



The Xafinity commercial property (including land) guide



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

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Important notes

This document is updated regularly. Check you're referring to the latest document by downloading it from our website.

Our products

This document has been written for The Xafinity SIPP. If you have a Xafinity Self Invested Personal Pension Plan (i.e. your policy number is 5 digits starting '5') this document is still correct in its technical content but there are some minor differences. In particular, your SIPP is the Xafinity Self Invested Personal Pension Plan and it's not Defaqto rated, whereas The Xafinity SIPP holds a Defaqto 5 Star Rating. Also, the SIPP Provider is Metro Bank plc.

Property isn't an investment option with the SimplySIPP. If you have a SimplySIPP and wish to invest in property, please contact us about moving to the full Xafinity SIPP.

The terms we use

In this guide we use the following terms:

- "Us", "Our" and "We" refer to Xafinity Group companies.
- "You" and "Your" normally refers to you the SIPP member.
- "Purchase" includes in specie transfer into the scheme.
- "Sale" includes in specie transfer out of the scheme.
- "Seller" includes the ceding scheme, in the case of an in specie transfer into the scheme.
- "Property" includes land.

The paperwork we'll need

After reading this guide in full, you need to complete and return the following forms where appropriate:

- Purchases / in specie transfers: "SIPP property purchase questionnaire".
- Leases: "SIPP property leasing questionnaire".
- Sales: "SIPP property sale questionnaire"
- Property Manager appointment: "SIPP property manager appointment questionnaire".



If there is any development work to be undertaken, please also refer to the following guide which details our further requirements:

- Development & Property Works: "SIPP development & property works guide".

All the above can be found on our website or from your Xafinity SIPP consultant.

You must provide an independent survey for any purchase which must meet the standards set out in the survey section of this guide at the earliest opportunity.

Please ensure you refer to the "Terms and Links" at the end of this guide to ensure you're familiar with key terms.

No property transaction should be considered without professional written financial advice.

Legal representation

The SIPP will be represented by your nominated solicitor.

Property: an overview

Background

Buying, leasing, developing or selling a commercial property using a SIPP can be complex. This guide helps you, your adviser and other parties to undertake a property transaction. **When we refer to commercial property in this guide, we're also referring to land.**

All property transactions must satisfy HM Revenue and Customs (HMRC) and other regulatory requirements, which may vary from time to time. So that we can meet these requirements we, and our professional partners, have certain requirements as described in this guide.

We can refuse any proposed property transaction where we foresee significant problems or issues for the SIPP or you (e.g. environmental issues, taxable property). However, only in extreme circumstances will we not complete a transaction after an exchange of contracts (or contract acceptance by the seller, in Northern Ireland).

Things to think about

Property is usually a long-term investment. With this in mind, especially if you're within ten years of your selected retirement date, you must seriously think about (and obtain suitable advice) whether property is a suitable investment. As a guide, you and your adviser should consider:

- when you actually intend to take benefits, including purchasing an annuity;

- whether there will be sufficient liquidity in the SIPP to provide your intended retirement option(s);
- whether the property may need to be sold to provide your benefits (e.g. death/retirement benefits).

Our role

Our key role is to try and ensure that any transaction meets HMRC and other regulatory requirements. We're also here to help co-ordinate and assist all parties through the various stages. However, please note that we do not provide property management services.

Our fees in relation to property transactions are outlined in our Fee Schedule (available on our website)

Timescales

It will generally take up to **three months** from the time the solicitor is formally appointed to complete a property transaction using a SIPP. Please ensure that the seller/buyer is aware of the likely timescales.

We can complete transactions in shorter timescales than 3 months but, if there are a number of parties involved in these transactions, co-operation is vital.



Property: key points

This section outlines the key points to consider when investing in property using a Xafinity SIPP.

Types

A SIPP can be used to purchase freehold or leasehold property. For a leasehold property, the lease must have at least fifty years remaining, at a nominal ground rent and with no difficult agreements in place.

Beneficial ownership gives the owner the right to use the property, or a section of the property, unlike freehold ownership which gives legal title to the property. If you're considering beneficial ownership please contact us before committing to any transaction.

