



# THE CURTIS BANKS PROPERTY GUIDE

For SIPP & SSAS Properties

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 [curtisbanks.co.uk](http://curtisbanks.co.uk)

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# WHY CHOOSE CURTIS BANKS?

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THE CURTIS BANKS GROUP COMPANIES HOLD OVER 6,000 COMMERCIAL PROPERTIES ON BEHALF OF OUR SIPP AND SSAS CLIENTS. WE EMPLOY OVER 500 STAFF AND AS ONE OF THE TOP INDEPENDENT PENSION SCHEME PROVIDERS, WE ARE FULLY AWARE OF ALL THE INTRICACIES OF HOLDING A COMMERCIAL PROPERTY WITHIN A PENSION SCHEME ENVIRONMENT.

First and foremost, we are here to help guide you through the process of getting the property into the pension scheme and then ensuring that it is administered in line with all regulatory requirements, including the requirements of HM Revenue and Customs, and finally helping you through the process of selling the property in order to release funds for your pension income.

We hold property from small industrial units up to shopping centres and provide you with the full range of administration services that you will require.

Our fees are competitive and transparent and our specialist property team are here to help navigate your way through what is a far more complex transaction than a normal property purchase.

Properties **OVER 6,000** 

Staff **OVER 500** 

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# HOW TO USE THIS GUIDE

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FROM PURCHASE TO SALE, WHETHER YOU LEASE THE PROPERTY OR LEAVE IT VACANT, THERE ARE LOTS OF THINGS THAT YOU WILL NEED TO BE AWARE OF INCLUDING MOST IMPORTANTLY THE HMRC REQUIREMENTS FOR HOLDING PROPERTY IN A PENSION.

This Guide will help you understand the process and obligations attached to a property investment through your Pension Scheme and help you manage your investment.

We've used plain language to make this Guide easy to understand. Any technical terms used in this document are explained in the glossary section. Where there is a deviation (for any reason) between SIPP & SSAS this is highlighted.

The requirements set out within this Guide may change from time to time. We strongly recommend that you consult a regulated financial adviser before investing in commercial property as holding property within your Pension Scheme can be a complex matter.

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HELPING YOU UNDERSTAND  
THE IMPORTANT ASPECTS  
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# BEFORE YOU BUY A COMMERCIAL PROPERTY

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HELPING YOU UNDERSTAND THE  
IMPORTANT ASPECTS OF HOLDING  
PROPERTY WITHIN A SIPP OR SSAS AND  
THE PURCHASE PROCESS





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# 1

## THE BENEFITS AND RISK CONSIDERATIONS OF PROPERTY WITHIN YOUR SIPP OR SSAS

Before deciding to invest in commercial property it is important that you consider both the benefits and risks associated with holding a property within your Pension Scheme.

### Please remember

Laws and tax rules may change in the future. The information here is based on our current understanding. Your personal circumstances also have an impact on tax treatment. We cannot give advice on whether a property investment is suitable for your pension.

## BENEFITS

### Owning property within a tax advantageous environment

- Any growth in the property value, when held in a **Pension Scheme**, is free from Capital Gains Tax. The rental income received by your **Pension Scheme** is also tax free.
- Pension legislation allows your **Pension Scheme** to borrow up to 50% of the net fund value to purchase a property.
- Additional tax advantages may arise where you sell your business premises to your **Pension Scheme** and lease it back to your firm. For example rent paid to your **Pension Scheme** is a deductible business expense.

## RISK CONSIDERATIONS

Before purchasing a commercial property through your **Pension Scheme** you should discuss the ongoing obligations with your **Adviser** as buying and holding property can be a complicated and expensive process. Some of the main considerations are highlighted below but **we** strongly recommend that you consult an **adviser** before investing in property to ensure that it is the right decision for you.

### Liquidity, diversity and realising the investment

- You should always remember the primary aim of your **Pension Scheme** is to provide for your future needs in retirement.
- Property can be difficult to dispose of and may take longer to sell than many other pension assets. You will need to consider the likely future resale value to minimise any issues when looking to sell the investment.
- If the property represents the main asset of your **Pension Scheme** it would leave your investment holdings poorly diversified; **we** encourage you to consider holding a variety of investments within your **Pension Scheme** to spread your investment risk.
- You should always ensure that there are sufficient cash holdings within your **Pension Scheme** to meet liabilities attached to the property such as business rates, third party fees or insurance. If funds are not available to settle liabilities **we** may look to sell the property.

# 1

## THE BENEFITS AND RISK CONSIDERATIONS OF PROPERTY WITHIN SIPPS OR SSAS (CONTINUED)

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### Market fluctuations

Just like other investments the value and income generated by the property is subject to general market conditions.

- The value of the property may fall as well as rise, so the value of your **Pension Fund** is not guaranteed.
- While a regular stream of rent can help increase or maintain the fund value this is not guaranteed as tenants may vacate, fail or you may have to accept a lower rate of rent if the market has fallen.
- If you have difficulties with the tenants (e.g. if your tenant ceases trading or goes into administration or liquidation or breaches the terms of the lease) your Pension Scheme may incur considerable costs associated with the recovery of rent or may ultimately have to bear the loss of this income.



# 2

## WHAT PROPERTY CAN YOU PURCHASE WITHIN YOUR SIPP OR SSAS?

If it's commercial and based in the UK, we will happily assess it, be it freehold, leasehold or commonhold. Generally the categories that we will accept subject to our due diligence are:



### Shops

(the retail sale of goods to the public): for example – stores, hairdressers, dry cleaners or travel agents.



### Restaurants, cafes and drinking establishments

for example – pubs, wine bars or takeaways.



### Land

for example – bare land, farmland, forestry land and grazing land.



### Industrial units, storage or distribution

for example – wholesale warehouses, distribution centres or manufacturing units.



### Non- residential institutions

for example – clinics and health centres including GP surgeries and dental practices, crèches and day nurseries.



### Public and leisure facilities

for example – cinemas, dance and concert halls, sports halls, swimming pools, gymnasiums and bingo halls.



### Hotels and care facilities

for example – an entire hotel complex.



### Business offices

for example – general offices, solicitors offices, barristers chambers, accountancy firms, estate agents or employment agencies.

#### Please note

Where a successful auction bid is submitted without our knowledge or involvement you will have to buy the property personally and look to sell the property to the Pension Scheme, though there is no guarantee that all of our requirements can be satisfied.

Some residential property may be allowed if used for employment or business purposes, like a caretaker's home, and is occupied by an **unconnected party** and managed by a **property manager**. If this applies to the property you are considering please call our Property Technical Team on 0117 3324 103 to ensure it meets the conditions required by legislation.

If the property is an allowable **Pension Scheme** investment and you personally own the property the Pension Scheme can buy it from you at full market value. The purchase will be subject to an independent valuation

If you are looking to purchase a property at auction, it is imperative that our Property Technical Team are involved in good time in order to complete our property due diligence and ensure that any liquidity is in place before you submit any bid. Properties acquired at auction are restricted to cash only transactions.

A successful bid will result in a legal commitment to buy. Contracts for the purchase will be exchanged at auction and you will have to do this personally as we will not be present at the auction. This means you will also need to fund the deposit personally, which will later be reimbursed to you at completion. You will need to ensure that the contract states that the purchase can be completed in the name of the **Pension Scheme**.

# 3

## WHAT TYPES OF PROPERTY OR TRANSACTIONS DO WE EXCLUDE?

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We will always review the individual properties looking to be purchased and assess them on their own merits. There are a number of general property types that we exclude as a result of legislation or we deem there to be an unacceptable level of risk to the Pension Scheme.

