

'Buyer beware', so here's a checklist for those planning to buy a houseboat on the Thames with what you need to ask – Hilary Pereira

Buying a houseboat on the Thames is a high-risk venture in an increasingly expensive yet unregulated market. Since it is buyer beware, you need to be fully informed of the potential pitfalls before committing. This article is for the first-time Thames houseboat buyer and explains some of what you need to watch out for and the questions you need to be asking.

The Thames of course is a lovely place to live by, but increasing numbers also look to live on the Thames. It attracts many who are unfamiliar with residential boat living, maybe brought in by estate agents featuring houseboats alongside flats and houses. Houseboat-living is being presented as a romantic and attractive lifestyle, with a good community, great views of the river and closeness to water birds and other nature. Potential purchasers will form their own view of the suitability of the location. However, from seeing some of the advertisements for houseboats and hearing what can befall some people, it is apparent that it could be quite easy to be taken for an expensive ride. The emphasis on the indeed attractive lifestyle may be at the expense of more essential formalities. The basic assumption is that estate agents and others selling boats are not likely to tell frank lies, but they may very well not provide spontaneously all the information that can be crucial to whether life afloat is possible and can be a success. Do not assume that if a solicitor is used for the purchase that everything will be OK – a non-specialist solicitor may well be ignorant of all the houseboat-relevant issues. This checklist provides prompts for the questions that could be asked of the seller, the estate agent, the solicitor and/or surveyor.

There is different advice which could be given for those hoping to live afloat when based on the canal system, where continuous cruising is a viable option, at least in some parts of the country, though increasingly difficult in London where the numbers living on the canals has doubled in the last 5 yearsⁱ. However, although drafted specifically for the mainstream Thames, some aspects could apply equally well on other waters. The bottom line is **buyer beware**, indeed that was the only rebuttal when one riverside estate agent was challenged recently on a misleading advert. The purpose of this article is to help a novice houseboat-buyer understand those issues of which he/she should be aware. It is for those that are following the standard advice, ie buying a residential boat with an existing mooring agreement, rather than those hoping to find a mooring for an existing boat. This checklist is especially important for those who are after static houseboats rather than mobile vessels, since there are fewer subsequent options were the purchase to turn out to be unsuitable. An evasive answer requires deeper probing. It might also be wise to get responses in writing so there is a record for the future. Only those checks relevant to residential use are covered here: there is a whole lot more about which to be satisfied if the plan is to cruise as well as live on-board.

Residential boats vary enormously from those that were designed to be static, the 'flat-a-floats', to fully mobile craft. The price range goes from £ tens of thousands to a few million. The majority of those on the Thames are owner-occupied boats on rented moorings, though a lucky few moor alongside their own freehold land. Navigational aspects of the non-tidal Thames currently come under the Environment Agency (EA). The tidal river is the navigational responsibility of the Port of

London Authority (PLA)ⁱⁱ. Marinas, docks and tributaries off the main river may come under different authorities, so check what controls they have, including on residential moorings.

The basic problem is that housing is in short supply with Thames-side property sold at a premium. Mooring owners are tempted to sell up for housing, clearing off the existing boats to give the incoming developer a free rein. Alternatively, to maximise income, the moorings could get upgraded for bigger and more expensive houseboats, again leading to the dispersal of the more 'affordable' residential boats. Note there is little legal protection for the boat dweller in this unregulated market and lots of profit for those happy to exploit the gullible. There are even fewer legal protections than for land-based mobile homes. Do not get caught out!

There are many boats which have a mooring agreement as a cruising vessel, but which are lived on full time. There is a delicate dividing line between staying on board at weekends or just during the week, ie whatever the floating equivalent is for 'pied-à-terre', and living afloat full-time: sometimes it suits everyone to continue to turn a blind eye to what is actually happening. If the planning permission does not include full-time residential use, then that is likely to be what is written into the mooring agreement. This means the arrangement is especially vulnerable to a breakdown in the 'understanding' between mooring owner and boat occupant. There are also some moorings where the number of boats lived on is greater than the number officially approved for residential use by the planners. So be confident you know what the formal position is and consider fully the potential consequences before your heart over-rides your head. There are several potential snags from not having all the right approvals for where you live.

