



**Media Release**  
**For immediate issue**  
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## **Commercial Property needs same Stamp Duty reform**

### **SIPP and SSAS could rejuvenate the high street**

Xafinity SIPP and SSAS Services are calling on George Osborne to review the stamp duty rates for commercial property to bring them in line with residential property. They believe that, in common with the former residential system, the current “cliff face” of stamp duty taxes for commercial property is unfair and does act as a barrier to SME owners purchasing commercial property.

The adoption of the same system could have significant economic benefits for the UK, as owner occupiers have a greater interest in their properties. This could benefit all types of commercial property, but could be particularly beneficial for the High Street and offices in city centres, especially in Northern England.

In Scotland, the Scottish budget has already proposed to replace the current stamp duty land tax (SDLT) with land and buildings transaction tax (LBTT) to take effect from April this year. This will mean that unlike SDLT, where once a threshold is reached the entire transaction price is subject to the full rate, LBTT rates apply only to the portion of the transaction price falling in each band, i.e. a progressive rather than slab structure.

Xafinity’s analysis of over 100 recent commercial property transactions showed that the average property value invested in the Xafinity SSAS was £274k and for the Xafinity SIPP it was £199k. This means that many properties are above or very near the biggest of the cliff face charges where Stamp Duty jumps from 1% to 3% at £250k.

The analysis showed that around 30% of SIPP & SSAS clients who bought properties in 2014 would benefit if the same tiered system was adopted, and many would benefit by thousands of pounds. For example, a client who recently purchased their premises for £270k had to pay £8,100 in stamp duty. Under the residential rules, the payment would have been just £2,250.

Additionally, Xafinity believes that many of the 200,000 new companies set up in the last 12 months would prefer to have the security of owning their own trading premises, irrespective of whether it is purchased through their pension or not.

Jeff Steedman, Xafinity head of SIPP/SSAS business development, comments: “The current system of stamp duty impacts on all SME business owners, and pension schemes, that are looking to purchase commercial property. Currently, the stamp duty costs are unfair and stacked against those at the lower end (SMEs and typical family-run businesses). I would even argue that there was a more pressing need to make the changes for commercial

property as even the most casual observer will have seen the desperate need for significant investment in areas, such as the High Street. As a minimum, the same stamp duty system should apply, but I would argue that if we really wanted to reverse the decline in certain sectors, a more radical reform of stamp duty should be considered.”

ENDS

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**Notes to Editor**

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Residential		Non-residential		Non-residential leases	
Band (£)	Rate (%)	Band (£)	Rate (%)	Band (£)	Rate (%)
Up to 135,000	0	Up to 150,000	0	Up to 150,000	0
135,001 to 250,000	2	150,001 to 350,000	3	Over 150,000	1
250,001 to 1,000,000	10	Over 350,000	4.5		
Over 1,000,000	12				

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Xafinity has managed SSAS since 1979 and SIPP since 2004 and we have built a hugely experienced and growing team, with 55 specialised staff . We administer SIPPs and SSASs for around 4,400 clients, with £1.5bn worth of assets which includes over 1,550 commercial properties, a specialist area of self-invested pensions