### **Excluded properties or transactions:**

- Overseas property. Property must be located in England, Wales, Scotland or Northern Ireland
- Property that benefits from an aggregated income such as hotel rooms and storage pods
- Residential property including holiday apartments, beach huts, and caravans.
- Gardens or parts of property that form or are used in conjunction with residential property.
- Types of property where we are advised that there is no re-sale market.
- Property with environmental concerns, including petrol stations and recycling centres.
- Property with onerous covenants.
- Vacant land or property intended for resale with no plans for lease.
- Commercial freeholds where there is a residential leasehold under the freehold.
- Leasehold property with an unexpired term of 75 years or less.
- Any property our insurers will not cover.
- Properties that have a very low Energy Performance Certificate (EPC) rating F or G unless we have received the investors confirmation that they are aware of the changes in regulation and agree that when required, they will make arrangements to improve the rating.

### **Longevity of Investment**

Investments in property are intended to be long-term investments and therefore we would normally expect them to be held for a substantial period of time. The quick turnover of properties is not an appropriate activity for a pension fund as HMRC deem this to be trading, which would be subject to tax penalties.

# 3

## WHAT TYPES OF PROPERTY OR TRANSACTIONS DO WE EXCLUDE? (CONTINUED)

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### **Tangible Moveable Property or Goodwill**

Where investing in property, a Pension Scheme can only purchase the land, bricks and mortar and those elements of the property that are integral to the fabric of it. A Pension Scheme cannot acquire any goodwill or any fixtures or fittings.

Your Pension Scheme must be used for the 'sole purpose' of accruing and providing pension **benefits**. As such you should not benefit in any other way from the assets held within your SIPP – this is known as goodwill.

The purchase of these items could lead to taxation liabilities and, in certain circumstances, advice may be required from a **valuer** to ensure your **Pension Scheme** is not acquiring or contributing to the purchase of such items.

Throughout the purchase process we will undertake a variety of checks to protect your **Pension Scheme**. Onerous owner and/or administrative obligations or regulatory concerns may prevent us from acquiring certain properties. The same due diligence process will extend to the in specie transfer of property from other pension plans. Please note that fees will still apply for the work undertaken on these aborted transactions.

# 4

## OUR RELATIONSHIP WITH YOU

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It is important to remember that the property is an asset of the Pension Scheme; it is not personal and private property.

### LEGAL OWNERSHIP

For a SIPP our trustee company will be the sole legal owner of the property and will be registered as the legal proprietor at the Land Registry. For a SSAS the member trustees & our trustee company will (as appropriate) be registered as the legal proprietor at the Land Registry. Please note we are not full property managers and we will not be responsible for the day to day maintenance or upkeep of the property, although we will use reasonable endeavours to assist you with the management of the property.

### CONNECTED PARTIES

In many cases, we will purchase the property from a **connected party**, or will be selling the property to a **connected party**, or will be letting it to a **connected party**. In these cases we must act as if it were 'an arm's length transaction', that is, each party must be acting in their own self-interest and is not subject to any pressure or duress from the other. An independent valuation is required for all connected party transactions.

Where a tenant is connected to the **Pension Scheme** it is vitally important that the tenant observes the terms of the lease and pays the rent and any other payments due under the lease and on time. A failure to do this could result in an unauthorised payment and taxation sanctions for the **Pension Scheme**. If a **connected tenant** fails in its obligations under the lease we will take action as we would were the tenant an unconnected party to ensure we are dealing with the **connected tenant** at 'arm's length'.

# 4

## OUR RELATIONSHIP WITH YOU (CONTINUED)

### OTHER CONSIDERATIONS

We will need your input throughout the life of the property, for instance, in investment decisions and your preferred choice of tenants, professionals (e.g. solicitors and valuers) and third party suppliers.

Where the property is vacant your **Pension Scheme** will still be responsible for meeting the costs associated with the property such as the mortgage, insurance, service charges and business rates. You will be responsible for ensuring there is sufficient cash within your **Pension Scheme** to meet all costs. If you do not make cash available to meet liabilities that have been notified to you, we may need to force the sale of the property.

For properties owned on behalf of a group of individuals you and your co-investors should nominate a lead investor for us to correspond with who will be responsible or supplying us with group decisions. It is important that this individual distributes the information received from us and communicates the instructions of all the group to us.

We reserve the right to refuse to enter into certain transactions that may be contrary to **HMRC** regulations, Pension Regulations and any other law or regulation that is in force at that time. We will notify you of notices, however the obligation will be on you to ensure any requirements are met. Instructions can be provided through your financial adviser however they may not sign documents on your behalf. We will request your authority to pay third party fees (e.g. professional fees, building works) that are demanded from your **Pension Scheme** however if we do not receive your authority within 10 working days we reserve the right to pay the fees from your **Pension Scheme** that we deem are due and payable.

#### **Please remember**

This guide should be read in conjunction with the Schedule of Fees for your Pension Scheme.

Failure to comply with or non-observance of certain rules, regulations or orders (specifically court orders) is a criminal offence. We reserve the right to take any action we deem necessary to comply with, resolve, defend or avoid any civil or criminal sanctions we deem likely in the circumstances. This may include taking independent professional advice to confirm if any legal proceedings are likely to arise and this advice will be payable by your **Pension Scheme**.

# 5

## HOW CAN THE PURCHASE BE FUNDED?

There are several methods of funding available to facilitate a property purchase, and which strategy is right for you will depend on your own personal situation. The methods are:

### TRANSFERS

See your SIPP's Key Features.

Cash or in-specie transfers can be brought into your **Pension Scheme** from other pension plans. In specie transfers are where the investments are transferred without selling them; for in specie transfers of property there will be no Stamp Duty Land Tax or equivalent tax payable on the transaction. We cannot advise you on the suitability of a transfer and you should seek independent advice from your **adviser**.

### CONTRIBUTIONS

Regular or single contributions may be paid by yourself, a third party or your employer. Tax relief may be available but this depends on who makes the contribution. Please contact us or your financial adviser if you require clarification on this.

### BORROWING

A SIPP can borrow up to

# 50%

of its net fund value

A **Pension Scheme** can borrow up to 50% of its net fund value. The ability to borrow does not cease when **benefits** are being paid from your **Pension Scheme**; it can be put in place at any time for the purpose of purchasing or developing property.

The terms of the loan vary from case to case as they are often dependent on a variety of factors (for example, degree of risk to the lender) and any special mortgage conditions will need to be assessed on a case by case basis for acceptability. We will always require that the charge over the property be fixed to the value of your **Pension Scheme**. The borrowing will typically be from a conventional High Street lender and we are quite happy to deal with the lender of your preference that meets our requirements. The loan will be in our trustee company's name as the legal owner of the property and not the investor personally.

The income generated from the property must be sufficient to fund all the liabilities associated with the property.

### JOINT OWNERSHIP

#### Please remember

There must be sufficient funds available to cover the purchase costs plus adviser's fees, scheme fees, all necessary disbursements and any VAT payable.

It is possible for a **Pension Scheme** to own a property jointly with one or more other parties, which can include **connected parties**. A Declaration of Trust will be prepared, setting out the property percentages that each party owns and the right of a party to sell. Normally the other parties would be invited to buy the selling party's share, failing which the whole of the property would need to be sold.

Where there is joint ownership of a property, each owner should consider having their own legal advice.

### TIMING

All funds need to be in place (including any tax relief) and any proposed borrowing should be confirmed by an offer letter from the lender before we can exchange contracts. If funds are being transferred into the **Pension scheme** or investments need to be sold, the cash proceeds need to have been received.



