



UNITING 5 FAMILIES TO TALK ABOUT THEIR CASTLE OWNERSHIP EXPERIENCES

FAMILY REUNION NOTES
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THE FAMILY MEMBER CASTLE REUNION

TwoTwentyDots, the private members' club that links family offices together around luxury assets and private investments, regularly organized private and restricted event for family offices to discuss their experiences around superyachts, private jets, art acquisitions, collectables ... and most recently around the fact of owning a CASTLE.

Early June 2022, we united 5 families in a luxury hotel in Monaco to discuss their castle ownership experiences, and more in particular, share names of service companies, craftsmen that did a great job for them. Two families already owned a historical castle, two a recent build one and the last family was looking to leave their mansion for a castle.

The fact of having few selected people around the table gives every participant the opportunity to learn and share experiences in a open and well focused environment.

For confidentiality reasons, we never divulgate names, neither share pictures of the event.

Here are our « conference finding notes » that we can share with all of you. All images in this document are just for illustration.



SO WHY ACQUIRE A CASTLE?

Buying a house in normal... buying a castle is exceptional. And surprisingly, many castles are pretty accessible but with several setbacks. So what are the pros and cons of buying and renovating a historical castle or build a brand new one.

1. Live in your very own castle to show you made it.

Many people dream of owning a castle surrounded by water and a park including the charming prince or princess arriving on a horse. Being a landlord is something special and cuts you from our constantly accelerating environment. You'll have the space and money to have the craziest features from you dream list like a huge spiral staircase, a Versailles alike fountain, statues and perhaps even a vineyard, a ballroom or your own library.

A castle is a living place and invites you to have weekend-events with friends, relatives and business contacts. It allows you to have fun and underline your lifestyle (confirming you know what is the best on earth). Depending on the site, there could be events on the lake, in the park (hunting), small fireworks, musicians playing on the terrasse... all is possible.

2. Buying a historical castle and turn it into a transmission project.

Many historical castles have accessible prices and they are filled with history, testimonies of political intrigues, battles, change of cultures... Our 2 historical castle owners told us the restoration is just the technical part but the thing that makes it fun is respecting the castles history and lifestyle. Historical accuracy is key so many hours are spend in regional in libraries and museums struggling through lots of documents, paintings, testimonies to make it work.

One of the interesting thing to note was that opening the doors for external visitors, organising events was not a question of money but an unexpressed obligation to transmit the history of the castle to others. OK, it is nice to have some extra money for the renovation works but this is just optional.

3. Turning a Castle into a business.

Not everyone can buy a castle just as a living place so many add some commercial services to it. This could be some hotel services, some ceremony spaces for weddings or even restore it so history geeks will come and visit it as a local legacy of the past.

4. Showing you are a cultivated builder

While every construction company can build office building or shopping centres, only kings can mobilize the best architects, designer, craftsmen to create a castle and its surroundings.



BUYING A HISTORICAL CASTLE

Before all, living in a historical castle is all about a lifestyle, a lifestyle based on historical references and frameworks. Owners of such castles don't see it as an ownership but as a precious thing that needs to be conserved and transmitted to the next generations.

The pros

- Owning a one-of-a-kind castle with a potentially rich history is extremely valuable as you can share its historical legacy with all the people you meet.
- Owners feel the importance of building around the castle a whole set of service and attributes to reinforce the cultural heritage of the castle. For example, when inviting people to dinner, they will try to impress them with historical meal recipes. Perhaps not 100% historically exact, the haut-culinary cuisine of ancient times makes it a nice experience.
- Owners enjoy unique features they might never have imagined. For example, we see a lot of chapels transformed in private concert halls inviting local musicians, movie theatres, gym rooms and so on.
- Many governments offer tax advantages when owning, restoring and maintaining a historical castle. Something you won't have for a new-build house.
- It is just so prestigious to own one!

The cons

- You can't choose the castle's location so you have to live there. Some castles can be moved brick by brick to another location but you destroy the historical environment with it.
- Many castles are protected by law (particularly in Europe) so you can't do what you want.
- Restoration can be much more expensive than building a brand new castle yourself.
- Old castles lack many of today facilities. How to manage high internet bandwidth? How to install sustainable energy solutions (you can't put solar panels on the roof). How to insulate it to reduce heating costs... a lot of questions your architects and designers have to answer.
- Castles have small windows as they were designed as a defence protection. So it will be rather dark inside while nowadays, we like large windows to capture sunlight.