Property with a residential element is only acceptable in limited circumstances. You and your adviser should provide full details of this and also consider the following HMRC guidance:

- <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm125200>

Property outside the UK can't be purchased under our SIPP, nor can property be purchased or sold at auction.

The SIPP can't purchase fixtures or fittings in a property, only bricks and mortar are acceptable. Some land transactions (e.g. agricultural land, woodland) may be acceptable but will need to be reviewed. Please contact us to discuss these.

Connected party transactions

A property can be purchased from, leased to, and/or sold to, a connected person (e.g. you) or a connected company (e.g. your employer). All of these transactions, including the terms of the lease, must be on an arm's length basis to satisfy HMRC legislation. This means the purchase price,

rental amount or sale price must be supported by an independent open market valuation which must meet the standards set out in the survey section of this guide. If this is not satisfied, an unauthorised payment charge will be payable to HMRC.

Ownership

As the trustee of the SIPP, Xafinity Pension Trustees Ltd will be the legal owner of the property. This places various responsibilities on us that we must be satisfied with before we commit to ownership. With this in mind, although it should not be possible, nobody must commit the SIPP to any transaction without our specific prior written agreement.

Environmental review

Environmental matters (e.g. asbestos, property contamination) are a major concern. If identified, your pension fund and/or tenant could incur environmental costs that could use up all your pension fund. Any such problems must be therefore be identified and dealt with before ownership by the SIPP, or dealt with immediately if they are discovered once owned.

Any purchase must have environmental clearance from Wilbourn & Co before we will permit it to proceed. In some cases, this may involve the need for an Environmental Screening Report (ESR) to be carried out. Where this is the case, a fee is payable to Wilbourn & Co for the site visit and production of the ESR.

For all cases, the lease must be prepared to show that all maintenance activities, including those imposed by any legislation (e.g. Control of Asbestos Regulations 2012 and Fire Safety Regulations) **are the responsibility of the tenant.**

The Landlord may remain liable for any retained parts, vacant and shared/common areas. In this instance you are obliged to perform the maintenance activities on behalf of the Landlord to ensure the property remains compliant. Alternatively, you may wish to appoint a professional firm to do this on your behalf.

For further guidance on asbestos management and fire safety please see:

<http://www.hse.gov.uk/Asbestos/duty.htm>

<https://www.gov.uk/workplace-fire-safety-your-responsibilities>

Joint SIPP purchases

A property can be purchased on behalf of more than one member. Each member's entitlement will depend on the amount their SIPP has paid towards the property purchase. A central joint bank account is established to receive rent payments and pay property related bills, such as a mortgage. Each member's share, together with actions to take on such events as retirement, death, disputes and sale are then legally documented under a Joint Ownership Agreement. An example is shown below. This assumes the property is in England, Wales or Northern Ireland rather than in Scotland where different rates of Land and Buildings Transaction Tax apply. You can find details on our website at <http://www.xafinity.com/self-invested-pension/Tax-Information>.

A joint SIPP example

Mr Smith, Mrs Smith and Mr Jones are directors of Alpha Ltd and are interested in using their pension funds to buy the company premises, which have been independently valued at £300,000 plus VAT. The independent rental valuation of the property is £30,000 per annum plus VAT. Following the purchase, the SIPP intends to opt for tax with HMRC and lease the property back to Alpha Ltd by way of a five year lease.

The diagram opposite explains the purchase process based on the following:

Name	Existing SIPP Fund	Proposed Property Share	Property Share Value
Mr Smith	£250,000	40%	£120,000
Mrs Smith	£150,000	25%	£75,000
Mr Jones	£200,000	35%	£105,000