# 6

## VAT

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In certain circumstances the purchase of a property may be subject to VAT.

### **Please remember**

Where a property is VAT elected, generally VAT must be charged on the rent, some goods and services and the sale of the property.

When your **Pension Scheme** buys a property which the seller has already elected for VAT, VAT may be payable on the purchase price. Generally, the VAT can be recovered but it will require funding from your **Pension Scheme** until it is reclaimed. We will request the solicitor acting for us to confirm if VAT is likely to be payable, so we can agree the appropriate action with you.

There are some circumstances where the sale or purchase of a VAT elected property may qualify as a Transfer of a Going Concern (TOGC) and, although we must VAT elect the property, VAT might not be payable on the purchase price or charged on a sale. Professional advice to confirm whether the TOGC provisions are satisfied may be required from a qualified VAT adviser, at separate cost.

Where a VAT election has not been made over the property to be purchased, VAT will generally not be payable. Some exceptions do exist, for instance new build properties. There may be circumstances in which you wish to elect the Property for VAT, for instance where substantial development is planned and you want the **Pension Scheme** to recover any VAT paid on expenses.

If required, VAT can be funded by **Pension Scheme** borrowing. Any borrowing taken cannot exceed 50% of the value of your **Pension Scheme**.

# 7

## INSURING THE PROPERTY

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It is important that the property is always appropriately insured to ensure that both your pension investment and us, as the legal owner of the property are adequately protected.

### **Please remember**

We will retain any commission we are paid in respect of the block insurance policy. This is to cover Curtis Banks' administration costs involved in arranging the insurance.

We have arranged a block insurance policy and it is our normal practice to insure the property via this policy. For leasehold properties, a loss of rent policy will be required in addition to the cover arranged by the freeholder. Insurance cover is arranged with Arthur J Gallagher (UK) Ltd, a Financial Conduct Authority approved broker who arranges a property owners' insurance policy on a portfolio basis, which provides the following benefits compared to 'stand alone' arranged insurance cover:

- Commercial rates, providing value for money;
- Wider cover with low levels of policy excess;
- Enhanced policy limits;
- Enhanced claims service; including a nominated loss adjuster

All policies are regularly reviewed to ensure these maintain the widest levels of cover at competitive premiums. You can arrange insurance via a broker of your choice but as it is held within a pension scheme we are responsible for it. We will need to review and agree the policy wording and assess the proposed level of cover and the associated exclusion clauses in order to confirm that all of the pension scheme requirements have been met. There will be an additional charge of £200 for this work.

# 8

## LETTING THE PROPERTY

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Letting your property will result in the rent being paid into your Pension Scheme to help you provide for your retirement.

### UNDERSTANDING LETTING

The lease will set out the obligations of the Pension Scheme as the landlord. It will also set out the obligations of the tenant. Usually the tenant will be responsible for arranging and meeting all utility contracts. The tenant will also be responsible for paying all insurance and service charges applicable to the Property. These will initially be met from your **Pension Scheme** and, where possible through the lease, will be recharged to the tenant.

### THE TENANT

#### Please remember

If you are a **connected tenant** we will instruct an independent **valuer** to ascertain the applicable market rent.

It is your responsibility to advise us of the proposed tenant for the property and to determine if they are a suitable tenant. The tenant due diligence responsibility lies with you; we do not undertake credit checks on the tenant. If you do not have a tenant we can market the property through an agent of your choice.

If you are a **connected tenant** we will instruct a **valuer** to ascertain the market rent applicable and undertake rent reviews where contained in the lease. We are unable to treat a **connected tenant** more leniently than any other tenant and rental payments must be made to protect your **pension scheme** from tax penalties.

We may be required to request additional security such as a rent deposit or a guarantor(s) to be joined in the lease. You should be aware that where it is an unconnected tenant it will be your decision whether or not to pursue a tenant should they fail to comply with the terms of the lease. Your Pension Scheme will initially bear the costs associated with pursuing the tenant for rent arrears; this may include solicitor's, **valuer's** and bailiff's costs. Where the tenant is a **connected tenant** we must still follow this procedure and pursue the rent arrears.

### RENT REVIEWS

The lease will usually include the requirement for a rent review. We will notify you in advance when a rent review is due and you will be asked to nominate your preferred valuer for us to instruct. If you do not tell us which valuer you wish to use, we will appoint a valuer of our choice and the cost will be charged to the scheme.

Where the tenant is an unconnected tenant you could choose to negotiate yourself or waive the right to undertake the rent review. However, where there is a **connected tenant** we would, as a minimum, need a valuer to confirm it is reasonable to not proceed with the rent review.

For **connected tenants**, we require this third party independent opinion to ensure the **connected tenant** is not benefiting from a non-market rent contrary to **HMRC** requirements and to protect your **Pension Scheme** from tax penalties. A Rent Review Memorandum will be completed to record any change in the annual rent payable by the tenant and added to the lease.

# 8

## LETTING THE PROPERTY (CONTINUED)

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### RENT COLLECTION

The issuing of rent demands is covered by the annual property fee. Where the tenant fails to pay the rent demand and we have exhausted our internal rent chasing process, we will notify you as we will need to instigate the rent arrears collection process, for which there will be additional fees payable. We will outline the fees to you before we commence the work.

We may have to instruct solicitors to act on our behalf. Solicitors must be instructed where the rent arrears are attached to a connected tenant to protect your **Pension Scheme** and us from **HMRC** penalties. Where the arrears arise as a result of an unconnected tenant we will request your instructions. Any solicitors costs charged as a result of the rent arrears process, no matter if it is a connected or unconnected tenant will be payable from your **Pension Scheme** and where possible, recharged to the tenant.

# 9

## LEASE REQUIREMENTS

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For all leased properties we require that a Full Repairing and Insuring (FRI) lease is entered into.

The length of leases can vary. We will notify you when a new lease is required and will seek your instructions. It is important to note that the action required at the expiry of a lease will depend on the terms of the existing lease. Each lease will either be included or excluded from the terms of the 1954 Landlord and Tenant Act ('the Act'). This clause will determine what action can be taken. Any new leases granted will be excluded from the Act.

A lease should be bespoke to the property and the tenant but must always incorporate the requirements of pension legislation and HMRC requirements. Through our panel of legal firms, we can supply you with a bespoke lease for the transaction that incorporates all of our and HMRC requirements. This will almost certainly be more efficient and less expensive than using a general legal practice that may not have the specialist knowledge.

### Leases included within the Landlord and Tenant Act 1954

If the lease is included within the Act it gives the tenant the right to remain in occupation of the property subject to the same terms as the existing lease until either party serves notice to bring the lease to an end or for a new lease to be drawn up.

### Leases excluded within the Landlord and Tenant Act 1954

If the lease is excluded from the Act it means that when the lease expires the tenant has no right to remain in occupation unless a new lease has been granted. If the tenant remains in occupation paying the rent and the landlord accepts the rent there is a risk that the tenant can obtain security of tenure and their occupation will become protected. To then obtain vacant possession of the property or a new lease we would be required to serve new notices.

### Termination of the lease

There are a number of methods to terminate the lease. Both the **Pension Scheme** as landlord and the tenant must abide by strict timescales to give notice to vacate the property. These will be set out within the lease or will be in accordance with the Landlord and Tenant Act 1954. If you are a **connected tenant** please contact us as you may need the lease valued.

### Break clauses

The lease may include a break clause. There are predetermined dates set out in the lease where it can be 'broken'. All tenants are required to give us six months' notice if they intend to use the break clause.