TESTIMONY OF HISTORICAL HERITAGE DEEP-DIVE VISIT

TESTIMONY of a deep-dive visit of a historical castle by ERIK VAN ROMPAY,

It is always a nice experience being invited by a landlord in a historical castle – this time in Belgium. I was guided around and discovered the history of the castle. How it was built and transformed during the centuries. I learned some spitting details of what happened once in the ballroom, the celebrity that slept in that particular bed room and so on.

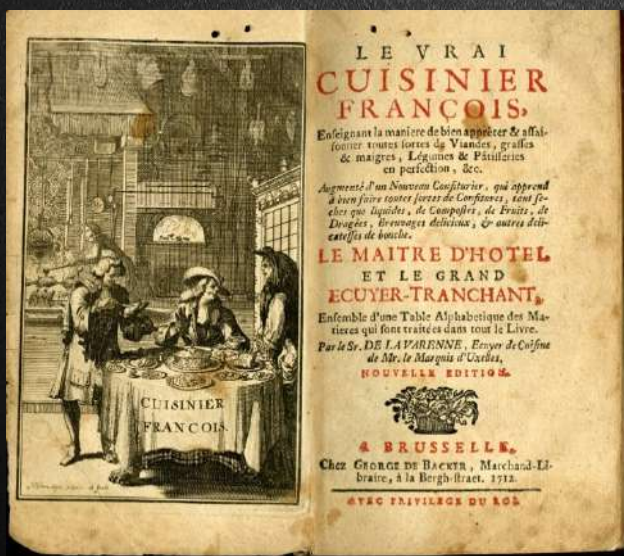
We then went for some “middle-age” exercising with a crossbow as the owner detected there used to be a “training” installation for the soldiers in his castle so he rebuilt the facilities.

In the evening, I was served a historic meal based on the cooking books of Cuisinier François, one of the famous kitchen chef of Louis 14th. The main meal and the desert came from both books he published and I was also served a glass of a local wine created using traditional methods.

For the night, I slept on a typical 18th century mattresses made of bark of straw and feathers, covered with a thick fabric covered with satin and brocades, not mentioning the short bed so I really felt sleeping like in the 18th century.

To be hosted for the weekend was for me a one-of-a-kind learning experience where I discovered a lot of ancient practices and customs. The cultural heritage transmission worked!

A great thanks to the family°.



BUILDING YOUR BRAND NEW CASTLE

Creating your own castle allows you to build your vision without using someone else's template. It reflects who you are and how you live. Of course, you can be a copy-cat by reusing the layouts of a historical castle to rebuild an identical one at your place but it will never have the same feeling.

The pros

- You can really build your dream house according your lifestyle and not have to juggle to get it inside a historical castle.
- You can ensure yourself that it is built solidly according to modern standards. You can easily integrate certain modern facilities like a swimming pool, a large garage for your cars attached to the building (avoiding to reuse the nearby stables).
- You have more flexibility for the location. You just need to find sufficient land and respect some building permit regulations but that is nothing compared to the historical-structure regulations someone can find at many places.
- You can add the unique features you want. For example a helicopter landing place on the roof of the house (which you can't do on a historical building).
- You can add a lot of extra elements that underline your lifestyle. While you are a little bit more "ancient" focused for paintings in a historical castle, you now can pick all kinds of artwork (historical & recent).
- When inviting people, you can focus on latest culinary trends. Innovations or quality first!
- It is just so esteemed to own one!

The cons

- The most complicated element is finding the right architect and designer that can understand what your desires are. Seems simple but no architect was trained to build castles so it will be tough to get what you want. There is a big difference between a castle and a huge villa!
- You need to find a specialized construction company to deliver. We are not longer calling in construction workers but skilled craftsmen – even for the pouring of the concrete, all has to be perfect.
- You can have a modern interior (with works from modern artists) or give it a more historical approach by adding precious and old paintings, statues and decoration items. Even with that, you will never get an authentic historical structure so all depends on your living style/taste and qualities of your interior designer.