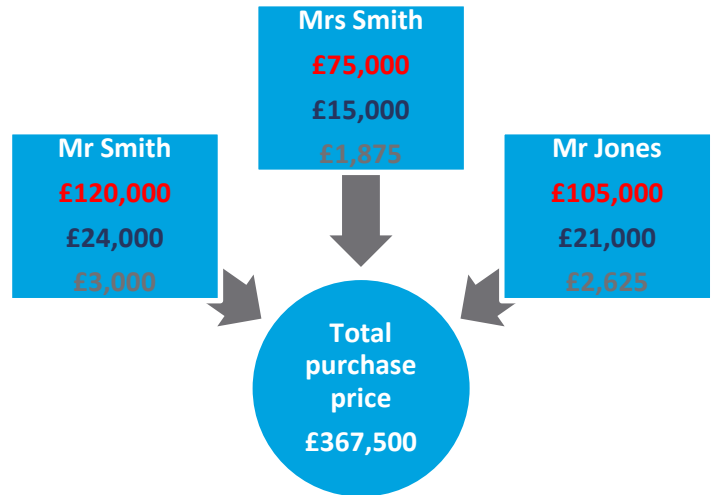
Property purchase

Property purchase is £367,500

(£300,000 purchase cost + 20% VAT + Land Tax)

Rental payments and expenses

Overleaf is a diagram which shows how rental payments and expenses are administered when a property is jointly owned.

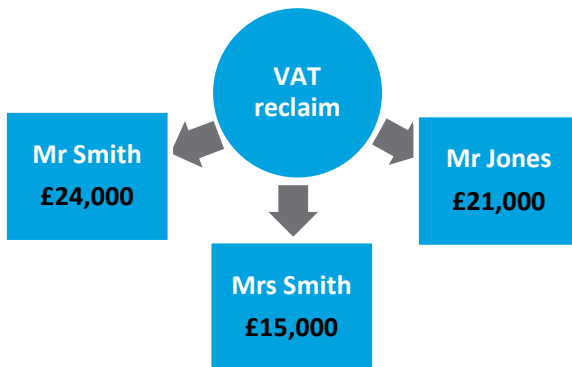


Key

Red: Net price & split

Black: VAT

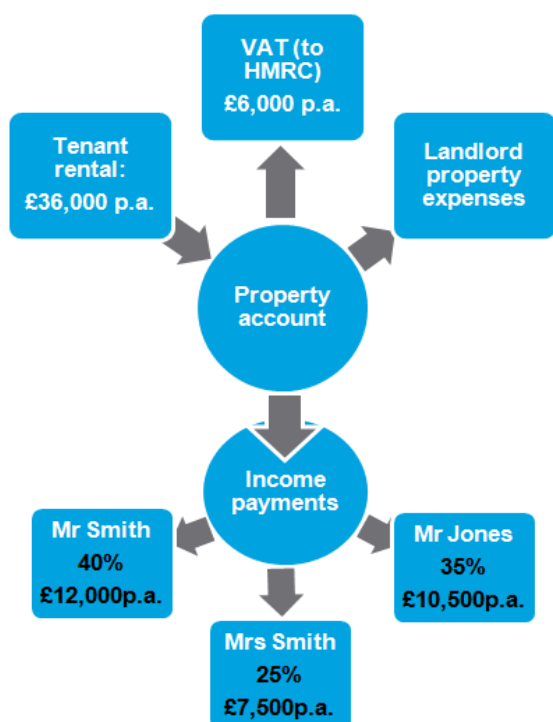
Grey: Stamp duty



From the money held in each member’s individual SIPP bank account, the members can invest their funds as they see fit in other approvable investments such as quoted shares, unit trusts and trustee investment plans, to mention just a few.

Rental payments and expenses

Rental is paid by the tenant to a central property account. Property bills are paid from this account and funds regularly moved to the individual client accounts in accordance with their percentage ownership of the property as shown below:



From the money held in each member’s individual SIPP bank account, the members can invest their funds as they see fit in other approvable investments such as quoted shares, unit trusts and trustee investment plans, to mention just a few.

Solicitor appointment

We must formally appoint a solicitor to act on behalf of the SIPP. We prefer to appoint a solicitor from our panel (as set out in this guide) as using a solicitor with SIPP specific knowledge will help considerably.

However, if you prefer to use a different solicitor, we’ll usually agree to this and we’ll officially

appoint them in writing to act on behalf of the SIPP.

For in specie transactions a different solicitor, or even a different firm, will need to act for the other party. The other party must choose the solicitor.

