

Sippchoice Bespoke SIPP

Investment Request (Property) Form (from 27 April 2018))

If you would like to purchase a property in your SIPP, or receive a property transfer from another pension scheme, then please read the notes at the end of this form carefully. Then complete this form and return it to us at: Dentons Pension Management Limited, Sutton House, Weyside Park, Catteshall Lane, Godalming GU7 1XE.

Please note, in particular, that:

- we will instruct our solicitors (Tretowans) to deal with the property purchase/in-specie transfer; and
- we will appoint our property manager (Strettons) to manage the property once it has been purchased.

Section A - Member's details

Please complete this section in all cases

1. Name	
2. Date of birth	
3. SIPP membership number	

If the property is to be owned by more than one member's SIPP then please show the details of the lead member above.

Section B - Property details

1. Tenure	Freehold <input type="checkbox"/>	Leasehold <input type="checkbox"/>			
2. Property description	Office <input type="checkbox"/>	Shop <input type="checkbox"/>	Warehouse <input type="checkbox"/>	Other <input type="checkbox"/>	(please specify)
3. Current use of property					
4. Intended use of property	Same as current use <input type="checkbox"/>	Different from current use <input type="checkbox"/>			
If 'Different from current use', please provide details:					
5. Address					
	Postcode				
6. Land Registry Title Number					
7. Does the member (or any person connected with the member, including the member's business) own any property that is adjacent to the property being acquired	Yes <input type="checkbox"/>	No <input type="checkbox"/>			
If 'Yes' please see note on page 2 provide details:					
8. Does the property include any residential accommodation	Yes <input type="checkbox"/>	No <input type="checkbox"/>			
If 'Yes' please see note on page 2 provide details:					
9. Are there any special or unusual provisions relating to the property	Yes <input type="checkbox"/>	No <input type="checkbox"/>			
If 'Yes' please see on page 2 provide details:					

Section B - Property details (continued)

10. Are there any known issues of an environmental nature in respect of the property or the current/intended use of the property or of any surrounding property		Yes <input type="checkbox"/>	No <input type="checkbox"/>
If 'Yes' please see note on page 2 provide details:			
11. Annual rent	£		
12. Age of property (approx.)		years	
13. Is the property being purchased with vacant possession	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
14. Is the property currently being refurbished	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

Note: It is important that you notify Dentons as soon as possible if you answer 'Yes' to any of questions B7, 8, 9 or 10 since it may not be possible to proceed with the property purchase.

Section C - Vendor's details

Please complete this section in all cases

1. Contact name			
2. Company			
3. Address			
		Postcode	
4. Telephone number			
5. Fax number			
6. Email			
7. Is the vendor connected with the member	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

Section E - Selling agent's details

Please complete this section in all cases

1. Contact name			
2. Company			
3. Address			
		Postcode	
4. Telephone number			
5. Fax number			
6. Email			

Section F - Purchase details

Please complete this section in all cases

1. Is this an in-specie transfer from another pension scheme		Yes	No	
If 'Yes' please provide details:				
2. Is this an in-specie contribution by the member		Yes	No	
If 'Yes' please provide details:				
3. Proposed date of exchange of contracts				
4. Proposed date of completion of purchase				
5. Are there any special or unusual provisions relating to the transaction		Yes	No	
If 'Yes' please provide details:				
6. Is the property subject to VAT		Yes	No	
If 'No', is Sippchoice Trustees Limited to 'VAT opt' the property:		Yes	No	
7. If the property is, or will be, subject to VAT then is it to be treated as a transfer of a going concern		Yes	No	

Section G - Joint ownership details

Please complete this section only if the property is to be owned by more than one SIPP member

Name of joint owner	Member of the Sippchoice Bespoke SIPP?		Percentage of property
	Yes	No	
	Yes	No	
	Yes	No	
	Yes	No	
	Yes	No	

Section H - Tenant details

Please complete this section in all cases

1. Is this an existing or a new tenant		Existing tenant	New tenant
2. Contact name			
3. Company			
4. Address			
	Postcode		
5. Telephone number			
6. Fax number			
7. Email			
8. Annual/proposed rent	£		

