

An illustration of preservation work in the Netherlands

There are well over 40,000 protected monuments and historic buildings in the Netherlands, i.e. buildings which have been listed in the 'Register of Protected Monuments and Historic Buildings' by the Ministry of Culture. The 1961 Monuments and Historic Buildings Act, under which the Minister is responsible for the maintenance and upkeep of such properties, defines these as 'buildings such as dwellings, churches, farmhouses, windmills, town halls, castles and country houses which are more than 50 years old and which are of general interest because of their beauty or their academic or historical significance'. The 1961 Act is about to be updated in order to make allowances for changes that have occurred and experience that has been gained over the past 25 years.

Nowadays, monuments and historic buildings are increasingly in the limelight. Large numbers of non-governmental national, provincial and local organizations, as well as societies and private individuals, are actively involved in preservation work. In order to ensure that historic buildings are protected and their value recognized, the Monuments and Historic Buildings Act incorporates various rules, one of which is that permission must be obtained from the Minister of Culture before any conservation or refurbishment work can be carried out. This means that owners are not entirely free to do as they like with their properties. On the other hand, there are also a number of arrangements and schemes of which owners can take advantage in maintaining their properties, and which are not available to owners of buildings not listed in the Historic Buildings Register. The most important of these are a government grant scheme and special tax facilities.

Of the non-governmental organizations, various housing associations are able to play an important role in conserving the Dutch architectural heritage. Only housing associations which are recognized as restoration bodies by the Ministry of Culture are allowed to restore listed buildings. In this way, they are assured of receiving financial support from the central, provincial and local authorities.

Grants for the restoration of listed buildings are made under the government's Grant Scheme for the Restoration of Monuments and Historic Buildings. The amount paid in the form of a grant is a percentage of the eligible restoration cost as determined by the authorities, and comprise those costs which are inevitable if the historic value and character of the building in question is to be maintained. They do not include, for example, the cost of modernizing a kitchen or installing central heating, even if such work is carried out at the same time as the restoration. The actual percentage disbursed depends, among other things, on the type of building in question (50% is the basic figure for windmills, whilst this is only 30% in the case of houses) and on whether or not costs incurred are tax deductible. In cases in which owners of historic buildings are unable to obtain tax relief on costs (this would apply to municipal authorities, church authorities, housing associations and other non-profit-making bodies), the basic percentage is raised by 30%. In other words, a housing association would qualify for 30% + 30% = 60% from the central and local authorities, on top of which would come a further 5% to 10% from the provincial authorities.

Owners who are able to deduct costs for tax may be eligible for a restoration mortgage instead of an increased grant. Such mortgage loans are granted on very favourable terms and also cover up to 30% of the eligible restoration costs. If some of the costs are also offset against tax, the two arrangements would come to more or less the same net figure. The interest rate applying to these 'soft' mortgages would usually be some 5% below the prevailing market rate.

As from 1 January 1986, such mortgages have been provided by the 'National Restoration Fund' under an arrangement made with the central government to make grants to the owners of historic buildings who can offset costs incurred and interest paid against tax. The Fund receives its finances from the Ministry of Culture (non-interest-bearing payments which do not carry any repayment obligation) and from insurance companies, which lend funds at a rate equal to the average interest rate on recent loans raised by the central government. Moreover, if a housing association is recognized by the Ministry of Housing, it is also assured of receiving financial support from this ministry, the only condition attached to this being that it must restore historic buildings in such a way as to allow them subsequently to be rented to people in lower income brackets. Such restoration work is very modest in scale and has to comply with strict rules regarding the interior of the houses.

There are two main points to be made in connection with the funding of this type of restoration work. Firstly, the authorities guarantee the payments of interest and repayments of principal, so that it is possible for the terms to be set more favourably than would otherwise be the case. Secondly, the difference between the rent as calculated on a cost-price basis and the amount of rent actually received from low-income tenants is paid once a year by the Ministry of Housing to the housing association in question. The Ministry of Housing to the housing association in question. The Ministry of Culture, it should be pointed out, only pays grants for work relating to the restoration of the basic structure of a historic building.

As an illustration of how this all works in practice, I should now like to tell you something about the work of the company of which I am privileged to be the Managing Director. The Amsterdam Urban Restoration Company is, in fact, two things at once: an ordinary housing association and a restoration body working on the same basis as commercial companies in the Netherlands. Our restoration activities are centred on Amsterdam, a city with about 7,000 listed buildings within its limits - by far the largest number in a single town in this country. Stadsherstel has been in operation for 30 years now and its working methods depart from the principle that 'conservation should be made to pay for itself'. In 1956, mindful of this principle, an Amsterdam businessman approached nine Dutch insurance companies, two shipping companies and two banks. Together, they were persuaded to put up a combined share capital of over 1.1 million guilders, worth some US\$ 290,000 at the time.