# 9

## LEASE REQUIREMENTS (CONTINUED)

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### **Please remember**

You can use a solicitor of your choice but as they will be preparing unique documentation we will need to review and agree draft documentation and any further amendments made in order to confirm that all of the pension scheme conditions and HMRC requirements have been met. An additional service fee will apply for this work.

### **Forfeiture**

You can choose to forfeit the lease where the tenant fails to pay rent or meet other lease obligations. Specific solicitor's advice will need to be sought in this instance as this is a complex area.

### **Assignment**

Depending on the terms of the lease the tenant may be able to assign the lease to another tenant. This will require our consent as landlord and it should be possible to recharge fees to tenants.

### **Vacation at the end of a lease**

If you would like to remove the tenant at the end of the lease you will need to notify us at least six months in advance of the lease end date so that we can instruct the required notices to be made and arrange for a dilapidations inspection to be undertaken.



# 10

## INSTRUCTING SOLICITORS FOR THE PURCHASE

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We have established a panel of legal firms situated throughout the UK who are experienced at dealing with commercial property transactions within a pension scheme environment. We have done this because buying commercial property can be a complex matter but when you add in pension scheme legislation the transaction requires specialist knowledge that is often unavailable in a general legal practice.

### INSTRUCTING A SOLICITOR

Once you have decided to proceed with a property purchase and you have chosen which solicitor to use, we will formally instruct the solicitor. We will be the solicitor's client and all on-going instructions to the solicitor must come from us, however we will ask that you are kept up-to-date with the progress of the transaction.

The solicitors are required to carry out the usual due diligence involved in purchasing property, including local, environmental, water and drainage, chancel and title searches. They must fully report to us on the title to the property and on any leases in place or to be granted. If after receipt of the solicitor's reports we require further investigations to be made, we will instruct the solicitor to make them. Our ability to proceed with the purchase will be dependent on the outcome of their due diligence.

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### PANEL SOLICITORS

You can use a solicitor of your choice but as they will be preparing unique documentation we will need to review and agree draft documentation and any further amendments made in order to confirm that all of the pension scheme conditions have been met.

#### What this means for you - Lower cost and increased efficiency

- The firms we deal with are fully conversant with our documentation and our requirements; therefore they can process documentation in a more streamlined way and keep the cost down.
- They understand the pension scheme legislation and how a property purchase or sale must be conducted to avoid unnecessary HMRC tax charges;
- We know their staff and have built relationships with the firms, therefore you get preferential treatment;
- We know that all of the required **pension scheme** conditions are included as standard;
- They have precedent lease documentation that can be used where a new lease is required. This should in normal circumstances enable the transactions to proceed in a more streamlined manner.

#### Please remember

There will be an additional charge of £200 if you choose a non panel solicitor.

# 11

## INSTRUCTING VALUERS FOR THE PURCHASE

### INSTRUCTING A VALUER

#### Please remember

Only a valuer or surveyor that is qualified and currently registered with the Royal Institution of Chartered Surveyors (RICS) may be used.

We can appoint a valuer on your behalf or alternatively, please notify us and we will appoint a valuer of your choice, the cost of which will be met by your Pension Scheme. We will instruct the valuer in order to ensure that all the legal requirements are covered. All reports produced by the valuer must be addressed to us as trustee of the **Pension Scheme**. We will ask the valuer to advise on the following, where relevant;

- The current open market value of the property;
- Where the property is adjacent to any land or property owned by you or a **connected party** whether, among other things, there is an enhanced valuation of the other property;
- The value for which the building should be insured on a new for old basis and to include professional fees and removal of debris etc. (unless land only);
- The approximate age of the property (unless land only);
- Whether the property is compliant with asbestos regulations;
- Confirmation that the property is not taxable property (i.e. residential etc)
- Whether an energy performance certificate is required;
- If there is to be a lease to a connected tenant, the exact term, market rent and conditions of an appropriate lease to be granted by us;
- If the property is or is intended to be occupied by more than one tenant:
  - That the property is capable of being physically split
  - Advice on how the building's value (for insurance purposes) should be split between the tenants
- Where we are acquiring a property that is subject to ongoing building works, we specifically require that the valuer re-inspects the property at completion in order to confirm that the works have been carried out to the standard agreed and to confirm or reaffirm the property, rental and reinstatement values.

When borrowing to finance your purchase, the lender in most cases will require a separate valuation to satisfy their own lending and security requirements. We may sometimes utilise this valuation for the **Pension Scheme's** purposes however the report will need to be readdressed to us which will often carry an additional charge.

# 12

## PURCHASE PROCESS

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Every property transaction is different and the time it takes to complete a transaction is dependent upon many factors.

You may already have a **Pension Scheme** with us when you find a property you wish us to purchase on behalf of your **Pension Scheme**, or you may need to establish one first. In either case we will require you to complete our Property Application Form in order to collect all of the information we will need to start your transaction.

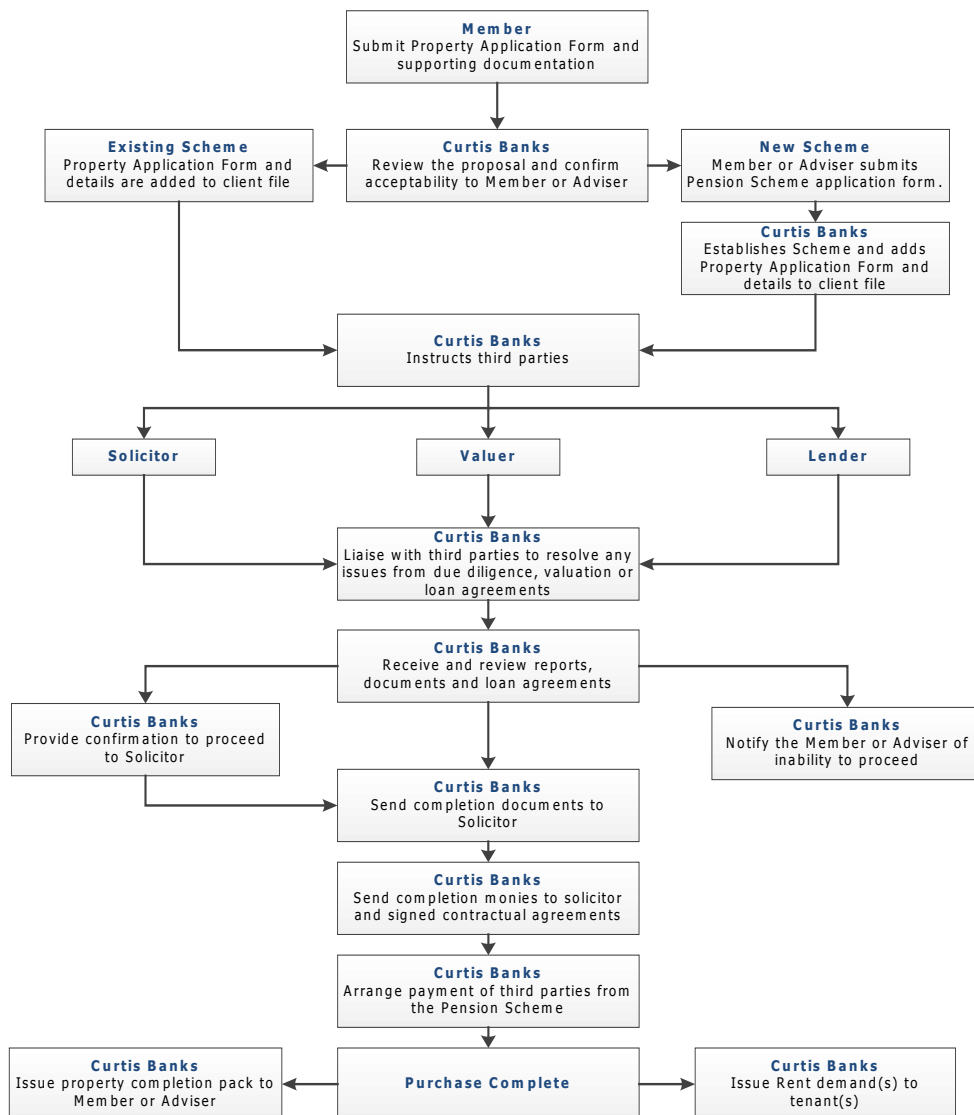
Our Property Application Form should be completed and returned to us before a purchase takes place, so that we can confirm whether it is acceptable. Once approved, we will instruct the relevant third parties. Every property transaction is dependent on many factors - third party solicitors, searches (such as the local authority), lenders (if funding is required) and valuer - and so firm timescales may be difficult to provide.