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Section H - Tenant details (continued)

Please complete this section in all cases

9. Details of any rent-free period or other new tenant inducement			
10. Frequency of rent payments			
11. Date lease commenced/to commence			
12. Date lease expires			
13. Date of next rent review			
14. Tenant's VAT status	Registered for VAT	<input type="checkbox"/>	Exempt from VAT
15. Is the tenant connected with the member	Yes	<input type="checkbox"/>	No
If 'Yes' please provide details:			

Please provide this information in respect of each tenant if the property has more than one tenant.

Section I - Lender's details

Please complete this section only if a loan is being taken out to finance the purchase

1. Contact name			
2. Company			
3. Address			
	Postcode		
4. Telephone number			
5. Fax number			
6. Email			

Section J - Loan details

Please complete this section only if a loan is being taken out to finance the purchase

1. Amount of loan	£		
2. Term of loan		years	
3. Interest rate for loan			
4. Monthly repayment amount	£		
5. Is a copy of the loan offer enclosed	Yes	<input type="checkbox"/>	No
6. Mortgage brokers contact details			
7. Is the interest rate being fixed using a SWAP	Yes	<input type="checkbox"/>	No
If 'Yes' please provide details:			

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Section K - Financing details

Please complete this section in all cases

	Expected total cost of the property
1. Purchase price (excluding VAT)	£
2. plus: VAT (if applicable)	£
3. plus: stamp duty land tax	£
4. plus: legal and other professional costs (inc. VAT)	£
5. plus: any other costs	£
6. TOTAL	£

Note: Please ensure that, inter alia, allowance is made for any mortgage broker's fees, lender's arrangement and legal fees, property valuation fees and selling agent's fees, etc.

	How will this cost be met
7. Cash held in SIPP	£
8. Existing investments to be sold	£
9. Transfer payments from other pension schemes	£
10. Personal contributions – net (see note below)	£
11. Employer contributions	£
12. Borrowing	£
13. TOTAL	£

Note: Personal contributions must be paid net of basic rate income tax and it can take up to 11 weeks before this tax is reclaimed from HMRC.

Section L - Member's declaration and request to Dentons Pensions Management Limited

Please complete this section in all cases

1. I hereby request Sippchoice Trustees Limited to proceed with this investment request.
2. I understand that neither Dentons Pension Management Limited nor Sippchoice Trustees Limited will be liable for any claim concerning the suitability of the property for investment purposes or for any loss or the performance arising from the investment
3. I agree that Sippchoice Trustees Limited should arrange an environmental desktop report in respect of the property.
4. I accept responsibility for arranging the financing of the purchase of the property.
5. I accept responsibility for all tax aspects (including VAT) of the transaction.
6. I understand that Sippchoice Trustees Limited will appoint Trethewans to act as its solicitor for the purchase of the property and Strettons to manage the property.
7. I acknowledge that if the purchase does not proceed for whatever reason then I will personally meet all of the costs incurred up to that point in the event there are insufficient funds in my SIPP.
8. I declare that every statement made in this questionnaire is to the best of my knowledge and belief true and complete.

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Section L - Member's declaration and request to Dentons Pensions Management Limited (continued)

Please complete this section in all cases

9. I confirm that I have read and understood the notes attached to this investment request and agree to be bound by their provisions

10. If the purchase proceeds then I hereby undertake to indemnify and keep indemnified Dentons Pensions Management Limited and Sippchoice Trustees Limited from all claims, actions, proceedings, losses, damages, liabilities, costs and expenses including fines, penalties, legal and other professional fees which may arise at any time in connection with the above property other than those which would not have arisen but for, or have been increased in amount by, the negligence of Dentons Pensions Management Limited or Sippchoice Trustees Limited but only to the extent that Dentons Pensions Management Limited or Sippchoice Trustees Limited is not able to indemnify itself out of the funds held in my SIPP.

Note: If the property is to be owned by more than one member's SIPP then each member concerned must sign this declaration.

