



REVAB

Reuse and Valorisation of Agricultural Building
through training based on real experiences

MODULE 2

Planning a project for building reuse and valorisation:
Main principles and approach to follow



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OBJETIVES

By studying Module 2, the student can acquire concrete knowledge on the main elements to take into consideration for a realistic approach to a reuse project. The module represents a basic guideline to set up a good project and to avoid the risk of failure.

This module addresses the student's needs in different situations, in terms of strategies, economic analysis, and marketing and management in order to:

- Stimulate an entrepreneurial approach to the use of abandoned buildings in rural areas;
- Facilitate access to new opportunities for social and economic activity in rural areas;
- Educate young farmers on promoting local history and generating income by using old buildings.



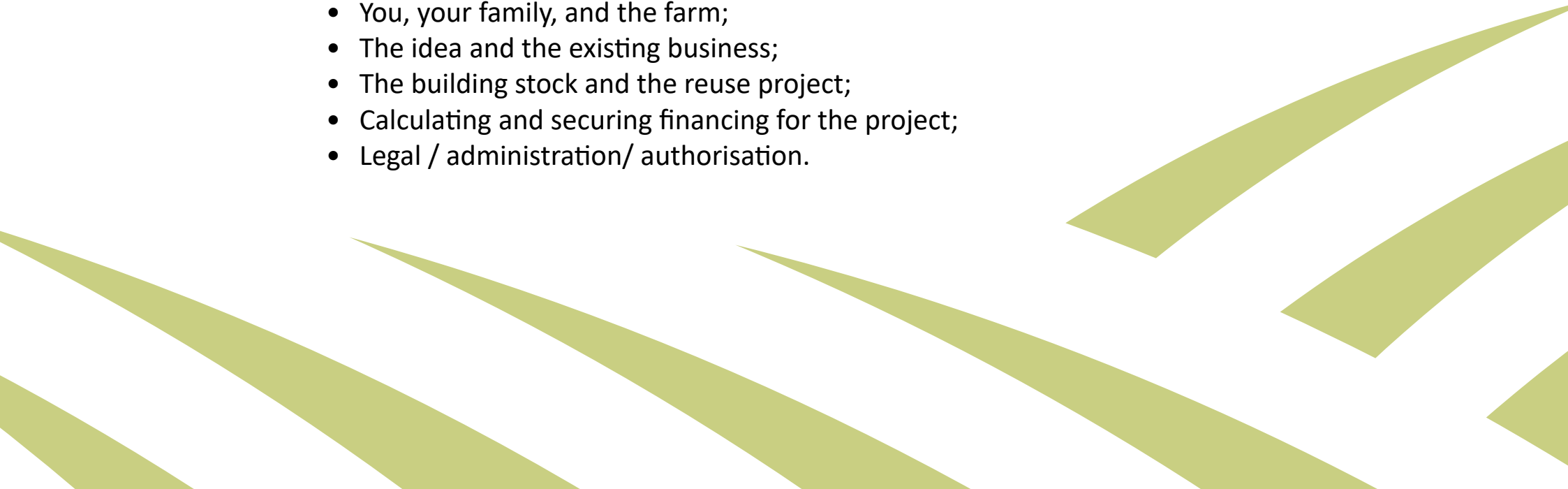


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- Economic, social and cultural reasons to prioritise reuse;
- A way to avoid the consumption of agricultural land;
- A way to safeguard and valorise the building's heritage;
- Save money and generate additional income.

2. How to set up your reuse project

- You, your family, and the farm;
 - The idea and the existing business;
 - The building stock and the reuse project;
 - Calculating and securing financing for the project;
 - Legal / administration/ authorisation.
- 



1. Why building reuse is the best choice



Over the last 100 years, agriculture has been transformed by processes of globalisation and consolidation of land ownership;

Many small and medium-sized farms lost their economic viability and their owners stopped using the agricultural buildings;

Older farmers do not have the necessary resources for maintaining the buildings or developing the agricultural activities further;

Restoring old buildings can be more in keeping with the rural landscape than building new ones;

The re-use of old buildings contributes to the preservation of rural areas, local traditions, culture and identity of villages.