This formed the basis for the future. The company they founded was set up in the same way as any other limited liability company in the Netherlands. Policy is drawn up by a Supervisory Board, whilst day-to-day executive power is in the hands of a Managing Director. At the same time, Stadsherstel is also registered as a housing association, entitling it to advantageous tax treatment. By the same token, this also entails a restriction placed on the level of dividend which may be paid. According to the Articles of Association, the amount of dividend paid must be 'in accordance with the character of the company'. This means that, although the consent of the Minister of Housing is officially required for this, dividend payments can be made roughly equivalent to the interest rate payable on State loans. In practice, this has meant an annual dividend of 5%. However, it should be pointed out that the shares earn 5% cumulatively, which means that, if it is not possible to pay the full 5% in a given year, this has to be made good as soon as profits allow for it. There is a further advantage for the majority of the larger shareholders (those holding over 5% of the issued share capital): dividend payments are exempt from tax. As corporation tax in the Netherlands is now levied at a rate of just under 50%, these shareholders receive between 9 1/2% and 10% in real terms.

Today, the company boasts a total of 73 shareholders. It has an issued share

capital of 41 million guilders (US\$ 20.5 million at the present rate of exchange), and the annual income earns from rents paid by tenants of the 320 properties owned by the company amounts to 6 million guilders (US\$ 3 million).

As an example of an extensive conservation and restoration project which we have carried out recently, perhaps I could describe to you our work on the 'Blaeu Erf' site near the Royal Palace right in the centre of Amsterdam, one of the oldest parts of the city. The outer structure of most of the 20 premises making up the site originates from the 18th century. When we acquired the complex, it was in a very poor condition as a result of fires, vacancy and the damage inflicted by squatters who had been in it since 1972. Because the foundations had already been condemned and the entire complex was suffering from wet rot, we were compelled to dismantle the greater part of the edifice before we could start rebuilding it in its previous shape.

Following restoration and rebuilding, the complex now accommodates 8 shops, 2 pubs, and 46 flats. Of the latter, it was possible to let 30 at special rents for tenants on a low income and the remaining 16 at the normal rate. Finally, two of the houses now contain accommodation for 13 female students, including a communal kitchen, a dining room and a sitting room.

The restoration of these 20 houses was also important if we were to be able to preserve the delicate medieval street pattern in this part of the city centre, as well as the still fairly sound structure of that part of Nieuwezijds Voorburgwal, a street that used to be a canal, along which part of the complex is situated.

The total cost of restoring and rebuilding the complex was about Hfl. 11,600,000 (US\$ 5.8 million). Of this amount, we received Hfl. 5,700,000 (US\$ 2.9 million) in subsidies or grants from the central, provincial and local authorities. Total annual rent revenue is Hfl. 463,000 (US\$ 230,000), including the payment made by the Ministry of Housing to make up the difference between the rent calculated on a cost-price basis and the rent actually charged.

It is undeniable that, in the 30 years of its existence, the Amsterdam Urban Restoration Company has made a major contribution to efforts to preserve the character of the Dutch capital. Amsterdam would look very different today without all the work we have put in. Our success forms a further justification of the formula of a relatively small, self-motivated private enterprise working in close collaboration with various authorities. For it is hard to imagine that a similar amount of work could have been done by any official organization with a staff of just 17 (12 professional and 5 clerical staff) and with overheads accounting for about 13% of its annual turnover. Perhaps our continuing success story will serve as an example to other towns and countries.

I should not, however, wish to conclude my paper without mentioning two other organizations which play an important role in conservation work on a nationwide scale.

First, I should like to refer to the National Coordination Committee for the Preservation of Monuments and Historic Buildings. This committee acts as the umbrella organization for more than 300 non-governmental bodies such as my own company. It represents, in its dialogue with the central government and with the Ministry of Culture in particular, the interests of organizations working in the fields of restoration and conservation. It also advises the central government of all matters which are of importance for the preservation of our cultural heritage in general, and for the interest of its members all over the country in particular.

Secondly, there is Monumentenwacht (the National Association for the Inspection of Historic Buildings), which is also a private initiative and is active throughout the Netherlands in saving historically valuable buildings from decay. It takes timely preventive action by performing regular inspections of listed buildings which are owned by members so the association and if necessary taking care of minor repairs (for which it only charges the cost price). In other words, it never completely restores any historic building as my own company does; its work is purely preventive and is designed to avoid expensive restoration work at a later date. You will be able to imagine that this approach saves a vast amount of money in the long run and keeps a large number of historic buildings, where possible, in a permanent state of good repair. It is an approach which I believe could be copied with great success in other countries all over the world.

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Abstract

An illustration of preservation work in the Netherlands

There are well over 40,000 protected monuments and historic buildings in the Netherlands, i.e. buildings which have been listed in the 'Register of Protected Monuments and Historic buildings Act of 1961. This act contains a number of provisions the purpose of which is to ensure that historic buildings are protected and their value recognized. For instance, permission must be obtained from the Minister of Culture before any conservation or refurbishment work can be carried out. To stimulate conservation, however, there are also arrangements and schemes in existence designed to allow owners to maintain their properties. The most important of these are government grants and special tax facilities.