Member's Signature

Member's signature	
Member's name (in capitals)	
Date	

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Notes

Introduction

1. Your SIPP can purchase UK freehold or leasehold commercial property. This can be purchased from a third party or from a 'connected party' (e.g. you personally or your business) provided that this takes place on an open market arm's length basis. Your SIPP cannot acquire fixtures, fittings or equipment.
2. Your SIPP can also receive an in specie transfer of UK property from you or from a connected party (e.g. you personally or your business) or, alternatively, from an existing pension scheme provided that this takes place on an open market arm's length basis.
3. The property can be leased to a third party or to your business provided that:
 - the lease is granted on commercial terms; and
 - the rent payable is at an open market level (supported by a professional valuation if the property is leased to your business or to a connected party).

Property purchase at auction

4. It will not be possible for your SIPP to purchase property at auction.

Residential property

5. Your SIPP cannot purchase, or receive an in-specie transfer of, residential property except in very limited circumstances, e.g. a residential part of a property occupied by an employee as part of their employment or a caretaker's residence.
6. Hotels, guest houses and nursing homes in the UK are permitted provided that you, as the SIPP member, or persons connected to you, do not use the facilities other than at a commercial rate.

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Legal ownership

7. The property (and any associated borrowing - see 16. below) will be held by our trustee company, Sippchoice Trustees Limited, for your benefit in the Sippchoice Bespoke SIPP.

Joint ownership

8. It is possible for your SIPP to jointly own commercial property with yourself, other SIPP members, a person connected to you or a third party. In these circumstances a joint owners agreement must be put in place to identify and protect your interests. This needs to reflect the relationship between the parties and should, as a minimum, include provisions such as:

- ownership proportions
- proportionate sharing of income and expenditure
- dealing with the sale of a party’s interest in the property
- dispute resolution procedure.

9. The charges that will apply in cases of joint ownership will depend on the circumstances. If the property is to be acquired by your SIPP together with other members of the Sippchoice Bespoke SIPP then there will be a fixed joint ownership fee of £100 per SIPP member and the property charges will be apportioned amongst each member’s SIPP.

Example. If the property purchase fee is £1,050 (plus VAT) and the annual property fee is £620 (plus VAT) and the property is owned equally by three SIPP members then the charges per member will be:

Property purchase fee: £350.00 (plus VAT) per member [£100 + £1,050/3]
Annual property fee: £306.67 (plus VAT) per member [£100 + £620/3]

The charges that will apply if the property is held jointly with one or more parties who are not members of the Sippchoice Bespoke SIPP will be notified to you and will depend on the precise circumstances.

Appointment of solicitor

10. We will instruct our solicitors (Trethowans) to deal with the property purchase/in-specie transfer and any associated lease(s).

11. Details of Trethowans’ indicative fees for a property purchase are as follows:

Property Value	Trethowans’ Fee
up to £300,000	£1,050 plus VAT and disbursements
£300,000-£400,000	£1,400 plus VAT and disbursements
£400,000-£750,000	£2,650 plus VAT and disbursements.
£750,000 and £1 million	£3,300 plus VAT and disbursements
over £1 million	by negotiation

The indicative fees shown above do not include the creation of a new lease to a tenant or the review of an existing lease:

- if a new lease is required, or if there is an existing lease that requires review, then the above fees will be increased by £250 (plus VAT)
- if any defects in the lease require rectification then an additional negotiated fee will be payable for the required deed of variation
- if a new lease is to be created and this is not in the form of Sippchoice’s standard documentation then Trethowans reserves the right to charge an additional and separate negotiated fee.

If borrowing is required then an additional fee of £325 (plus VAT) will apply.

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12. Details of Trethowans' indicative fees for a property in-specie transfer are as follows:

Property Value	Fee
up to £1 million	£1,250 (increased to £1,575 if a mortgage is involved) plus VAT and disbursements
over £1 million	by negotiation

If borrowing is required by the receiving scheme, or is to be discharged by the transferring scheme, then an additional fee of £325 (plus VAT) will apply.