1. Why building reuse is the best choice



ECONOMIC, SOCIAL AND CULTURAL REASONS TO PRIORITISE REUSE

ECONOMIC REASONS

- From a purely economic point of view, these buildings are a resource;
- They have been constructed on agricultural land. By using the old buildings, we reduce the excessive use of agricultural land for construction and we contribute for the sustainable development of the economy in rural areas.

SOCIAL ASPECTS

- The old buildings can open up new opportunities for economic and social activities;
- The re-use of old buildings supports local employment;
- Some buildings can be used as centres for social activities e.g. nursing homes, clubs for pensioners or other social groups, centers for visitors etc.



1. Why building reuse is the best choice



ECONOMIC, SOCIAL AND CULTURAL REASONS TO PRIORITISE REUSE

CULTURAL AND HISTORICAL REASONS

- Each of these buildings carries the traces of their time and reflects traditions, culture, folklore, and typical architecture and ornamentation of different periods;
- These buildings can perform cultural and educational functions. When they are preserved and renovated, they can serve as a bridge between generations.





1. Why building reuse is the best choice



A WAY TO AVOID THE CONSUMPTION OF AGRICULTURAL LAND

- Reusing existing buildings in agricultural areas, means that, on the one hand, rural cultural and historical heritage is preserved, and on the other hand, it avoids the excessive use of agricultural land for new construction;
- With the re-use of old buildings, we reduce the waste and abuse of land in rural areas.
- These buildings were once built on fertile farmland to benefit their owners for agricultural development;
- Today, because of the processes of urbanization, there is less fertile land available;
- The reuse of these buildings has the effect of conserving agricultural areas for their main purpose – the agriculture!



1. Why building reuse is the best choice



A WAY TO SAFEGUARD AND VALORIZE THE BUILDING'S HERITAGE

- A building always carries with it the spirit and culture of its time and of the generations that once lived on these lands;
- A ruin in a rural areas contains information about the lives of our ancestors. It is like a book written by an anonymous author in which we can find the history of the local territory.





1. Why building reuse is the best choice



SAVE MONEY AND GENERATE ADDITIONAL INCOME

- The history of these buildings is a history of society, and their future is the responsibility of the present generation to ensure their continuity in a sustainable way;
- Restoring an old building means saving the history, the culture and the memory of the people who built it.
- Saving in two ways: 1. History from being lost;
2. Agricultural land from new construction.



1. Why building reuse is the best choice



SAVE MONEY AND GENERATE ADDITIONAL INCOME

A WAY TO SAVE

By giving new life to an old building, we save part of the historical heritage of the countryside, keep the land for future generations, and develop the potential for new economic activities;

The old farm buildings can be used for the same purposes, but with reinforced structure and renovated façade, or they can be used for quite different purposes - a winery, a visitor center, a museum, a commercial site or a tourist attraction.





2. How to set up your reuse project



THE IDEA

Since you are reading this training module, you already did the most important step and started to think about reuse and valorization.

Maybe you already have a rough idea about what you plan to do.

Take a step back and write down what comes to your mind in the following fields.

You can use this as a basis for the subsequent steps.

THINK ABOUT	
Your reuse idea	Yourself
<ul style="list-style-type: none">● Goals, where to go with the project;● Core of the business;● Further use for the farm and/or agricultural activity;● Existing resources, resources that are needed;● Effect on you/your surroundings;● Correlation with current situation on the farm.	<ul style="list-style-type: none">● Feelings, hopes, doubts, aspirations;● Skills and knowledge;● Plans;● Abilities, network, capacities.



2. How to set up your reuse project



GATHER ALL NECESSARY INFORMATION

- Use all available resources to gather relevant information: internet, professional journals, feedback from people around you or your colleagues, or companies that could give professional advice.
- It can be very helpful to visit other projects, learn from their experiences and get new ideas for your own project.
- Once you have written down your reflections on your reuse idea, you have something to hold on to, and to develop and update.
- On the following slides, we go through different fields that accompany a reuse project and deepen the thoughts we just wrote down:

To get an impression of reuse projects from all over Europe, we recommend having a look at the **case studies** on the REVAB homepage.

Various projects from different countries show what is possible and how it can be done!



2. How to set up your reuse project



YOU, YOUR FAMILY, AND THE FARM

A. As an entrepreneur, you usually have to live and work with the reuse project for quite a long time. It is very important that it fits with you, your situation and your family, as you may go through challenging times where you really have to be convinced by the project.