# 12

## PURCHASE PROCESS (CONTINUED)

### PROPERTY PURCHASE FLOW CHART

Below is a high level flowchart covering the main stages of a typical property purchase.



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# POST PURCHASE

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HELPING YOU UNDERSTAND THE ONGOING  
REQUIREMENTS AND PROCESSES OF HOLDING  
PROPERTY WITHIN YOUR PENSION SCHEME

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# 13

## YOUR ONGOING COMMITMENTS

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While your Pension Scheme holds commercial property you will need to work with us to ensure that the property is managed in accordance with HMRC requirements and the terms of the lease.

### Instructions

From time to time we will require your instructions or authority to settle bills or manage the relationship with the tenant. Unless we are legally obliged or contractually entitled to proceed with a particular course of action we will always seek your instructions.

### Valuations

Throughout the time that you hold a commercial property within your **Pension Scheme** you may wish to request formal valuations to help with your financial planning. There will also be times when we will require an up-to-date property valuation, such events may include:

- If you are in capped drawdown a valuation will be required in order that we can review your income limits. Income limit reviews will be required every 3 years prior to age 75 and annually thereafter. This is a statutory requirement;
- To comply with the insurance requirements on reinstatement values;
- New leases and rent reviews

We will inform you when and why a valuation is required and it is your responsibility to inform us of which qualified valuer you wish to use, alternatively, you can ask us to arrange this for you. In all instances, we will only rely on the values within the report for a period of up to 6 months. This is because of pension and legislative regulations.

### Liquidity

It is your responsibility to ensure that there are sufficient liquid funds within your **Pension Scheme** to meet the liabilities associated with the property, such as mortgage payments, third party bills (including service charges, business rates, utility bills, insurance and the **Pension Scheme** fees) and VAT. This is particularly important if there is a deadline for a bill to be paid e.g. VAT or mortgage or if the property is vacant as no rent will be received into the **Pension Scheme** and there will be full expenses (business rates etc) to pay.

If funds are not available, you may need to sell other assets held within your **Pension Scheme** or you could make a contribution if you are allowed under HMRC rules or you could make a pension transfer. If you do not make cash available to meet all liabilities that have been notified to you we may need to force the sale of the property.

### Property Fees & Expenses

All fees associated with the property will be taken from your **Pension Scheme**. Where a group of investors own a property, the fees will be split in accordance with the ownership percentages. It is your responsibility to ensure that there are sufficient funds to meet the fees. Where funds are not available, we will follow our Order of Disposal policy. Any third party fees and bills that need paying will be paid from your **Pension Scheme**. Please note that there may be fees that are payable to third parties even when a transaction does not proceed to completion.

# 14

## ONGOING INSURANCE REQUIREMENTS

It is vitally important to maintain the right level of insurance cover in order to protect your property investment.

### Please remember

The proceeds from an insurance claim will need to be paid to the **Pension Scheme** and invoices for repairs will be paid by the **Pension Scheme**.

### Maintaining cover

For the security of the property investment we must be notified of any changes that could impact upon it. Therefore it is your responsibility to immediately:

- Inform us of any changes to the property or the tenant's circumstances (including a **connected tenant**) that you are made aware of that could impact the property investment value or future liabilities.;
- Inform us if the property becomes vacant;
- Inform us of any changes to the passing rent agreed with an unconnected tenant through your own negotiations;
- Inform us of a material fact that will affect the reinstatement value of the property including changes made to the property;
- Inform us if there is an event that requires out engagement with the insurer.

### Making an insurance claim

In the event of damage by any insured peril, details must be provided to the insurers within 30 days. In respect of Riot, Malicious and Criminal Damage details must be provided within 7 days and the Police informed immediately.

### Claims against the block policy

If you need to make a claim on the insurance please contact out nominated loss adjuster, Crawford & Co in the first instance, their contact details are below. Where we are notified by a third party or a tenant of an incident that warrants notification to the loss adjuster we will contact them to get matters moving.

#### Contact Address

Crawford & Co  
70 Mark Lane  
London  
EC3R 7NQ

#### Telephone Number

01273 224 181

#### Email

pou@crawco.co.uk

#### Emergency Helpline (24 Hours)

0800 606 1234

You must notify us of all claims made against the block policy. If you or your tenant(s) are experiencing any difficulties with a claim or the service provided by the loss adjuster, please contact us for further assistance.

If for any reason the property becomes vacant it is important that there is sufficient liquidity within your Pension Scheme to ensure that ongoing costs are met. Costs include insurance, third party and Pension Scheme fees and, where applicable, service charges, business rates and loan payments.

Where the property is vacant the property should be kept secure and regular internal and external inspections should be undertaken. A professional property manager will be required to undertake such inspections. We can appoint a property manager on your behalf or alternatively, please notify us and we will appoint a property manager of your choice, the cost of which will be met by your Pension Scheme.

It is important that no persons use the property without our knowledge as this will have implications on the insurance cover and will breach HMRC requirements which will lead to tax penalties. If you wish to re-let the property please contact us and we will arrange for a formal tenancy to be established.

#### Please remember

Insurer(s) must be notified of un-occupancy as this is a material fact and they may wish to survey and/or require increased security.

#### Unoccupied Property Guidelines

If a property becomes unoccupied in whole or in part the following precautions should be implemented:

- Mains services of Gas or Electricity should be isolated and disconnected other than to maintain security lighting and heating systems with disconnection of the supply to be made in such a way as to avoid easy reconnection by intruders;
- Portable heaters should be permanently removed from the property
- Storm water drainage and valley gutters should be inspected and cleaned as soon as the property becomes unoccupied and annually thereafter;
- Unfixed combustible materials both inside the property and within the perimeter fence should be removed;
- Tanks containing flammable liquid should be drained unless used to fuel any central heating system which is being maintained during the winter period described above;
- The contents of silos and hoppers containing combustible material should be emptied and removed from the site;
- The integrity of fences gates and boundary walls should be maintained and site gates and entry and exit doors should be secured by good quality locks;
- Letter boxes should be sealed and accessible windows and rooflights regardless of the level at which they are installed should be secured;
- Existing intruder alarms and fire protection systems should be operational and maintained in efficient working order during the period of unoccupancy with existing central station connections being maintained and existing maintenance contracts continued;
- Internal and external inspections should be undertaken at least weekly to ensure that the building or unoccupied portion is secure and that no damage has occurred. Such inspections should be recorded in writing or full time 24 hour security should be in operation.

# 15

## VACANT PROPERTY (CONTINUED)

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### **Please remember**

All sprinkler shutdowns with a duration of longer than 1 day should be notified to Insurer(s) immediately.