Appointment of valuer

13. If the property is to be acquired from you, your business or any other connected party, or if it is to be transferred to your SIPP from another SIPP, then it will be necessary to appoint a Chartered Surveyor to prepare a valuation report in respect of the property. This valuation report must include details of:

- the open market value of the property
- the open market rental value; and
- the building insurance reinstatement cost.

14. If the property is acquired on arm's length terms and will be rented to your business or any other connected party then it will be necessary to appoint a Chartered Surveyor to prepare a valuation report on the open market rental value of the property.

15. If there will be any borrowing to finance the purchase of the property then the lender will normally appoint a valuer to provide a valuation of the property. It will normally be possible for Sippchoice to use the valuation provided to the lender as long as the valuation report is addressed to Sippchoice Trustees Limited and Dentons Pension Management Limited as well as to the lender.

Borrowing

16. Your SIPP can borrow money to finance the purchase of commercial property subject to the following conditions:

- the total amount borrowed must not exceed 50% of the net value of your SIPP (after deducting all existing loans)
- the borrowing must be secured on the property and repaid when the property is subsequently sold
- our liability in respect of any borrowing must be restricted to the value of the property.

17. You will need to arrange any proposed borrowing and you may use any lender of your choice for this purpose. It will be your responsibility to agree the commercial terms of the borrowing (e.g. interest rate, arrangement fee, etc.) and you will need to ensure that:

- the lender's offer letter is addressed to Sippchoice Trustees Limited and Dentons Pension Management Limited; and
- it restricts Sippchoice Trustees Limited's and Dentons Pension Management Limited's liability in respect of any borrowing to the value of the property.

18. The lender will normally require the expected rental income to be sufficient to cover the mortgage interest and any capital repayments.

19. Any borrowing must be available and in place before exchange of contracts for the property purchase - see 24. and 25.

Property management

20. We will appoint our property manager (Strettons) to manage the property once it has been purchased. They will be responsible for ensuring that all the provisions of the occupational lease and, where appropriate, the headlease are complied with and their services will include:

- collecting all rents, insurance premiums and service charges when due and chasing any arrears
- preparing quarterly accounts in relation to the property
- providing all information required to complete the VAT returns
- providing guidance on the level of insurance required
- all tenant liaison
- dealing with health and safety and statutory regulations affecting the property
- monitoring and notifying key dates for action, e.g. rent reviews and lease expiries
- dealing with routine enquiries.

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21. We have negotiated special property management fees with Strettons and these are as follows:

Annual fee: The greater of:
(i) 1% of all money (excluding service charges) collected from the tenant(s) disregarding concessions granted to the tenant, such as reduced rent or rent-free periods; and
(ii) £625 plus VAT for a single let property (increased to £975 plus VAT for properties with 2 tenants, £1,325 plus VAT for properties with 3 tenants and by agreement for properties with 4 or more tenants).

Insurance fee: Nil if the property is insured under Strettons' block policy with Aviva (see 28.)
£125 per annum plus VAT if the property is not insured under Strettons' block policy (note: this includes leasehold properties where the insurance is arranged by the freeholder)

Additional fees will apply for property valuations, rent reviews, lease renewals, new lettings and service charge administration, etc.

Note: These fees will be deducted from the rents collected and are subject to annual RPI increases.

VAT

22. If you use your SIPP to acquire a property that is already registered for VAT then it will normally be possible to register your SIPP for VAT. This will allow your SIPP to reclaim any VAT payable on the purchase price. In these circumstances VAT will be charged on the rent and any other associated charges relating to the occupational lease (e.g. service charges and insurance).

23. Furthermore, you should take advice on whether the transaction could be structured as a 'transfer of a going concern' for VAT purposes. This could not only save cash flow for VAT but also save Stamp Duty Land Tax.

Note: We do not provide any tax advice (including on VAT) on property transactions. It is, therefore, strongly recommended that you seek independent tax advice on any property transaction before contracts are exchanged.