Carrying out a reuse project can be very challenging. The ideas need to fit with your abilities.

It is important to:

- Have experience or at least know people with experience in the field of reuse;
- Have knowledge/training in the respective field or – if not, you need to know how and where you can gain this knowledge;
- Have free capacity (money, time etc.) or have feasible plans about how to create capacities and where/how to get money;
- Cope with different interpersonal relationships with authorities, architects, banks etc.;
- Be persistent and resilient, and learn to cope with stress.



2. How to set up your reuse project



YOU, YOUR FAMILY, AND THE FARM

B. Your Family:

A very important point to think about is your family. In different ways, family members can be involved and help you (or have core functions) within the implementation and maintenance of the project. Think about how your family members can be involved in the project and support the overall process of reuse.

Consider the living conditions too. You need enough private space and clear arrangements in order to prevent conflict and to ensure you have enough privacy. Is there enough room to retreat to during and after the reuse project?





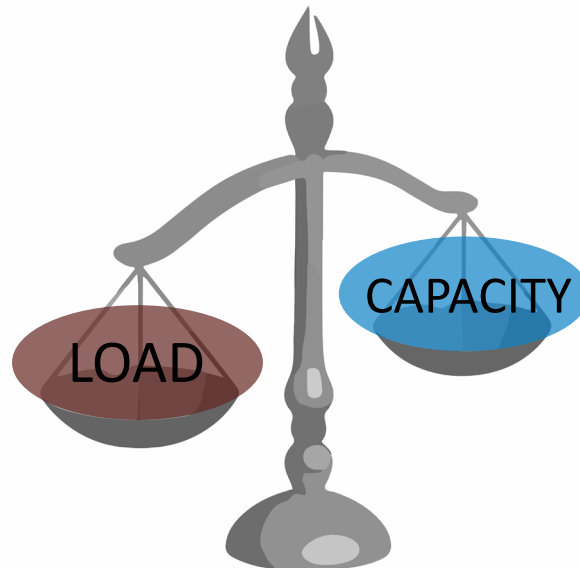
2. How to set up your reuse project



THE IDEA AND THE EXISTING BUSINESS

A. Establishing and maintaining a reuse project ties up many capacities that you either have to free up from your daily business, or you need to increase your workforce (external workers, friends, other helpers).

Having enough capacity is one of the most important points to think about before starting a reuse project.





2. How to set up your reuse project



THE IDEA AND THE EXISTING BUSINESS

B. Almost as important as free capacity is the underlying idea which influences the success of the reuse project. The following basic points should be mentioned:

- Sustainability of the idea;
- Does the idea fit with the region (tourism, popularity of regional products etc.)?
- Market analysis as a basis for your idea;
- Expandability of the idea if maybe your children want to join the business;
- Capacity for the project to change after some years for a different purpose (e.g. apartments for vacation on the farm could be converted into family living space).





2. How to set up your reuse project



THE IDEA AND THE EXISTING BUSINESS

C. The idea for the reuse project must also include the goal you want to achieve.

Goals can be as followed:

- To preserve an old building;
- To gain as much income as you need to cover the costs;
- To generate income;
- To diversify your business with the reuse project.