If a property becomes unoccupied in whole or in part the following precautions should be implemented from 1st November to 31st March:

- the central heating system should be kept in full working condition with controls set and maintained at an adequate level to prevent freezing and water pipes storage tanks and cisterns in unheated or exposed parts of the building should be adequately lagged or trace heated to reduce risk of freezing; or
- the water supply should be turned off at the mains and all water systems, except sprinklers, drained with disconnection of the supply to be made in such a way as to avoid easy reconnection by intruders;
- wherever possible existing sprinkler protection should be maintained with weekly tests continued and the building should be heated to an adequate level to prevent freezing.

## DEVELOPMENT AND RENOVATIONS

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It is possible for your Pension Scheme to use its fund or to borrow money to construct, develop or renovate property held within your Pension Scheme, though prior to any development work being carried out, appropriate planning permission must be obtained and a copy submitted to us. However, where an existing full repairing and insuring (FRI) lease exists, it is generally unlikely that your Pension Scheme will be permitted to fund such work unless it has a positive impact on the value of the property and rent.

### BEFORE ANY WORK COMMENCES

In order for us to assess the acceptability and viability of any type of development work the following must be addressed before any work commences or contracts are signed and entered into:

1. The tenant will be responsible for all on-going repair obligations to the Property. Any landlord expenses made in respect of the Property should first be approved by us as they may be something that the tenant is responsible for.
2. A valuer will need to provide an independent open market valuation of the proposed works in order to confirm that it is reasonable for your **Pension Scheme** to pay for the works.
3. We require separate quotations from a minimum of 2 different contractors. This enables us to compare costs and ensure that your **Pension Scheme** is fairly charged.
4. A valuer will be required to value the property on a **Gross Development Value (GDV)** basis in order to advise on any amendments to the lease terms and rent payable following completion of the work.

All the required funding for the works and all associated costs (including VAT) must be held within your **Pension Scheme**.

### Please remember

No development works can be personally agreed or instigated without our prior knowledge or involvement in the process. Full or partial residential development is prohibited.

### Development Work

In most cases the work must be completed by a single contractor, who must generally be independent from you. In some circumstances we may consider the appointment of a **connected party** that is contractor, although separate professional advice regarding the cost and extent of the services provided will need to be sought at additional cost. This enables us to ensure that the works have been fairly priced.

We will instruct the chosen contractor to complete the works but before doing so we will require a Development Plan including the quotation to be provided.

The type of contract used will depend on the specifications and nature of the development. The contract will be between us (as the landlord/owner) and the contractor. It will set out the works to be completed for a fixed price.

Typically, on high cost projects, we may need to appoint an architect or project supervisor to act on our behalf, where this is required your **Pension Scheme** will be responsible for meeting their professional fees. The professionals required will depend on the complexity of the project, will be appointed at our discretion and will be formally instructed by us.

In most cases VAT is payable on building works. The VAT can be recovered, but to do so we will need to ensure that any VAT exemption over the property is waived before any development begins. The repayment of VAT is at the behest of the **HMRC** and we are not liable for any delays attributable to them.



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## SALE OF THE PROPERTY

The sale of the property may be slightly more complex if it is owned by multiple members, therefore it is imperative that a co-ownership agreement is in place.

### MARKET RISK

The value of commercial property can go up or down and you may not get back what you invested.

Also, there may not be a ready market for the property that you hold and it may take longer to sell than you anticipate. This could affect the timing and the amount of benefits that you may wish to take from the Pension Scheme or it could affect the timing of reinvesting the sale proceeds into other investments.

### SALE VALUE

The sale is subject to an independent valuation and if it is to be sold to you or another connected party, it must be on an arm's length basis at full market value.

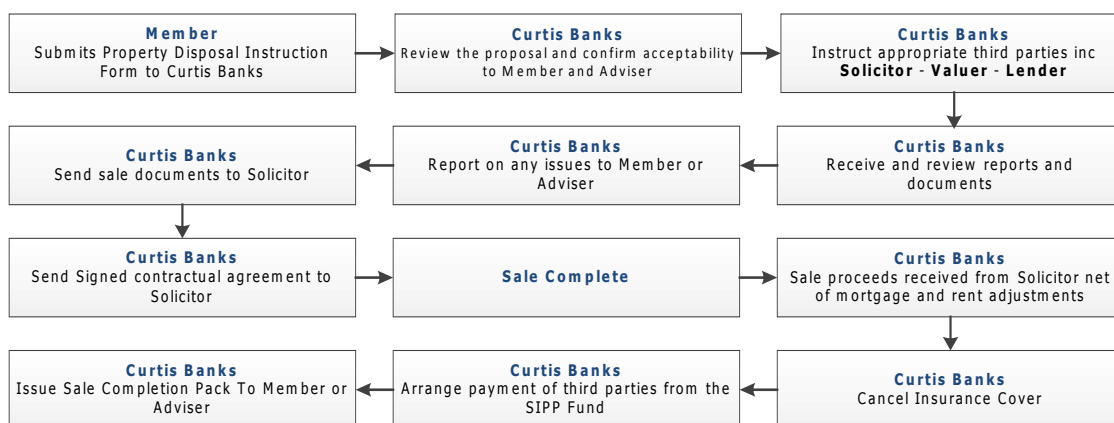
### TIMING

You can choose to sell the property at any point. We will need to ensure that our requirements are met in advance of the sale. Our requirements for agreeing a sale include but are not limited to receiving our sale questionnaire, ensuring all rent is paid up to date and if selling to a **connected party** ensuring it is in line with the valuation.

Where the property is held by a group of investors, the sale will take place in accordance with the terms of the **Co-ownership Agreement**.

### PROPERTY FLOW CHART

Below is a high level flowchart covering the main stages of a typical property sale.



The proceeds of the sale must be retained within the Pension Scheme.

# 18

## OUR FEES

The fees detailed below relate solely to individual SIPPs. For Group SIPPs or SSAS please contact us. See section 21 for the relevant contact details.

### FEES PAYABLE

#### Property Transactions - payable on completion of transaction

General Description of the Fee Payable	Indicative Fee
• Basic cost for property/land purchase or transfer in: One member;	£750
• Shared ownership - each additional member;	£150
• Plus if property is bought with borrowing	£250
• Registering a property for VAT	£150 (per property)
• Property sale or transfer out	£600
• Property transactions using non-panel solicitor	£200 (per property)

#### Annual Administration Charges - payable annually in advance

General Description of the Fee Payable	Indicative Fee
• Property/land fee Land - one member;	£375
• Property - one member;	£475
• Shared ownership - each additional member;	£150
• Additional fee for second and each subsequent tenant	£300 (per tenant)
• Additional fee if there is borrowing	£150 (per borrower)
• Additional fee if insurance is not via block policy	£200 (per property)
• Making quarterly VAT returns	£200 (per property)

**Please remember**

Development works of any type can be a complex area and it is essential that no works of any kind are instigated without our prior knowledge.

The services covered by the Annual Administration Charge are:

- Administering the business rates process
- Arranging the storage of title deeds when a mortgage is redeemed
- Completing statutory returns to regulatory bodies
- Dealing with updates to legislation
- Issuing rent demands, insurance and service charge demands
- Issuing VAT receipts
- Maintaining a diary of legal requirements in relation to the lease and keeping you informed
- Obtaining and dealing with loan redemption figures
- Paying invoices and agreeing/declining invoices
- Processing the requests of the Freeholder or Underlease holder
- Providing information on health and safety requirements
- Providing 'point of contact' services for queries
- Providing information on the dilapidation process
- Providing information on valuation requirements
- Reconciling property transactions in the scheme bank account
- Reviewing plans for development and advising whether or not permissible
- Supplying lenders with annual statements

**Additional Services**

Fees for our additional services are detailed on the next page. Additional services fees are payable / split in line with property ownership percentage. The general description of the additional service is purely indicative (not exhaustive). Please contact us if you require any clarification of when a fee is or maybe due. Our fees are in addition to any third party fees (e.g. solicitors).