Surveys and valuations

The property must be surveyed and valued on various events such as purchase, rent review, taking benefits and sale. The valuation should show the open market valuation and rental valuation, although the latter is not needed where the property is being sold. Valuations must be by a registered valuer of the Royal Institution of Chartered Surveyors (RICS), and the report should be produced in accordance with the relevant sections of the RICS valuation standards at that time and take into account any environmental requirements they may set. The valuation must be dated within 6 months of the transaction/completion date.

Generally, you’ll choose (and appoint) the surveyor, that (e.g. for



we (e.g. appropriate rent is being paid) need to instruct a surveyor. Any costs associated with this will be met by your SIPP. The surveyor will be asked to identify whether there is any asbestos present in the property. We’ll also need an Asbestos Report before completing the property purchase for properties built prior to 2000. For those built after 2000 we’ll need a copy of builder’s certificate confirming that no asbestos was used in the construction. For information on Asbestos Reports see:

<http://www.hse.gov.uk/Asbestos/duty.htm>

Stamp Duty, VAT, legal costs and other fees

You and your adviser must ensure there will be enough money available in the SIPP bank account from contributions, transfers and borrowing (if required) to pay for all the costs. Be aware there are annual limits on contributions that you should discuss with your adviser.

As well as the purchase price, it's important to allow for additional costs such as Stamp Duty Land Tax (Land and Buildings Transaction Tax in Scotland), VAT, Council tax, legal costs and our fees (where there is a joint SIPP purchase, all of these costs are split in proportion with each member's share of the property). We believe Stamp Duty Land Tax, Land and Buildings Transaction Tax and VAT do not apply to transfers of property between pension schemes, but please get legal advice as we can't comment on tax affairs.

For further information relating to Stamp Duty Land Tax or Land and Buildings Transaction Tax, please refer to our website - <http://www.xafinity.com/self-invested-pension/Tax-Information>.

On request we'll arrange to opt to tax the property for VAT but **we're not VAT experts so you must ask your adviser whether it's appropriate.**

If the purchase is with a third party, and we're requested to opt to tax the property for VAT, a separate VAT registration will be required. There will be additional requirements for the administration of VAT which are detailed in this guide.

Transfer of Going Concern / VAT

We must be informed if the property is currently registered for VAT and if this will continue when the property is transferred to us. The VAT election

must be made to (and accepted by) HMRC in advance of the transfer completing. As this can't be done retrospectively it's vital we're provided with sufficient time to process this.

If the property already has tenants who will remain in the property, the transfer may be considered a Transfer of a Going Concern (TOGC). The following are **some** of the conditions and requirements that must be met in order for a transaction to be classed as a TOGC. **However, this is only a summary and not a definitive list of all TOGC conditions or rules.**

- If the previous owner had opted to tax and charged the tenant VAT on the rent, we must opt to tax and continue to charge the tenants VAT on the rent.
- If the previous owner did not charge the tenant VAT (i.e. the rent was exempt), we must continue to charge "exempt rent".
- The effect of the transfer must be to put the new owner in possession of a business which can be operated as before.
- The business, or part business, must be a 'going concern' at the time of the transfer. It can still be a 'going concern' even though it is unprofitable, or is trading under the control of a liquidator or administrative receiver, or a trustee in bankruptcy, or an administrator appointed under the Insolvency Act 1986.

The assets that are being transferred must be intended for use by the new owner in carrying on the same kind of business. If the receiving party intends to use the assets for a different kind of business, then you must charge VAT in the normal way. If the receiving party intends in due course to use the assets for a different kind of business, the transfer may still be a TOGC if



the receiving arrangement continues the old use initially.

The test is whether the receiving arrangement intends to carry on what the assets have been used for on receipt.

- There must not be a series of immediately consecutive transfers of the business.
- Where the transferor of the property or part of the property is registered for VAT, the receiving party must be registered or at the date of the transfer be required to be registered for VAT because all of the conditions for compulsory registration are met, or have been accepted for voluntary registration. This condition is not met if the receiving arrangement is not registered and is not required to be registered for VAT.
- There must be no significant break in the normal trading pattern before or immediately after the transfer.
- The transferring party is responsible for applying the correct VAT treatment and may be required to support their decision. If the transaction is to be treated as a TOGC, the transferring arrangement must be satisfied that the SIPP's option to tax is in place by the relevant date.