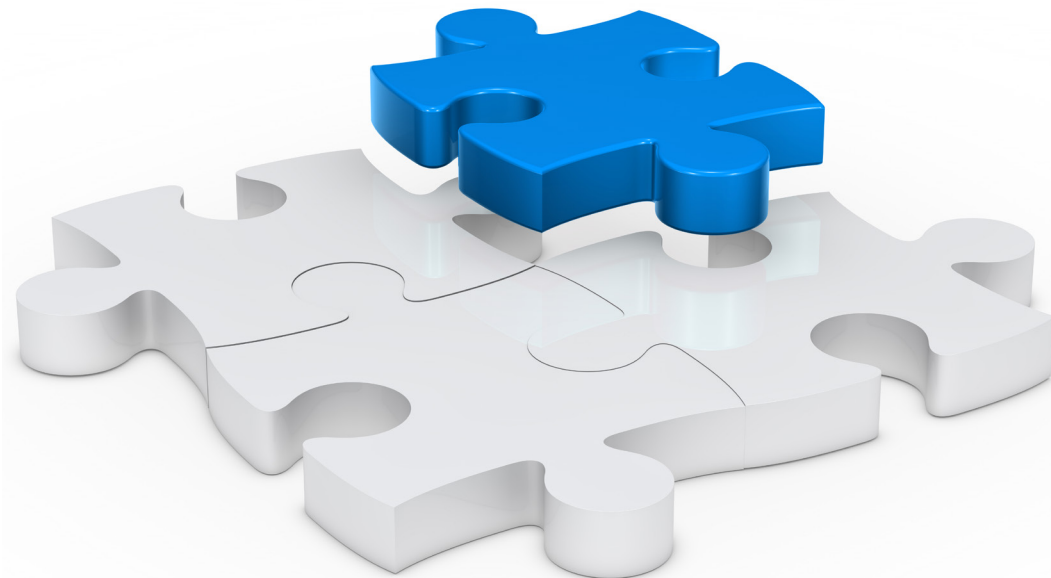
2. How to set up your reuse project



THE IDEA AND THE EXISTING BUSINESS

D. Include the farm as it stands and its properties in your thinking:

- Location of the farm and accessibility via car, public transport etc.;
- Proximity to sights of public interest or any attractions;
- Are there any competitors? How can you define and communicate the benefit of your idea?
- Appropriate weather and landscape for your idea.





2. How to set up your reuse project



THE IDEA AND THE EXISTING BUSINESS

E. Reusing a building can also mean changing the operational form of your farm. For instance, if your farm has been operated as a part-time-farm, with the reuse project it may be extended and operated on a full time basis with a different orientation.

The type of reuse you are planning will influence this. For example, if the reuse project will complete and complement your current business, or if you will implement a new or even contrary branch to your current focus.

In any case, the reuse project should support your business and not be “just for fun” or even in conflict with your other plans for work and life.



2. How to set up your reuse project

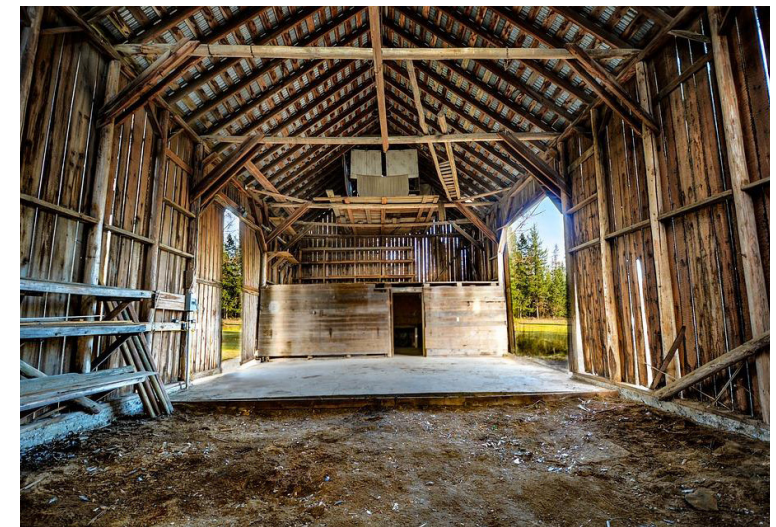


THE IDEA AND THE EXISTING BUSINESS

F. There are many different ways to reuse and valorize buildings – especially in an agricultural context. Here we present you with some reuse purposes:

Offices
Farm stay
Additional living space
Catering
Restaurant
Event venue
Direct marketing
Workshop

Storage space
Kindergarden
Doctor's practice
Fitness studio
Educational use
Animal/pet lodging
Senior living
Artist's studio





2. How to set up your reuse project



THE BUILDING STOCK AND THE REUSE PROJECT

As a basis for a reuse project, of course you will need a building which isn't in use anymore or which will now be converted. Starting from this point, the complexity and effort required can differ very much.

To be able to plan the reuse project correctly and assume the correct amount of work and human labor, it is important to analyze the building stock in detail.

