



The Xafinity Self Invested Personal Pension (SIPP)

Surveyor's Guide



If you require this document in another format for ease of reading, please let us know.

This document has been written for The Xafinity SIPP. However, if you have a Xafinity Self Invested Personal Pension Plan it is still correct in its technical content but there are some minor differences.

You can find out what SIPP you hold by looking at your Policy Number. The table below explains the differences to consider when reading this document.

Policy Number	SIPP Name	Differences in this guide
1nnnnn (6 digits starting '1')	The Xafinity SIPP, and SimplySIPP	None
5nnnn (5 digits starting '5')	Xafinity Self Invested Personal Pension Plan	<ul style="list-style-type: none"> • The SIPP is not Defaqto rated; and • The SIPP Provider is Bank of Scotland

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Important Note

This document is updated regularly. Please ensure you are referring to the latest document, by downloading it from Xafinity.com.

Property investment is not available with the SimplySIPP. If you have a SimplySIPP and wish to invest in property, please contact us about moving to the full Xafinity SIPP.

1. SURVEYS

Background

A SIPP can be used to purchase freehold or leasehold commercial property and/or land in the UK. Residential property and any property outside the UK cannot be purchased under a Xafinity SIPP.

The property must be surveyed and valued on various events such as purchase, transfer-in, transfer-out, rent review or renewal, benefit crystallisation and sale. Any such inspections must be by a member of the Royal Institution of Chartered Surveyors (RICS). In addition, the reports should be produced in accordance with the relevant sections of the RICS appraisal and valuation manual at that time and take into account any environmental requirements that may set, as well as any environmental information that we require.

Where Xafinity's requirements are not fully met in accordance with this guide, this will cause delays.

Open Market Valuations

For all purchases, transfers-in, new leases and rent reviews, the survey should detail the open market valuation and rental valuation of the property/land.

For all sales and transfers-out, the survey must detail the open market valuation of the property and/or land at the time of inspection.

Environmental Concerns

For all purchases and transfers-in, in addition to the relevant valuations, our main concerns relate to any potential environmental issues and the avoidance of these.

You need to be aware that any property/land investment could lead to liabilities falling on the pension fund under environmental legislation. For example, under Part 2A of the Environmental Protection Act 1990 the polluter will pay. However, in the oldest industrial society in the world, it is often impossible to find the polluter. If this is the case the owner or occupier will be considered as responsible.

It is therefore possible for considerable liabilities to fall on the SIPP Trustee and/or the scheme members as individuals. As a result, the Trustees must act prudently and appoint any firm of chartered surveyors that is either a member (MRICS) or fellow (FRICS) of RICS in accordance with the RICS Valuation Standards (8th Edition), the "Red Book". The risk to the value of the investment from other environmental factors such as flood risk must also be considered.

The surveyor is reminded about the assumptions to be made about contamination and environmental matters contained in UK GN4.

In May 2010, RICS issued new guidance to its members regarding the identification and reporting of possible contamination and other environmental factors in the publication entitled "Contamination, the environment and sustainability: Implications for Chartered Surveyors and their clients" (3rd Edition). A number of Property Observation Checklists have been developed by RICS, which are recommended for recording apparent potential for contamination since they can be completed without prejudice to the Chartered Surveyor's PII cover, the standard wording of which includes a pollution exclusion clause. The relevant Checklists are for commercial and rural properties. These are also referred to in the Red Book.

2. WILBOURN ASSOCIATES

Wilbourn Associates are an independent firm of Chartered Environmental Surveyors who have been appointed to protect the interests of the pension fund, the members, and Xafinity. They are our chosen environmental experts and no alternative environmental surveyors are acceptable to Xafinity.

The practice was formed in 1993 and has developed a significant reputation for quality advice in all aspects of environmental real estate consulting. It has £5 million of Professional Indemnity Insurance cover and is not fettered by pollution exclusion clauses.