The assumption being made is that the houseboat buyer wants to be above board and 'official'. There are several boats on the Thames which are lived on with a squatting status, ie moored without the official permission of whoever owns the relevant mooring rights. Usually, they have to manage without regular access to mains supplies. Intermittently, they get moved on following Court orders and sometimes get fined too and this style of living cannot be recommended. Residential boats without a mooring can have little and sometimes negative value and so go downhill fast. Do not join them.

Does the seller actually own the boat?	A houseboat is a chattel. There are no title deeds, with registration with the UK Ship Register as the nearest equivalent to the land registry for houses, but few houseboats are so registered and it may still be difficult to detect outstanding loans, which can carry forward with the vessel. If a new-build and not buying from them direct, check with the builder if there are any outstanding payments. The small ships register (SSR) gives no statement as to title. Registration with the Environment Agency for the non-tidal Thames likewise provides no security as to ownership.
Is the houseboat fit for purpose?	<p>This is very much more than seeing if there is the required number of sleeping berths, or the bathroom fittings are of the latest design, although one could be forgiven for thinking otherwise from some houseboat advertisements.</p> <p>The river can flow fast and carry much passing traffic, so the requirements for the basic structure can be different from what might suffice in a quiet marina. If grounding can take place on the non-tidal river, eg in times of drought, that can put added strain on the hull and superstructure.</p> <p>The tidal Thames, especially below Putney, can have considerable waves and wash from passing vessels and heavier boats are the most comfortable. On the tideway, most boats need to be robust enough to settle on the river bed at low tide for at least some of the year. Many boats settle at an angle, so visit at all states of the tide to ensure you are happy with this.</p> <p>Since 1998 new mobile boats have been covered by the recreational craft directive (RCD) and should come with CE plate and a statement of conformity</p>

	<p>within their owner's manualⁱⁱⁱ. Houseboats are outside the Building Regulations and that means there are no construction standards which have to be met. Older boats have often had considerable modifications over the years, usually by the owner-occupier rather than expert boat-builder. Some static houseboats on EA waters may avoid any compulsory safety checks, depending on how utilities are delivered^{iv}, though others may be covered by the Boat Safety Scheme, which itself has only a very limited scope^v. The PLA has no powers to register residential boats and so has no compulsory safety checks. This means for far too many Thames houseboats, neither basic construction nor safety can be taken on trust.</p> <p>Check how maintenance can take place; is it possible to gain access to the inside of the hull; what are the expected maintenance needs? Are the mooring cleats strong enough? Does the freeboard match the local river conditions? Are there bilge pumps of adequate capacity?</p> <p>Although some potential purchases can be rejected with only informal help, when it starts getting serious, it should be obvious that advice will be needed from a marine surveyor, to provide a full condition survey. If insurance seems hard to come by, think again.</p>
<p>How are services and utilities arranged?</p>	<p>The shore connections need to be appropriate for the rise and fall of the river. There can be problems getting a secure 'earth', so ensure an electrician has signed off the installation as suitable for a houseboat. Pumping sewage overboard is not permitted and there is increasing control on other waste water. Is there a suitable holding tank? How does sewage get from the houseboat and whose responsibility is it to maintain the pumps (a frequent niggle)? If ever away from the home mooring, will it still be possible to use water and power and flush the loo?</p>
<p>Is the mooring fit for purpose?</p>	<p>Almost as important as the boat is the physical mooring arrangement. Think especially about times of flood, whether there are robust mooring posts/piles and whether the boat risks over-riding the bank. Floods also bring floating debris, sometimes even fallen trees. What access will be possible when the river is flooding? The PLA's guidance on houseboat moorings helps indicate the sorts of concerns there can be in ensuring houseboats stay where expected whatever the river conditions^{vi}.</p> <p>How close are the neighbours and can they look directly into the boat, ie is there the sort of overlooking that would be banned for land-based housing? Noise and vibration travel easily between boats too, so how close are they? If breasted up with others, be clear how access is arranged for those away from the bank.</p> <p>If possible, get to see the EA accommodations licence or PLA river-works licence, and any restrictions therein.</p>
<p>Is there the right formal agreement with the navigational authority?</p>	<p>On the non-tidal river, there should be an accommodations licence (EA) for any riverside works (held by the mooring owner) and also registration with the EA for the boat itself (held by the boat owner)^{vii} apart from some pontoon-based non-mobile static houseboats which no longer need registration. Third party insurance for at least £1m is a requirement for registration.</p> <p>On the tidal river, there should be a PLA river-works licence (held by the mooring owner) that covers the necessary infrastructure. For houseboats, this river-works licence should be for residential use with a fee that varies according to the boat size. The PLA does not have powers to license houseboats. Exceptionally on the parts of the Tideway where the PLA does not own the river bed, the permission of that owner will be needed too.</p>
<p>Is there residential planning permission for</p>	<p>The banks of the Thames are a special environment, parts are Metropolitan Open Land and planning approval can be problematic. If there is planning approval for residential use at the mooring, or a permit for the lawful use of houseboats, check it applies specifically to the houseboat of interest. There is</p>