TIPS FOR CASTLE BUYERS

Buying a castle may sound like a fairy-tale but many things can go wrong. Before taking the plunge, consider these 5 points of caution expressed by the participants of our family reunion.

1. You might not like the place.

- Rent a nearby villa first to see how you like the environment (in the summer and in the winter time). It is a shame living in a place you don't like.
- A castle is "isolated" so you won't have people around you. If you love living in city centres, forget it.
- Don't go into the purchase process thinking it'll be easy to sell later. Castles are a niche market and difficult to sell. Take that in mind.

2. Be realistic about renovation or construction costs.

- Renovating a historical castle or building a new one can turn out to be extremely expensive so you have to finish it. Selling an incomplete or half-restored castle is extremely difficult to sell.
- Many historical castles are now protected so you can't do transformation works like you want, but the works can get some nice grants to co-finance it.

3. The purchase price isn't your only expense.

- It's not cheap at all to maintain a castle. Consider expenses like gardening, personnel, structural maintenance, heating and air-conditioning, lake maintenance...and even local travel costs as you need a car for every move.

4. A castle may not come with much land or vineyards.

- Look what you get for the price. In many cases, the owner sells just the castle and keeps the lands and even vineyards for his own use. In fact, many castles are sold without much land what is a pity.

5. Research your host country's residence laws.

- If you want to live in your castle, you might have to apply for a green card or permanent-resident status in your host country. This can be a tricky process, so do your research before buying your castle. For example, in Switzerland you can't buy a castle as a residence unless you're a Swiss citizen or permanent resident. So consult with a specialized realtor in the region.
- Also look to other constraints. Perhaps local laws prohibit you to land with your helicopter or restrict you to use water for your green.

A CASTLE, A MANSION OR A PALACE ?

We focused in our June 2022 family office reunion on CASTLE owners and not those having a mansion or palace. As always, there are many exceptions but for us, these elements to explain the differences:

A castle

- Located on the country side
- Integrated in the landscape (having a lake, trees, lawns, moat...)
- Lots of rooms (above 100)
- Have some historical background and/or are build on top of an old castle.
- A defence origin (to protect the landlords from harm – or military fortress) or from the 18th century, buildings with very long lavish castle facades to impress.

A Mansion

- Can be found everywhere and in many cases, in cities or close to cities
- Have in many cases a “square” architectural base plan
- A place that is family focused (with sometimes farm-focused)
- Has fewer rooms than castles (regularly 30, 50... but not 100)

A Palace

- Is build by a royalty (or elected president) for living and some working. A royalty entering a an existing building like a mansion never turns is around into a Palace.
- Are exceptionally lavish using high luxury materials installed by the best possible craftsmen.



HOW VALUATING A CASTLE?

Not an easy task to estimate the value of a castle as each case is different and the criteria fluctuate in time.

As a living place, the surface of the castle and the surrounding land (ideally with a vineyard) itself counts less than the history of the castle. The value goes up if you have a full documentation set of things that happened in the past like celebrities that spend some time in the castle.

Many castles have a split use. A first part used for living while another can hosts a business activity. Some castles became hotels, others offer ceremony spaces for weddings, anniversaries... and so one. Others are focusing on heritage tours for "museum visitors". Some castles close to cities or research parks are now used as office buildings. So the valuation will be a sum of the activities present in the castle.

Concerning the state of the castle itself, a valuation also depends on the physical condition of the building as well maintained ones are just great to sell. As always, there are exceptions. Like almost all actual castles were build on older foundations, check if the law permits you to do so and you can buy a ruin, tear it down build a brand new castle on the old foundations. It is the easiest way to prove you have a (modern) castle.

As nothing is written, the valuation price of a castle just depends on the agreement made between seller and buyer. At 220dots, we've seen castles with a price ticket of \$450M being sold for \$320M.



TWOTWENTYDOTS

The private members' club that links family offices/UHNWI together to exchange about high-end physical lifestyle assets (yachts, jets, helicopters, marinas, private islands, artwork...).

Don't hesitate to contact us at 220@220dots.com !