Our key contact is Philip Wilbourn BSc C.Env FRICS, who is a Chartered Environmental Surveyor and a Specialist in Land Condition (SiLC). Philip is an expert in contaminated Land, environmental law and how this impacts on all forms of real estate. Philip is also a past Chairman of the Environment Faculty of the RICS, sits on the Valuation Standards Board and is responsible for current guidance for Chartered Surveyors in respect of contamination and environmental matters.

Xafinity will provide Wilbourn Associates with a copy of any survey that is prepared in relation to any proposed purchase or transfer-in. The survey **must** cover all of the requirements set out in Section 3 of this guide, which includes the submission of a “Green Light Inform Report”.

It is particularly common for the required plan and coloured photographs (see Section 3 (b) and (g)) not to be included in the survey. Please ensure that this is not the case as it will cause delays.

If on reviewing the survey, Wilbourn Associates believe that a potential environmental risk may exist, arising from either historic land use or the existing occupation of the site, they will recommend that an Environmental Screening Report (ESR) be carried out. Where Xafinity receives this recommendation, the proposed purchase cannot be agreed until an ESR is carried out and an acceptable rating obtained.

If there is nothing within the survey that warrants further investigation, Wilbourn Associates will confirm this to Xafinity. For these cases, no fees are payable to Wilbourn Associates and an ESR is not required. Around one in three properties may require an ESR.

For the avoidance of doubt, Xafinity receives no financial incentive for using Wilbourn Associates. Details of Wilbourn Associates fees for preparing an ESR are available on request from Xafinity.

Finally, please note that at all times Wilbourn Associates will report to Xafinity, who will then liaise with the member(s), Surveyor, Solicitor or IFA. Wilbourn Associates have been instructed not to deal directly with any party other than Xafinity. For further details of Wilbourn Associates, please visit www.environmental-surveyors.com.

3. SURVEYOR'S REQUIREMENTS

The following is required in respect of and from you, as the appointed Surveyor. Please note the requirements set out on this page and ensure the relevant pages between 5 and 10 of this 'Surveyor's Guide' are included within or with your survey.

The survey, which you prepare, must include the following: -

- Be addressed to Xafinity Pension Trustees Ltd.
- Written confirmation that the appointed Surveyor is part of the RICS Valuer Registration Scheme and that you have no conflicts of interest.
- A contact name, telephone number and email address at your firm for enquiries on the survey.
- A copy of your professional indemnity insurance certificate.

Your report must be reasonably detailed and set out: -

- (a) Property address, description and its location.
- (b) A plan showing the legal boundary of the property and its location. Ideally this can be obtained from Promap.
- (c) Confirmation of the age of the property surveyed and if this is a listed building or not or if it is adjacent to an area of special designation such as an SSSI or conservation area.
- (d) Full construction details, including highlighting whether there is any element of the roof that is flat, together with details of the finishes.
- (e) Confirmation of the property's current use. Where it is a shop, please confirm what goods / services are currently being sold.
- (f) Confirmation if the flooring is concrete or wooden.
- (g) Colour photographs of the property - including all elevations and relevant interior areas.
- (h) Confirmation that the property is commercial/agricultural and that no part of the property is residential.
- (i) Confirmation of the planning use/approval.
- (j) Condition of property and whether there is any sign of subsidence necessitating a structural survey for example.
- (k) Any repairs required.
- (l) Any features which would require a legal confirmation/opinion, such as rights of way.
- (m) Open market capital value.
- (n) Open market rental value.
- (o) Day one insurance reinstatement value.
- (p) Completion of the RICS property observation checklists referred to in UK GN1 of the Red Book (including the Rural Checklist if appropriate) and Property Insurance Questionnaire, which are attached. See also "Contamination, the environment and sustainability: Implications for Chartered Surveyors and their clients" (3rd Edition).
- (q) In addition, Xafinity deem the following as material considerations for the purposes of the report that you produce: -
 - Disclosure of whom the obligations of "Dutyholder" fall upon in respect of the Control at Asbestos at Work Regulations 2006.
 - If the property is affected by radioactive media or sources.
 - Disclosure of whom the obligation to provide access for disabled persons falls upon under the Disability Discrimination Act 1995.
 - Disclosure of who is the "Responsible Person" as defined under the Regulatory Reform (Fire Safety) Order 2005 (SI 2005 No.1541).
 - Any other material matters that you need to bring to our attention.