Tenants Exempt from VAT

In some cases the SIPP may not be able to recover the purchase VAT. For example where the purchase price and / or associated development costs are £250,000 or more and the property is to be leased to a connected tenant that is wholly or partially VAT exempt. VAT advice should always be taken where this is the case.

Joint property purchases with 3rd Parties: VAT issues

This section is designed to outline additional considerations when purchasing a property that is subject to VAT, with a third party. This can include purchases that will be jointly owned by the SIPP and the SIPP member as an individual, the SIPP member's company or any other third party whether an individual or a company.

HMRC Requirements

- HMRC Notice 742 Land and Property explains that where there are joint owners of land and buildings HMRC will treat this as a single person making a single supply for VAT purposes. The result of this is that the joint owners register for VAT as a "partnership". Although this is the basis of the registration no legal partnership is required and the joint owners are not treated as partners for any other purpose.
- The full guidance can be found under Section 7.2 "Joint owners of land or buildings" of HMRC Notice 742. This can be found from the link below:
- http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_pageLabel=pageLibrary_ShowContent&propertyType=document&id=HMCE_CL_000154#P282_32187

Operation

- We will require a third party to carry out the VAT administration for the "partnership". This would generally be an accountancy firm with appropriate professional indemnity insurance. This insurance will ensure that the "partnership" is covered if there were to be any issues with the VAT administration that caused a financial liability. A formal agreement should be in place between the party providing the VAT administration and all parties that jointly own the property.

- The party carrying out the VAT administration would be responsible for the following:
 - registering the partnership for VAT and opting to tax the property before a property purchase completes;
 - considering any Transfer of Going Concern implications and ensuring any deadlines for registration or opting to tax are met where applicable;
 - preparation of rental invoices on behalf of the partnership;
 - administration involved in settling invoices that have been raised against the partnership;
 - administration of all VAT reporting, i.e. quarterly VAT returns.
- It's essential that VAT registration and the opting to tax, is undertaken prior to the property purchase completing. If this is not done it could lead to delays or potentially the inability to reclaim the VAT paid on the property purchase.
- The VAT administration costs in respect of the SIPP ownership of the property only can be made from the SIPP. The other owners must pay their share of the costs independently from the SIPP.

VAT Bank Account

A separate bank account will be needed for the "partnership" to manage all rent and property expense payments. Any net rental payments will be moved across to the SIPP bank account when we received them, leaving the VAT in the "partnership" account for payment to HMRC.

We can open an account with Metro Bank plc as the joint VAT bank account. This can be operated with us as sole signatory or as co-signatory with the joint owner(s).

VAT Guidance

We're not VAT experts so we strongly recommend everyone, including the SIPP member, seeks advice on the VAT implications.

This can become quite a complex area when there's more than one party involved, particularly where the parties leasing the property are connected to any or all of the joint owners.

Aborted transactions

A transaction may need to be aborted at a late stage, in this case we will retain the 50% upfront charge. Legal fees may also still be payable. Also, if a SIPP has been set up and contributions paid to meet the costs of the proposed transaction, the SIPP can't simply be cancelled and contributions refunded.