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## ADDITIONAL SERVICES

There may be additional services that are not covered by the property fees for your Pension Scheme.

### ADDITIONAL FEES PAYABLE

The fees quoted are indicative for straightforward work. Where the work (for any reason) is deemed complex additional fees on a time cost basis will be payable. Our current time cost fee is detailed in your product's main fee schedule. Apart from time cost fees, all other fees are payable on commencement of the work.

Additional Services Items	General Description of the Fee Payable	Indicative Fee
Aborted Transactions	To cover the cost of the work completed	Time Cost
Borrowing - Capital repayment holiday	Dealing with the necessary administration for the implementation of a capital repayment holiday.	£100
Building Works - Under 25k	Approval of works and contractor, and completion of development contract and payment.	£300
Building Works - 25k plus	Approval of works and contractor, and completion of development contract. Dealing with additional items (e.g. valuations, warranties and reports) and arranging stage payments.	£600
Court Summons	Dealing with the necessary administration on a Court Summons.	£75
Dispute mediation between property owners	Providing intervention services to resolve a dispute.	Time Cost
Health & Safety & Fire Risk Assessments	Appointing an approved professional and assessing the subsequent report. Reporting back on any remedial action required.	£100
Insurance Claims	Dealing with the necessary administration on an insurance claim	£250
Lease Renewal & New Leases/tenancies	Reviewing the lease to ensure that all <b>pension scheme</b> requirements are incorporated and sufficiently covered. Providing amendments where regulatory legislation is lacking. Completing the lease. Dealing with all correspondence/contact in order to establish the lease.	£250
Lease alienation, variation, assignment or surrender	Dealing with lease changes to ensure that all pension scheme requirements are incorporated and sufficiently covered. Providing amendments where regulatory legislation is lacking. Seeing the lease changes through to conclusion and implementation. Dealing with all correspondence/contact in order to achieve the change outcome.	£200
Legal document processing excluding leases & property management agreements	Reviewing the documentation, providing any amendments where appropriate. Agreeing final wording where required. Completing and submitting the documentation.	£200
Mortgage arrears	Dealing with the necessary administration where a mortgage payment is missed. Dealing with all parties (lender, adviser/member).	£75
Property Manager Agreements	Reviewing the agreement to ensure that all <b>pension scheme</b> requirements are incorporated and sufficiently covered. Providing amendments where regulatory legislation is lacking. Completing the agreement. Dealing with all correspondence/contact in order to establish the agreement.	£200

# 19

## ADDITIONAL SERVICES (CONTINUED)

Additional Services Items	General Description of the Fee Payable	Indicative Fee
Rent deposits	Dealing with the necessary administration for a rent deposit.	£75
Rent arrears collection process	Liaising with the tenant and adviser/member and dealing with all correspondence and reporting. Preparing the information for solicitor to progress rent arrears via HM Courts.	£100
Rent Recovery	Appointing a solicitor, monitoring the progress and reporting.	£100
Rent payment plan arrangement	Dealing with the necessary administration to set the payment plan up and ensure that it conforms with HMRC requirements.	£150
Rent payment plan on-going administration	Dealing with the on-going administration of the payment plan.	£120 p.a.
Rent Reviews	Arranging a valuer to perform the rent review, liaising with the valuer, reviewing the report, ensuring that all valuation requirements have been adhered to, where necessary making follow up enquiries, agreeing the rent review memorandum and communication with all parties as to the rent review outcome.	£200
Repossession of the property	Dealing with the necessary administration for a loan default and repossession activity by the lender or its legal representatives.	£500
Tenant in administration or liquidation	Dealing with the administrator/liquidator through to resolution.	Time Cost
Third party ownership	Where a proportion of the property is owned outside of Curtis Banks pension scheme products.	£150
Unauthorised payments	Completing calculations and submitting the required documents to HMRC.	£120
Vacant Property	Dealing with the administration requirements where a property becomes vacant.	£125 p.a.
Valuation	Where we have a statutory obligation a valuation or have been asked by you to arrange a valuation. This fees applies to requests for valuations other than for purchase, sale, lease or rent review.	£100
VAT Return default	Dealing with HMRC where the scheme has defaulted on VAT due because of insufficient liquid funds in the <b>pension scheme</b> .	£75
VAT Audits	Dealing with HMRC where the pension scheme receives an audit.	Time Cost

### Please remember

The above list is not exhaustive and you should contact us to determine if an additional service fee is payable or if the work is covered by the annual property fee. The additional fees listed above apply to all **Pension Schemes**.

# 20

## PANEL OF SOLICITORS

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Working with many different professionals has taught us the value that experience can add.

### SOLICITOR PANEL

We have used our experience to assemble a panel of solicitors who are tried and tested when it comes to commercial property and pension schemes.

To help you with your choice, we have included some information below. The panel is available for properties in England, Wales, Scotland and Northern Ireland. You can still use your own choice of solicitor and you are not restricted to this panel.

### ASHFORDS

We have worked with Ashfords since the beginning of Curtis Banks and have developed a strong working relationship with them. Ashfords is a leading UK law firm delivering legal and professional services to businesses and individuals throughout the UK and abroad. Ashfords have over 70 partners and 500 staff, with offices in London and a strong presence in the South West with offices in Exeter, Bristol, Taunton, Plymouth and Tiverton.

**Contact** Andrew Worley  
**Tel** 0117 321 8089  
**Email** a.worley@ashfords.co.uk

### BOND DICKINSON

Bond Dickinson have established themselves as a Top 40 law firm with eight offices across the UK. Their Real Estate Pension Investment team handle the full range of freehold and leasehold transactions on behalf of large scale pension providers and individual pension investors in England, Scotland and Wales.

**Contact** Joe Haigh  
**Tel** 0191 2799 224  
**Email** joe.haigh@bonddickinson.com

### COFFIN MEW

Coffin Mew is a large law firm based in Portsmouth, Southampton, London, Gosport and Brighton. Their commercial property department are experienced at working with some of the biggest and best known pension providers in the country.

**Contact** Amanda Read  
**Tel** 02380 483787  
**Email** amandaread@coffinmew.co.uk

### GREGG LATCHAMS

Since 2015 we have worked closely with Gregg Latchams and have developed a strong and trusting working relationship. Gregg Latchams is Bristol based with 9 partners and 72 staff based in their Queen Square office and have good expertise dealing with commercial property pension transactions.

**Contact** Julian Pyrke  
**Tel** 0117 906 9421  
**Email** pensions@gregglatchams.com

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## PANEL OF SOLICITORS - SCHEDULE OF FEES

### Solicitor fees

The panel solicitors will all charge the same fees.