The survey must be signed by an FRICS/MRICS.

Green Light Inform Report

It is imperative that environmental issues are fully understood as set out by UK GN4 of the Red Book. To help you and Xafinity ensure this, Xafinity will require a “Green Light Inform Report” to be submitted with the Survey that you prepare.

The “Green Light Inform Report” is priced at £45 plus VAT and should be obtained from the website address noted below. Please note that you will need to create an account or pay using a credit card for this service.

The “Green Light Inform Report” together with your survey will be used to determine if the property/land is an acceptable investment under the Xafinity SIPP.

Website for “Green Light Inform Report”: <http://www.property-greenlight.co.uk/>. If you have any issues accessing this website or producing the report, please telephone Wilbourn Associates direct on 0114 2435500.

Please note that failure to provide the “Green Light Inform Report” with your survey will lead to delays.

CHECKLIST FOR IDENTIFYING APPARENT POTENTIAL FOR CONTAMINATION & ENVIRONMENTAL ISSUES (COMMERCIAL AND INDUSTRIAL)

Site/Property:

Date of Inspection:

By:

Tick the appropriate boxes to record presence and inspection of the various parts of the subject property and features observed in the course of the ordinary inspection of the property and surrounding area.

PART OF PROPERTY			Present		Inspected		Suspected asbestos – containing material. In situ? Discarded? An immediate and significant risk to health?	Waste/ Fly Tipping	Petrol or Fuel Tanks	Other Tanks or Containers	Discoloured or smelly water/liquids	Oil Staining	Irregular Topography	Vegetation Dieback	High Voltage Overhead Tension Lines or Electrical Sub-Station
	Y	N	Y	N	Y	N									
Buildings:	Y	N													
	Occupied?														
	Vacant?														
	Dilapidated?														
Basement & Subterranean features (e.g. Air Raid Shelters)															
Outbuilding, including Garages & Stores															
Hardstanding															
Agricultural Land															
Derelict or rough ground															

Landscaping and/or Natural Woodland													
Water Course or adjacent thereto													
Surrounding Area													
Extent of inspection of immediate vicinity													

List existing uses: _____

	Observed Use of the <u>subject property</u>				Evidence seen of such uses having taken place within the vicinity			
Industry/ Manufacturing?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Waste disposal, waste processing and/or landfill?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Surface or underground mineral working?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Vehicle maintenance or refuelling?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Is the site property near a river, stream or ditch?					<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Is the property in a hollow or at the bottom of a hill where flood water could collect?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No				
Are you aware of any flood events affecting the property or immediate area?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Is the property protected by river or coastal defences?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Have you obtained a flood risk report from a Chartered Surveyor?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No				

Notes or other comments:

Note: This checklist is not designed for use in respect of residential property or agricultural land.

RURAL PROPERTY OBSERVATION CHECKLIST FOR IDENTIFYING APPARENT POTENTIAL FOR CONTAMINATION & ENVIRONMENTAL ISSUES

Site/Property:

Approx area (ha)

Date of Inspection:

By:

Record presence and inspection of the various parts of the subject property and features observed in the course of the ordinary inspection of the property and the surrounding area.