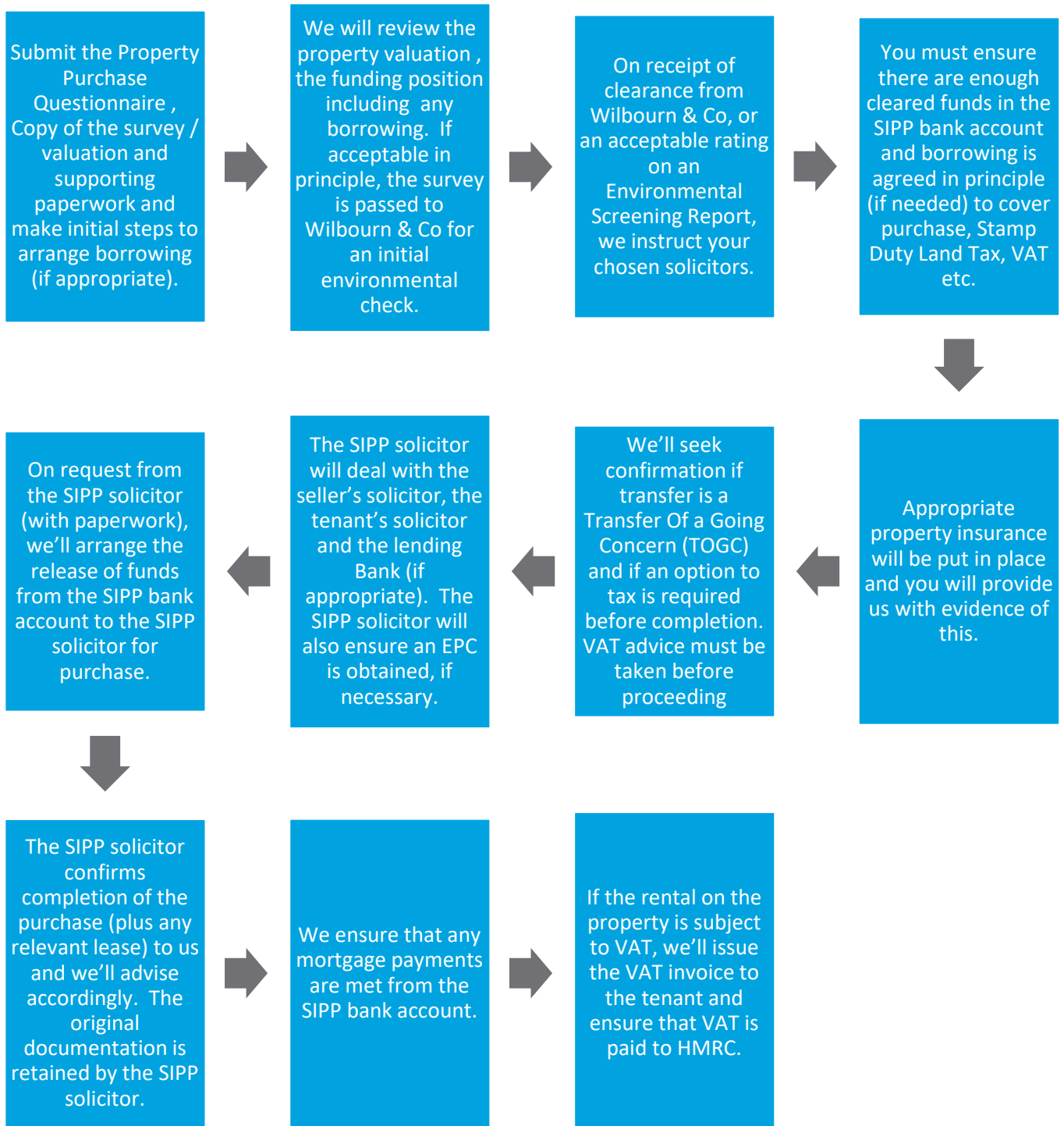
Insurance

The property must be fully insured at all times and this is your responsibility. We won't permit uninsured properties under our SIPP. The insurance must be in the name of Xafinity Pension Trustees Ltd as owners, and provide cover, without exception, for rebuilding costs, flood, public liability, malicious damage, terrorism, legal expenses and three years' loss of rental.

For land only transactions a bare minimum of public liability and legal expenses cover must be in place.

If we do not receive evidence that suitable property insurance is in place when the SIPP acquires the property, and at each following insurance renewal date, we'll arrange this through Arthur J. Gallagher with the cost of the insurance being payable from SIPP funds and we'll receive a commission payment equivalent to 25% of the premium paid.