- Condition of the building stock;
- Extent and effort associated with making the changes;
- Additional facilities for the building which have to be considered while planning the project, like a garden, a pond, parking space etc;
- Access for machines and trucks;
- Insulation of the building;
- Construction type and its usefulness for your reuse purpose;
- Water and electricity supply and sanitation;
- Internet connection



2. How to set up your reuse project



CALCULATING AND SECURING FINANCING FOR THE PROJECT

If you already have a clear picture in mind for the reuse project, then you can start calculating the expenses and the amount of money you will approximately need.

Depending on the national subsidy situation, you might be able to get some “public money”, but always remember: an investment should pay off even without subsidies. You should check carefully if the effort of completing a subsidy application is in proportion to the benefits and the disadvantages you have (e.g. regulations).

To finance means to negotiate! The bank you usually use is not necessarily the cheapest possibility. So it is worth making requests with several options and to check the conditions in each. If you have several offers, you are in a better position to discuss the conditions. In the end, it depends on your expectations for the project and what you intend to achieve (as mentioned in 2c).

See the next slide for a basic calculation you can use for your reuse projects.



2. How to set up your reuse project



CALCULATING AND SECURING FINANCING FOR THE PROJECT

Example calculation

	calculation of cost covering rent		calculation of profitable rent
Rental Space in m2	600	Rental Space in m2	600
Value of the ground	100.000 €	Value of the ground	100.000 €
Value of existing building	100.000 €	Value of existing building	100.000 €
Invest Equity	20.000 €	Invest Equity	20.000 €
Invest Financing	10.000 €	Invest Financing	10.000 €
Invest Funding	70.000 €	Invest Funding	70.000 €
SUM INVEST	300.000 €	SUM INVEST	300.000 €
Annual Dept service (Annahme: annuitätisch; Zinssatz 3%/a; Laufzeit 10 Jahre)	8.111 €	calculated depreciation (Annahme: Nutzungsdauer 20 Jahre; 5%/a)	10.000 €
Not allocable maintainance of the building (Annahme: 2% der Investitionssumme)	6.000 €	Calculated interest rate for bound capital (Annahme: 3%)	9.000 €
annual costs	14.111 €	Not allocable maintainance of the building (Annahme: 2% der Investitionssumme)	6.000 €
		annual costs	25.000 €
		Expectation of Profit of the entrepreneur	fill in
cost covering rent/m2	1,96 €	rentable monatliche Miete/m2	4,17 €
	economic result		economic result
annual returns in rents	14.111,10 €	annual returns in rents	30.000,00 €
Annual Dept service (Annahme: annuitätisch; Zinssatz 3%/a; Laufzeit 10 Jahre)	8.111 €	Annual Dept service (Annahme: annuitätisch; Zinssatz 3%/a; Laufzeit 10 Jahre)	8.111 €
Not allocable maintainance of the building (Annahme: 2% der Investitionssumme)	6.000 €	Not allocable maintainance of the building (Annahme: 2% der Investitionssumme)	6.000 €
Liquidity before tax	0,00 €	Liquidity before tax	15.888,90 €



2. How to set up your reuse project



LEGAL / ADMINISTRATION/ AUTHORISATION

In this section, you will get some basic recommendations about dealing with the authorities. At local, regional and even more so at national and European level, there are differences in taxation, laws, regulations and public funding around the topic of reuse.

Even if there aren't any clear recommendations for you, this chapter is very important. The more commercial your project will be (storing some wood in your barn for private use is not commercial), the more important it is that you are not running uncalculated risks from an approval and license for operation point of view. We recommend in any case that you involve a lawyer and/or a tax accountant.





2. How to set up your reuse project



LEGAL / ADMINISTRATION/ AUTHORISATION

As soon as you have a clear idea about the reuse project and your first concrete plans, consult the relevant authorities to get clarity on whether your idea can be implemented or if you need to adapt it to legal regulations. If you do this step at the very beginning, you can prevent expensive changes afterwards.

- Involve the building authority from the very beginning;
- Ask architects or planning offices for advice and guidance;
- Check within your network if there are any funding/subsidy programs that can support you;
- Plan sustainable financing together with experienced consultancies or a bank;
- If you have an old building, consider the Antiquities and Monuments Office too;
- Think about national regulations with regards to fire prevention;
- Think about which insurance you need – during the construction phase as well as in the operational phase.

WE WISH YOU SUCCESS WITH YOUR REUSE PROJECT!