An illustration of a non-governmental organization playing an important role in preserving the Dutch architectural heritage is provided by the 'Amsterdam Urban Restoration Company' ('Stadsherstel). This is not only an ordinary housing association, but at the same time a restoration body operating on the same basis as commercial companies in the Netherlands. Organized on the same lines as any other Dutch limited liability company, the company has a Supervisory Board that is responsible for laying down policy, whilst day-to-day executive power is in the hands of a Managing Director. As a housing association, it obtains advantageous tax treatment, but acquires its financial resources by issuing shares subject to a limited dividend percentage.

Since its inception 30 years ago, this company has paid a 5% dividend each year to its shareholders, which comprise banks, insurance companies and the municipal authority of Amsterdam. The dividend is paid on a cumulative basis, and shareholders holding over 5% of the issued capital are exempt from dividend tax. In other words, they receive a return in real terms of 9 1/2 %, given that Dutch corporation tax is now at just under 50%. Today, the company owns 320 properties, has a share capital of US\$ 20.5 million, and turns over US\$ 3 million in rent each year.

Two organizations also deserve mention in a discussion of preservation work in the Netherlands, as they both make valuable contributions on a national scale. Firstly, the National Coordination Committee for the Preservation of Monuments and Historic Buildings, which represents organizations active in restoration and conservation, in dealing with the central government in general and the Ministry of Culture in particular. It also advises the central government on matters that are of importance for the conservation of the Dutch cultural heritage in general and for its members in particular. Secondly, there is Monumentenwacht (the National Association for the Inspection of Historic Buildings), which performs regular inspections on behalf of its members with the aim of preserving historically significant buildings throughout the country from decay. If necessary, it will carry out minor repairs at cost price in order to avoid expensive restoration work at a subsequent stage, and thus sees to it that historic buildings are permanently maintained in a good state of repair.

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RESUME

Exemples de restauration de monuments et de bâtiments historiques aux Pays-Bas:

Il existe aux Pays-Bas plus de 40.000 monuments et bâtiments historiques classés, c'est-à-dire inscrits au "Registre des Monuments et Bâtiments Historique Classés" par le Ministère des Affaires Culturelles, et par conséquent soumis à la Loi sur les Monuments et Bâtiments Historiques de 1961. Cette loi pose un certain nombre de règles visant à assurer leur sauvegarde et à reconnaître leur valeur.

Par exemple, l'autorisative du Ministère des Affaires Culturelles doit être obtenue préalablement l'entreprise de travaux de restauration ou de décoration intérieure. Cependant, afin d'encourager la sauvegarde du patrimoine, il existe des facilités et des systèmes, en particulier les subventions gouvernementales et les dégrèvements d'impôt, destinés à aider le propriétaire à entretenir son bien. Un des organismes non-gouvernementaux les plus efficaces dans l'oeuvre de sauvegarde du patrimoine architectural hollandais est la Société Anonyme d'Amsterdam pour la Rénovation Urbaine, qui fait office à la fois d'Association pour le logement et d'organisme de restauration. Elle fonctionne selon les mêmes principes qu'une société commerciale hollandaise ordinaire. La politique de cette société comme celle de toute autre SARL hollandaise, est établie par un Conseil de Surveillance, la direction de la surveillance étant assurée en permanence par un P.D.G. En tant qu'Association pour le Logement, elle jouit d'un statut fiscal avantageux, mais elle obtient ses moyens financiers grâce aux actions qu'elle émet, et sur lesquelles elle verse des dividendes très limités.

Depuis la fondation de cette société, il y a trente ans, un dividende de 5% est versé tous les ans aux actionnaires, aux banques, aux compagnies d'assurance et à la municipalité d'Amsterdam. Non seulement ces 5% peuvent s'accumuler, mais les actionnaires détenant plus de 5% du capital souscrit sont exempts d'impôt sur les dividendes. Ils jouissent donc en termes réels d'un rendement de 9,5%, puisque la taxe de la Corporation Hollandaise se situe juste en-dessous des 50%. Cette société possède de nos jours 320 propriétés, un capital actions de 20,5 millions de dollars et un revenu locatif de 3 millions de dollars par an. Il faut ajouter à tout cela le nom de deux organismes qui jouent un rôle prépondérant pour la sauvegarde du patrimoine au niveau national. D'abord, le Comité National de Coordination de la Protection des Bâtiments Historiques, qui représente les intérêts des organismes oeuvrant pour la restauration et la sauvegarde du patrimoine auprès du gouvernement, c'est-à-dire de Ministère des Affaires Culturelles. Ce comité a également pour tâche de conseiller le gouvernement en matière de sauvegarde du patrimoine culturel en général et pour des actions plus spécifiques. Il existe également l'Association Nationale pour l'Inspection des Monuments Historiques chargée de préserver de la ruine les monuments historiques de grande valeur sur l'ensemble du territoire en procédant à des inspections régulières des bâtiments classés. Lorsque cela est nécessaire, elle se charge des réparations courantes, sur la base du prix coûtant, afin d'éviter de coûteuses restaurations tardives et de maintenir les monuments en bon état permanent.

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