



# RED STAR

— WEALTH —

## Red Star News

### October 2019



Hello and welcome to our latest newsletter. We're very grateful to architect John Bridge for his contribution to this newsletter. He's written a piece for us about self build homes.

Whether you're thinking of a self build project or extending your current home, there are plenty of financing options available. We're specialist mortgage advisors at Red Star so please get in contact and we can discuss your options.

Nick and I got married in July; we had a wonderful day in Clitheroe, and I am now officially Mrs Cunliffe and loving it!

### Fireball Rally competitors visit 8 countries in their £800 Mazda



This summer we were very proud to be one of the main sponsors for "Dad and Lad in a Mazda". Gary and his son Ben took part in the gruelling Fireball Rally driving their £800 Mazda through 8 countries over 4 days. Why? To raise over £3,000 for our local children's hospice Brian House.

<https://www.brianhouse.org.uk/>



## Self-Build Homes by John Bridge



I'm inspired by the desire for autonomous living and the growing concern over the pending depletion of natural resources. As an architect, a massive part of my ethos is based upon the future; the design strategies employed are centred upon the impact new buildings will have on the environment. I believe that eco-design should be at the heart of every home design, driven by the latest techniques and materials to create a sustainable space and I'm even more enthused when our clients have the same outlook as we do.

My definition of self-build isn't quite what it says on the tin. I don't advise that you do all the design and then actually build or manage the project yourself unless, of course, you really want to.

The easiest way of going about a self-build project is to buy a run-down house that is no longer fit for purpose. You can then commission an architect to give you advice on what is possible and help you design your dream home. This will allow you to make your choices with a safe pair of hands guiding you through planning policy and building regulations. It's how you can achieve both creativity and careful control over your budget.

For a contemporary new build eco home, you should be budgeting between £1200-£1500 p/Sq.m. It's after taking into consideration any site constraints and certain choices you make. Obviously this cost will vary across the UK, but here in Lancashire, that kind of budget will get you a fantastic eco friendly new home.



We believe new 21st century dwellings need sufficient storage for rainwater harvesting, battery banks for the solar panels and, of course, plenty of space to store belongings adequately, so the client can enjoy a beautiful open-plan layout without the worry of clutter and mess. A sophisticated walk-in-wardrobe is a must-have for such an exquisite, fashionable and personal space.

We want our clients to live out their lifestyle to the full without having to suffer from ever increasing energy bills. From electric car charging points to specifying sustainable materials, the specification of their new home is scrutinised for environmental gain. Especially the selection of modern methods of construction, such as SIP (Structurally Insulated Panels). These are just some of the things included to ensure a new eco-home won't have a detrimental impact on the environment.

Self-build projects can be massively rewarding, both in terms of the DIY nature of many of the processes you go through, but also financially. With the right guidance from an architect and contractor, you can undertake your own Grand Designs project



within your budget.

We enjoy helping people realise their dreams and watching them fall in love with their new potential home which is why it's always free to meet with us to initially discuss what might be possible. To develop your dream or if you just want to enquire, please give us a call on 01772 935959, or get in touch via: [www.studiojohnbridge.co.uk](http://www.studiojohnbridge.co.uk)

## **New blanket disclosure for all UK trusts**

New blanket disclosure rules mean all UK trusts will have to register details of their ownership on the UK Trust Register from March 2020. This new legislation is driven by the fifth European Money Laundering Directive which is designed to hamper money being laundered within trusts by making the ownership and beneficiaries of trusts far more transparent. There will be both civil and criminal sanctions for any trust failing to abide by the new rules.

This new directive will significantly expand the scope of the existing register by requiring the trustees of all UK resident trusts to register their trusts on the UK Trust Register, regardless of whether the trust has incurred any UK tax liabilities.

Many trusts which have been effectively dormant, often for many years, will be brought within scope, including trusts that hold land and property or, very commonly, investments such as life insurance policies.

Given the general low level of understanding of trusts, many trustees will need to seek professional advice.

Even the smallest trusts must comply because there are no carve-outs, exemptions or de minimis thresholds in the rules. Many trusts do not have any liquid cash assets, nor assets that could be easily sold to raise funds, so any trustees of these trusts needing to seek professional advice will have to fund the advice out of their own pockets.

Groups are calling on the government to provide clear guidance, together with understandable examples, on what arrangements are in and out of scope of the rules to ensure that trustees can understand and comply with their obligations and that the objective of any penalty regime should be to educate and encourage trustees to comply and not to levy penalties.



## What's Happening To Your Money?

As has been the case for almost as long as any of us can remember, Brexit dominates the news and politics at home, particularly as Boris Johnson prorogued parliament. The market was expecting a UK GDP growth of 1.4% over the second half of the year and whilst this was missed by 0.2%, the GDP did still show growth, maybe surprisingly given all the Brexit confusion.

Moving slightly further afield into Europe, Spain's economy grew sharply with most other European economies showing a gentler growth, apart from Italy whose economic output has barely grown for the past year.

The trade war between the USA and China continues although Chinese exports grew by 3.3% compared with 2018. This is possibly influenced by the fact that American tariffs seem set to increase in the future so maybe American companies are getting all their Chinese orders in beforehand. On the other hand, Chinese imports shrank, once again signalling the continuing decrease in domestic demand within the country.

At the other side of the trade war, employment in America remains strong, as does the economy in general with growth of 2% over the year. Whilst the S&P 500 dropped by 0.97% over September, it's still up by 16.6% over the year so far.

Overall, there continues to be a level of uncertainty across the whole world and this is demonstrated by the strong growth in the price of gold. In fact, it's the fourth month that the value of gold has risen as investors seek safer assets. In a similar vein, fixed income in the form of government bonds from all over the world, saw a strong rally; once again showing how investors are moving to safer assets.

With several Brexit milestones coming up over the next few weeks potentially signalling massive changes for the UK, the picture within the UK could be very different in three months time. Then again, perhaps everything will still be much the same at the end of the next quarter. Who can tell?



### Kristen Cunliffe - Managing Director

Kristen has worked in the financial service profession since 1998 and has qualifications in Mortgage Advice, Equity Release (Lifetime Mortgages), Customer Services in a Regulated Environment and Trusts.



### Paul Gardner - Consultant

Paul has had more than 30 years experience of providing investment advice for his clients. This includes 20 years on behalf of a major insurance company and the last 10 years as an Independent Financial Adviser.

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