#### Purchase or part-purchase of a commercial property, including a transfer of a property into your pension scheme

Value of property	Fee
£0 - £249,999	£1,200
£250,000 - £499,999	£1,400
£500,000 - £749,999	£1,750
£750,000 or over	£2,100
£1 million and over	To be agreed at outset

Additional charges will apply in the following cases:

Condition	Fee
If the property has a long leasehold attached	£250
If the property is funded via a mortgage	£350
If a new lease is required on completion	£650
If the property is a new build	To be agreed at outset
If the property has an unregistered title	To be agreed at outset

#### Sale or part-sale of a commercial property (including a transfer of a property out of your pension scheme)

Value of property	Fee
£0 - £249,999	£1,150
£250,000 - £499,999	£1,350
£500,000 - £749,999	£1,700
£750,000 or over	£2,050

Additional charges will apply in the following cases:

Condition	Fee
If the property has a long leasehold attached	£250
If there is a mortgage to pay off on completion	£150

### Other charges

Type	Fee	
Farm Business Tenancy	Tenancy less than two years	£550
	Tenancy two years or longer	£1,000
Surrender of a lease	Deed	£500
	Agreement	£850
Lease reports	First lease report included in above	£150
Rent deposit deed		£450
Declaration of Trust	Providing no changes to agreed form	£250
Additional charge if the lender's consent is required for any of the above		£300
	<b>Connected tenant<sup>4</sup></b>	<b>Unconnected tenant</b>
New lease for a wholly or partially owned property (does not cover negotiation of terms within the lease)	£750	£1,250
Renewal of lease (does not cover negotiation of terms within the lease)	£700	£850
License to assign a lease	£700	£850
License to underlet	£700	£850
Deed of Variation	£700	£850
License for alterations to premises under a lease	£550	£650

Please note that all fees are subject to possible review, depending on the exact nature of the service provided, including but not limited to transactions of a more protracted/complex nature. All fees are subject to VAT and any Stamp Duty Land Tax or equivalent tax and disbursements (for example Land Registry fees and out of pocket expenses) will be payable in addition.

Please note:

- In Scotland, part purchase of a property is not available unless our panel solicitor is used.
- In Northern Ireland, if the property is unregistered, there will be an additional charge of £850
- In Scotland, a farm business tenancy will be substituted by a short-Form Limited Duration tenancy (£1,000) or a Limited Duration Tenancy (£1,500)
- A connected tenant is a connected party as defined in section 993 of the Income Tax Act 2007, and includes close members of your family and business with which you are associated.



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## HERE TO HELP

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IF YOU HAVE ANY QUESTIONS ABOUT THE  
TOPICS DISCUSSED IN THIS GUIDE WE'D BE  
HAPPY TO HELP





## KEY CONTACTS

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The facility to purchase commercial property as part of a Pension Scheme is one of the main attractions for many investors. However, successfully buying and managing a property is a highly specialist area that requires particular expertise and skills. It's an area in which Curtis Banks excels and one in which we are exceptionally well qualified to operate.

### Property Technical Team

The team is responsible for all SIPP property transactions detailed below. A dedicated member of the team will be assigned to all property and lease transactions through their completion.

[propertytechnical@curtisbanks.co.uk](mailto:propertytechnical@curtisbanks.co.uk)  
0117 3324 103

#### Property Transactions

- New Enquiries
- Purchase
- Sales
- Transfers (in-specie, death etc)
- Borrowing
- Property Development

#### Property Transactions

- New Lease
- Lease Surrender
- Lease Assignment
- Rent Review
- Rent Deposit
- Property Manager Contracts

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#### Property Maintenance

- Insurance Claims
- Property Valuations
- Option to tax

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#### Property Administration

- Property expenses at purchase
- Loan repayments
- Post completion formalities

**Property Management Team**

The team is responsible for all on-going SIPP management and safeguarding your property investment. The primary functions of the team are summarised below.

[propertymanagement@curtisbanks.co.uk](mailto:propertymanagement@curtisbanks.co.uk)  
01382 313 796

**Management**

- Rent demands
- Rent invoices
- Insurance recharge
- Rent Review Notices
- Lease Expiry Notices
- Changes to tenant details
- Property expenses on-going  
i.e. post purchase

**Credit Control**

- Rent receipts
- Rent arrears
- Rent concessions
- Mortgage arrears/loan  
maintenance
- Collection of insurance premiums
- Property Manager statements

**Property Reporting**

- VAT returns
- VAT receipts

**Risk Management**

- Insurance renewal & policy  
maintenance
- Vacant property administration

**SSAS Property**

For all SSAS property transactions and enquiries please contact the SSAS team:

[ssas.admin@curtisbanks.co.uk](mailto:ssas.admin@curtisbanks.co.uk)  
0117 9107 910

# 22

## GLOSSARY

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Pensions and property can be complex. To make this guide as easy to understand as possible, we've prepared a glossary of the terms that appear throughout this document.

### ADVISER

A financial adviser nominated by you who you authorise to receive communications in respect of your **Pension Scheme** and to give instructions on your behalf.

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### BENEFITS

A lump sum payment and/or income payable by **drawdown** or by buying an annuity or a combination of both.

---

### CONNECTED PARTY/TENANT/ UNCONNECTED PARTY

A connected party is any person that falls within the definition of a connected person in section 993 of the Income Tax Act 2007. A connected party includes family members, any company you control, or partners in a partnership connected with you or your relative.

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### COMMONHOLD

This involves the freehold tenure of part of a multi-occupancy building with shared ownership of and responsibility for common areas and services.

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### CO-OWNERSHIP AGREEMENT

Our standard agreement for properties which are owned by a number of **Pension Scheme** investors.

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### DEVELOPMENT PLAN

This is a health and safety management document for the project which will include details of the work that is being done, the project team and emergency arrangements.

---

### DRAWDOWN

Taking **benefits** from your pension fund, in the form of an income, while it's still invested.

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### FREEHOLD

Permanent and absolute tenure of land or property with freedom to dispose of it at will.

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### GROSS DEVELOPMENT VALUE

A tool used by property developers to highlight capital and rental value of a property or development project when all development works have completed.

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### HMRC

Her Majesty's Revenue & Customs, the UK tax authority.

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### LEASEHOLD

An interest in a property held under a rental agreement (lease) by which the owner gives another the right to occupy or use land for a set period of time. Ownership of the property returns to the landlord when the lease comes to an end.

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# 22

## GLOSSARY (CONTINUED)

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<b>PENSION FUND</b>	The net asset value of your <b>Pension Scheme</b>
<b>PENSION SCHEME</b>	Any SIPP or SSAS administered by Curtis Banks
<b>PROPERTY MANAGER</b>	An individual or company qualified and registered with the Royal Institution of Chartered Surveyors (RICS) that is appointed to manage the day-to-day functioning of the property.
<b>TAXABLE PROPERTY</b>	If a property is used for, or is suitable for use as a dwelling, or is land that forms part of the garden or grounds of such a property, it may be classed as taxable property. Taxable property is also all tangible moving assets that are separate to the bricks and mortar of the property. The full definition is set out in the Finance Act 2004.
<b>TRUSTEE</b>	This will normally be our Trustee Company that is linked to your <b>Pension Scheme</b> . It is NOT Curtis Banks Limited who are the administrators of the <b>Pension Scheme</b> . Please contact us if you need confirmation of the Trustee Company.
<b>VALUER</b>	A firm of valuers or surveyors that are qualified and registered with the Royal Institution of Chartered Surveyors (RICS)
<b>WE, OUR, US</b>	Any of the Curtis Banks registered Trustee Companies acting as Scheme Trustee for the Pension Scheme.

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Curtis Banks Limited,  
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Bristol, BS1 6DZ

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F 0117 929 2514  
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**Call charges will vary. We may monitor and record calls.**

If you're contacting us by email, please remember not to send any personal, financial or banking information because email is not a secure method of communication.

Curtis Banks Ltd is the operator and administrator of the SIPP. Colston Trustees Limited is trustee of the SIPP

Curtis Banks Limited (registered number 6758825) and Colston Trustees Limited (registered number 6867955) are companies registered in England & Wales with their registered address at 3 Temple Quay, Bristol, BS1 6DZ. Curtis Banks Limited is authorised and regulated by the Financial Conduct Authority. PROP GN 0418.1