Financing

24. It is your responsibility to ensure that there are sufficient funds available on exchange of contracts for the property purchase to cover the purchase price, if any, of the property (including VAT, if applicable) and all the associated purchase costs, including professional fees, stamp duty land tax, borrower's fees, disbursements and our fees, etc.

25. It will not be possible to exchange contracts if the funding for the property purchase is not fully in place.

Environmental matters

26. It is important to establish any environmental liabilities to:

- protect the value of your pension fund; and
- avoid any environmental liability for Sippchoice.

Therefore, before instructing solicitors to act for a property purchase or in-specie transfer we will complete an environmental desktop search to establish whether there are any environmental risks or contamination issues attached to the property. If there are any environmental/contamination issues then we may request additional information to establish the level of risk involved and whether the property purchase can proceed and we may have to charge an additional fee for the extra work involved to establish the level of environmental/contamination risk.

27. Furthermore, you, or the seller, will also need to provide a recent Asbestos Survey (for properties built before 2000) and Energy Performance Certificate in respect of the property.

28. It is important to note that we will only invest in properties whose energy efficiency rating on their Energy Performance Certificate is above E.

Property insurance

29. In order to ensure that the property is insured, we will normally arrange for the property to be insured under a block policy with Aviva arranged by Strettons from the date that contracts are exchanged (note: this normally applies to freehold properties since the insurance for leasehold properties is usually arranged by the freeholder). The policy will be a bespoke landlord's policy covering the following:

- property owner's liability
- material damage to the building (e.g. fire, explosion and terrorism); and
- rent receivable cover (i.e. to ensure that your SIPP continues to benefit from an amount equal to the rent in the event of insurance damage to the property rendering it uninhabitable).

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Procedure for purchasing property

30. The procedure for purchasing a property in your SIPP is set out below.

- (a) The attached Property Investment Request form, setting out full details of the proposed property purchase, must be completed and sent to us.
- (b) We will check that there are sufficient funds available to cover the purchase price, if any, of the property (including VAT, if applicable) and all the associated purchase or in-specie transfer costs, including professional fees, stamp duty land tax, disbursements and our fees, etc.
- (c) If the Property Investment Request form is satisfactory then we will carry out an environmental desktop search.
- (d) If the environmental desktop search is satisfactory then we will confirm to you that the purchase can proceed and ask you to arrange:
 - for a property valuation to be prepared if this is required as per 12. above
 - any proposed borrowing required to finance the proposed purchase.
- (e) We will appoint our solicitor to deal with the property purchase or in-specie transfer and any associated leases. Note that your SIPP cannot acquire any fixtures, fittings or equipment.
- (f) We will review the valuation (if required) when we receive it to ensure that it is satisfactory.
- (g) The solicitor will send us and you their report on title together with confirmation that the mortgage documentation is satisfactory and the documentation required to exchange contracts. The solicitor will also advise us on whether we need to register your SIPP for VAT.
- (h) If the funding for the property purchase is fully in place then we will arrange the exchange of contracts for a purchase, or for the completion of an in-specie transfer, and at the same time we will arrange for the property to be insured under the block insurance policy arrangement.
- (i) Following exchange of contracts for a purchase, or the completion of an in-specie transfer, we will arrange for:
 - your SIPP to be registered for VAT if applicable and for a 'transfer of a going concern' application to be made so that VAT is not payable on the purchase of the property
 - the property manager to be appointed
 - the property to be insured.
- (j) We will then arrange for completion of the purchase.

Notes:

1. *We will not be liable for any claim concerning the suitability of the property for investment purposes, nor for any loss or the performance arising from the investment.*
2. *We reserve the right to decline any application for a property purchase.*

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The Sippchoice Bespoke SIPP has been registered with HM Revenue & Customs under the Pension Scheme Tax Reference 00738995RG. Dentons Pension Management Limited is the Provider and Scheme Administrator of the Sippchoice Bespoke SIPP and it is authorised and regulated by the Financial Conduct Authority under reference number 461094. Sippchoice Trustees Limited is the Trustee of the Sippchoice Bespoke SIPP.

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