<p>this houseboat from the local authority?</p>	<p>a financial incentive for mooring owners to fudge this one, so try to get the chapter and verse of this approval checked out. There are increasing attempts to persuade the planners to use the public space of the river only for real/traditional boats, so if interested in a flat-a-float or another non-mobile vessel, confirm it has permission.</p>
<p>Assuming freehold riparian rights are not being bought, what's the mooring agreement like?</p>	<p>This is a high risk area, so check on:</p> <ul style="list-style-type: none"> • is there any share in the leasehold on the adjacent bit of bank? • what's the length of tenure and potential for excuses not to roll over a mooring agreement (and would you contemplate buying a leasehold flat at that price for such a short period?) • what are the annual charges and how might these be raised unilaterally? • what parking or land stores are available and are they charged for separately? • can a dinghy be moored alongside? • is there public access to the bank alongside the houseboat or is there scope for a small private garden? • any restrictions eg on companion animals? • is it possible to sub-let or substitute another houseboat, dimensions of the mooring permitting? • when the houseboat is sold on or passed to heirs, can the new owner expect the same sort of agreement? • would the landlord expect a cut if the houseboat is sold and/or require the sale to go through him? • can the boat be repaired at the mooring; is there a formal requirement for regular out-of-water inspections (and if so, are there accessible dry-docks nearby or are crane lift-outs feasible)? • Understand where VAT will be applied on mooring charges^{viii}.
<p>What about tax?</p>	<p>There is no stamp duty on houseboats, but if the deal includes registered land, there may be on the mooring. New-build mobile houseboats should attract VAT, but there are increasing numbers of case-specific exemptions for those declared as main places of residence, so check^{ix}. If it is to be the main place of residence then (a) there should be Council Tax: check what is already covered in the mooring agreement and (b) there should be exemption from Capital Gains Tax (CGT) from private residence relief. This adds to the CGT exemption from being a chattel (tangible movable wasting asset). Do not anticipate that a houseboat on a rented mooring will go up in value. Indeed, regard a new houseboat as a depreciating asset like a new car, especially for the first few years. Losses cannot be set against capital gains elsewhere. As with many tax matters, it may be wise to seek expert advice</p>
<p>Is the price right?</p>	<p>The price is what someone is prepared to pay. Marine mortgages are rarely possible on residential houseboats, although expensive loans might be: this may have to be a cash purchase. For a new-build, who pays for any snagging? There is no registration of the selling prices of houseboats, which could be far adrift from advertised prices. It would be helpful to know but hard to find out what proportion of the price is for the mooring arrangement rather than the houseboat, but on the Thames expect the greater value to be in the mooring. Houseboats without a mooring can have negative value, ie cost money to be taken away and be broken up. Houseboat + secure residential mooring = much more than the sum of the parts. Do not underestimate the costs of maintaining an elderly boat, even if a non-mobile one. Marine surveyors may be able to provide advice on price.</p>
<p>What if it all goes wrong?</p>	<p>What would happen if: there is enforcement action from the local Council from ignoring planning controls; the current mooring owner sold up or went bankrupt; the houseboat starts to list or springs a leak or catches fire; new passenger boats increase wash levels overmuch; or life afloat just doesn't suit? Can you sell on and expect to get your money back, noting the high % charged by many estate agents on top of the % for the mooring owner?</p>