PART OF PROPERTY				CONTAMINATION FEATURES										
	Present		Inspected		Suspected asbestos containing material In situ? Discarded? An immediate and significant risk to health?	Bulk storage tanks e.g. fuel chemicals above/ below ground? Bunded?	Other tanks, pipelines or containers above/ below ground?	Chemical odours/ incineration areas/ oil staining	Discoloured or smelly water/ liquids leaks discharges	Land spreading of non farm wastes	Irregular/ unusual topography	Vegetation Dieback	Waste or other tipping/ animal burial	Electrical apparatus, transformers, sub-stations/ pylons
	Y	N	Y	N										
Main farmstead														
Subsidiary farmstead or buildings. Ancillary users e.g. processing, retails														
Farm waste containment														
Livestock buildings														
Livestock yard/ handling/ treatment/ dipping														
Workshops/ machinery and chemical stores														
Bulk silage or wet feed containment														
Hardstandings and outside storage areas														

Derelict/ rough ground/ former quarries														
Watercourses/ ditches/ private water supplies														
Agricultural land														
Woodland/ scrub														
Surrounding areas														

List existing uses: _____

	Observed Use of the <u>subject property</u>				Evidence seen of such uses having taken place within the vicinity			
	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Industry/ Manufacturing?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Waste disposal, waste processing and/or landfill?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Surface or underground mineral working?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Vehicle maintenance or refuelling?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Is the site property near a river, stream or ditch?					<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Is the property in a hollow or at the bottom of a hill where flood water could collect?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No				
Are you aware of any flood events affecting the property or immediate area?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Is the property protected by river or coastal defences?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Have you obtained a flood risk report from a Chartered Surveyor?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No				

Notes or other comments:

4. PROPERTY INSURANCE QUESTIONNAIRE

Please complete and return the questionnaire below with the survey.

Property Details						
Risk Address						
Post Code						
Current/Intended Occupation						
Name of Tenant						
Is the property vacant?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>		
Age of Property						
Is Property Listed?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If yes, advise on grade	<input type="text"/>
Number of Stories						
Construction (please tick appropriate box)						
Walls	Brick	<input type="checkbox"/>	Stone	<input type="checkbox"/>	Other	<input type="checkbox"/>
Roof	Slate/Tile	<input type="checkbox"/>	Concrete	<input type="checkbox"/>	Other	<input type="checkbox"/>
Floor	Wood	<input type="checkbox"/>	Concrete	<input type="checkbox"/>	Other	<input type="checkbox"/>
Is any portion of the roof flat?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If yes, what percentage?	<input type="text"/> %
If applicable, what is construction of flat roof?	Timber / Asphalt	<input type="checkbox"/>	Concrete	<input type="checkbox"/>	Other	<input type="checkbox"/>
Are there any adjoining premises?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>		
If yes, is there a complete firebreak wall between them and the insured premises?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>		
Sums Insured						
Buildings Declared Value	£					
Contents Sum Insured	£ N/A					
Property Owners Liability	£ (We assume £5,000,000 unless differently stated here)					
Rent Sum Insured (per annum)	£ (This should equate to the open market rental amount)					
Employers Liability Required	NO					
Wage Roll	N/A					
Number of Staff	N/A					
Nature of Staff	N/A					

Contacting Xafinity

SIPP Trustee: Xafinity Pension Trustees Ltd
SIPP Administrator: Xafinity SIPP Services Ltd

www.xafinity.com

Tel: 01786 434250

Email: SIPPTeam@xafinity.com

Our normal hours are 8.30 am to 5.30 pm Monday to Friday except bank holidays.

SIPP Department
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FK9 4TZ

Xafinity SIPP Services Ltd is authorised and regulated by the Financial Services Authority. Our FSA Registration Number is 461791. You can check this on the FSA's website at www.fsa.gov.uk/register. Xafinity Pension Trustees Ltd (1450089) is registered in England at 27 Kings Road, Reading, RG1 3AR. Xafinity SIPP Services Ltd is registered in Scotland (No 69096) and its registered office is at Scotia House, Castle Business Park, Stirling FK9 4TZ.

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