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## Sippchoice Bespoke SIPP

### Investment Request (Property) Form (from 1 January 2019)

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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 (Trethowans) to deal with the property purchase/in-specie transfer.

#### A Member's details

Please complete this section in all cases.

Name	
Date of birth	
SIPP member 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.	

#### B Property details

Please complete this section in all cases.

Tenure	Freehold <input type="checkbox"/>	Leasehold <input type="checkbox"/>	<input type="checkbox"/>
Property description	Office <input type="checkbox"/>	Shop <input type="checkbox"/>	Warehouse <input type="checkbox"/>
Current use of property	Other (please specify):		
Intended use of property	Same as current use <input type="checkbox"/>	Different from current use <input type="checkbox"/>	<input type="checkbox"/>
	If 'Different from current use', please provide details:		
Address			
	Postcode		
Land registry title number			

## B Property details (continued)

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 below provide details:
Does the property include any residential accommodation	Yes <input type="checkbox"/> No <input type="checkbox"/> If 'Yes' please see note below and provide details:
Are there any special or unusual provisions relating to the property	Yes <input type="checkbox"/> No <input type="checkbox"/> If 'Yes' please see note below and provide details:
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 below and provide details:
Annual ground rent	£
Age of property (approx.)	Years
Is the property being purchased with vacant possession:	Yes <input type="checkbox"/> No <input type="checkbox"/>
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.

## C Vendor's details

Please complete this section in all cases.

Contact name	
Company	
Address	
	Postcode
Telephone number	
Fax number	
Email	
Is the vendor connected with the member	Yes <input type="checkbox"/> No <input type="checkbox"/> If 'Yes' please provide details:

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## D Vendor's solicitor's details

Please complete this section in all cases.

Contact name	
Firm	
Address	
	Postcode
Telephone number	
Fax number	
Email	

## E Selling agent's details

Please complete this section in all cases.

Contact name	
Company	
Address (including postcode)	
	Postcode
Telephone number	
Fax number	

## F Purchase details

Please complete this section in all cases.

Is this an in-specie transfer from another pension scheme	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> If 'Yes' please provide details: <input type="text"/>
Is this an in-specie contribution by the member	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> If 'Yes' please provide details: <input type="text"/>
Proposed date of exchange of contracts	
Proposed date of completion of purchase	
Are there any special or unusual provisions relating to the transaction	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> If 'Yes' please provide details: <input type="text"/>

## F Purchase details (continued)

Is the property subject to VAT	Yes <input type="checkbox"/>	No <input type="checkbox"/>	If 'No', is Sippchoice Trustees Limited to 'VAT opt' the property		Yes <input type="checkbox"/>	No <input type="checkbox"/>
If the property is, or will be, subject to VAT then is it to be treated as a transfer of a going concern	Yes <input type="checkbox"/>	No <input type="checkbox"/>				

## 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 <input type="checkbox"/>	No <input type="checkbox"/>	
	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

## H Tenant details

Please complete this section in all cases.

Is this an existing or a new tenant	Existing tenant <input type="checkbox"/>	New tenant <input type="checkbox"/>
Contact name		
Company		
Address		
	Postcode	
Telephone number		
Fax number		
Email		
Annual/proposed rent	£	
Details of any rent-free period or other new tenant inducement		
Frequency of rent payments		
Date lease commenced/to commence		
Date lease expires		
Date of next rent review		

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## H Tenant details (continued)

Tenant's VAT status	Registered for VAT <input type="checkbox"/>	Not Registered for VAT <input type="checkbox"/>
	Exempt from VAT <input type="checkbox"/>	
Is the tenant connected with the member	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If 'Yes' please provide details:	

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

## I Lender's details

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

Contact name	
Company	
Address	
	Postcode
Telephone number	
Fax number	
Email	

## J Loan details

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

Amount of loan	£	
Term of loan	Years	
Interest rate for loan		
Monthly repayment amount	£	
Is a copy of the loan offer enclosed?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Mortgage brokers contact details		
Is the interest rate being fixed using a SWAP	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If 'Yes' please provide details:	

## K Financial details

Please complete this section in all cases.

	Expected total cost of the property	
Purchase price (excluding VAT)	£	
Plus: VAT (if applicable)	£	
Plus: stamp duty land tax	£	
Plus: legal and other professional costs (inc. VAT)	£	
Plus: any other costs	£	
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	
Cash held in SIPP	£	
Existing investments to be sold	£	
Transfer payments from other pension schemes	£	
Personal contributions - net (see note below)	£	
Employer contributions	£	
Borrowing	£	
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.

## L Property management

Please complete this section in all cases.

Do you wish to appoint a recognised property manager to oversee the property?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	If yes please complete their details below. If no Dentons will provide their rent administration service.
Name of property manager			
Contact name			
Telephone number			
Email			

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## M Member’s declaration and request to Dentons Pensions Management Limited

Please complete this section in all cases.

- I hereby request Sippchoice Trustees Limited to proceed with this investment request.
- 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
- I agree that Sippchoice Trustees Limited should arrange an environmental desktop report in respect of the property.
- I accept responsibility for arranging the financing of the purchase of the property.
- I accept responsibility for all tax aspects (including VAT) of the transaction.
- I understand that Sippchoice Trustees Limited will appoint Trethewans to act as its solicitor for the purchase of the property.
- 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.
- I declare that every statement made in this questionnaire is to the best of my knowledge and belief true and complete.
- I confirm that I have read and understood the notes attached to this investment request and agree to be bound by their provisions
- 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(s)	
Member’s name(s)	
Date	

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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.

**Dentons Pension Management Limited** Registered office: Sutton House Weyside Park Catteshall Lane Godalming GU7 1XE  
 tel: 01483 521 521 fax: 01483 521 515 email: info@dentonspensions.co.uk web: www.sippchoice.co.uk

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# Sippchoice Bespoke SIPP

## Investment request (Property) - Notes

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### 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.

### 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



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### Joint ownership (continued)

- 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:

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

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

- 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.

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.

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## 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. You may either appoint a recognised property manager to administer the management of the property or Dentons Pension Management will provide a rental collection service. The service Dentons will provide is charged at £500 plus VAT per annum and it covers the billing and collection of rent only. If there are any issues outside of this scope Dentons will require the SIPP to receive assistance from appropriately qualified third parties, e.g. a property manager or a solicitor. The fees for which will be deducted from your SIPP.

## VAT

21. 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.

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## VAT (continued)

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).

22. 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

23. 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.

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

## Environmental matters

25. 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.

26. 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.
27. 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

28. In order to ensure that the property is insured, we will normally arrange for the property to be insured under a block policy arranged by Jelf Insurance Brokers Limited 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).

29. Dentons Pension Management will receive a payment from Jelf Insurance Brokers Limited by way of an introducer's fee equivalent to 20% of the total premium payable (less insurance premium tax) for any clients introduced and signed-up to insurance arranged by Jelf Insurance Brokers Limited.

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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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