Even in the highest price range, there are boats offered for sale which appear to be missing some of what could be regarded as essential safeguards. Don't be caught out. **Buyer beware**, and being expensive is no guarantee that all is as it should be. The problem, of course, is how to get reliable answers to the questions raised above. Non-specialist solicitors may not be used to doing the sorts of search that could come up with river gossip, explaining exactly why the previous owners are selling up or what happened to the previous boats at the mooring. The advice from marine surveyors can be most valuable, however, though not always what one wants to hear. Ask around and be suspicious.

Some answers to the questions above should cause walking away, but others may help negotiation on price, or attempts at added guarantees, or enable reasonable confidence about a new life afloat. For those for whom this does work out, it can be a good lifestyle choice. There can often be a great sense of community at the moorings and especially for those with mobile boats, a sense of freedom and adventure.

This article is hosted by the River Thames Society because we care about the river and want people to enjoy what it has to offer, including living on the Thames in the right places. We have no vested interest in the buying and selling of houseboats. This checklist is offered in good faith in case it might be helpful but no claims are made for it being authoritative. At the end of the day, the decision is for the houseboat purchaser alone. If you found it useful please tell us and please provide feedback so future editions of the checklist can be improved.

Hilary Pereira is the chair of the Upper Tideway branch of the River Thames Society. She has lived afloat for many years, initially on the canals but for the last 40 years on the Thames and has brought up 2 children on board. [See the Thames Guardian Spring 2016 pp16-18]. This article was expanded upon and illustrated in a talk on the 10th September 2017 called 'Buyer beware – understanding the risks and pitfalls associated with buying a Thames houseboat'. This was filmed and should be available shortly on a suitable website. September 2017

ⁱ Living Afloat. Available from the Residential Boat Owners Association through www.rboa.org.uk

ⁱⁱ See article on living on PLA waters in the September/October 2016 edition of Soundings, the magazine of the Residential Boat Owners Association

ⁱⁱⁱ see <https://britishmarine.co.uk/Services/Business-Support/Technical-Support/Recreational-Craft-Directive>

^{iv} Houseboat registration. Do you need to register your houseboat? July 2016 on www.gov.uk/environment-agency

^v Environment Agency. Form FIN/22A River Thames application for registration of a houseboat on www.gov.uk

^{vi} PLA Guidance document Houseboat Mooring first edition 2016 on www.pla.org.uk

^{vii} River Thames boat registration requirements updated Feb 2017 on www.gov.uk/government/publications/river-thames-boat-registration-requirements (for the non-tidal river and associated waters)

^{viii} HMRC VAT rules for mooring facilities on www.pla.co.uk/assets/vatflowchartformooringfacilities.pdf (accessed 02/02/2017)

^{ix} VAT notice 701/20 Caravans and houseboats Dec 2013 on www.gov.uk and VAT notice 744c in 2.6 re qualifying vessels over 15 tons