energy markets have never been more competitive. Remember that domestic premises qualify for a reduced rate of VAT, we have found cases where some larger properties are being charged at non-domestic rates, a full 17.5%.

Raising Income

Apart from controlling expenditure, the other point to consider is the income a house could generate. Activities such as weddings, film locations and bed and breakfast can all provide useful income, but can be disruptive and sporadic. The letting of surplus land and cottages is likely to provide a much higher, more consistent

and trouble free income, although care always needs to be taken with tenant selection, and any agreements need to be properly drawn up.

Potential Pitfalls

With any kind of business generation, there are potential pitfalls, and the letting of property is no exception. One of the most obvious pitfalls is the letting of property to an equestrian business or commercial occupier. If the lease is not correctly drafted, the letting could become a protected tenancy under the Landlord and Tenant Act, which could make it very difficult to terminate the tenancy. For a valuable country house, an unwelcome tenant who will not vacate the property could have extremely costly consequences.

Costs Benchmarking

The running costs of a home are a private and personal matter, and will depend on the personal interests and lifestyle of the owner. Nonetheless, it is possible to benchmark costs to ensure that there is efficiency and value for money.

The Country House Consultancy department of Knight Frank advise on country houses throughout the UK and increasingly in Europe. If you would like any further advice, then please contact: Philip Eddell on 01488 688500 or philip.eddell@knightfrank.com