Property purchase: a summary



Property leasing: a summary



Property sale: a summary

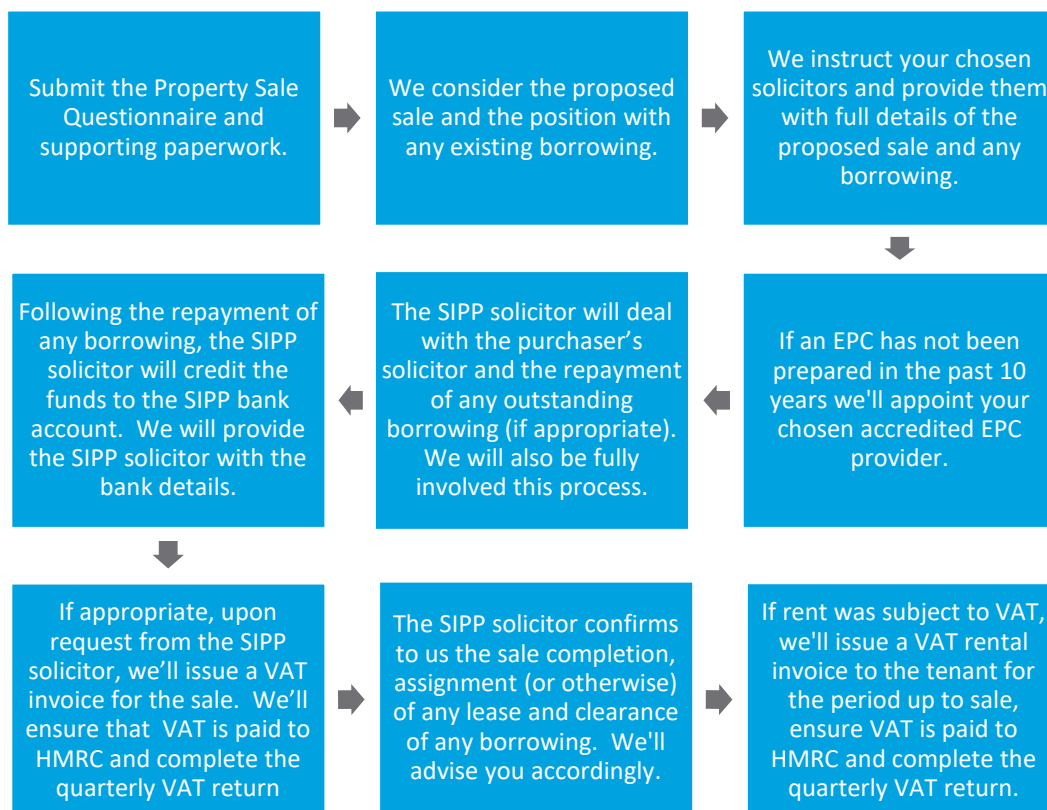
As Xafinity Pension Trustees Limited (XPTL) is the property owner we must be fully involved in the process.

If the property is being sold to a connected party the sale price must be supported by a recent open market valuation prepared by a RICS qualified surveyor, otherwise you are free to agree the best price with the other party.

The sale of a property is a transaction which requires an Energy Proficiency Certificate (EPC). If the property has been purchased, or a new tenant put in place in the past 10 years we can still use the previous EPC.

If you wish to use a marketing company to promote and sell your property please remember we must be involved in the process of engaging the marketing company. All costs for this must be paid by the SIPP.

If there is a lease to a connected party which is being surrendered prior to sale, without a break clause, this must be surrendered on fully commercial terms with any premium due on surrender being supported by a recent open market valuation prepared by a RICS qualified surveyor. Once you have found a willing party to sell the property to please fully complete the SIPP property sale questionnaire, and return with a completed SIPP commercial property: member's resolution.



Surveyor's guide: surveys and valuations

The information in this section is for the appointed surveyor.

As the appointed surveyor you must comply with the following:

- Your survey must be addressed to Xafinity Pension Trustees Ltd and must include:
 - Written confirmation that you're 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.
 - A copy of your terms of engagement.
 - Your report must be in accordance with the RICS Valuation - Global Standards (the "Red Book"), setting out, but not limited to:
 - Property address, description and its location.
 - A plan showing the legal boundary of the property and its location.
 - 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.
 - Full construction details, including highlighting whether there is any element of the roof that is flat, together with details of the finishes.
 - Confirmation of the property's current use. Where it is a shop, please confirm what goods / services are currently being sold.
- Confirmation if the flooring is concrete or wooden.
 - Colour photographs of the property - including all elevations and relevant interior areas.
 - Confirmation that the property is commercial/agricultural and that no part of the property is residential.
 - Confirmation of the planning use/ approval.
 - Condition of property and whether there is any sign of subsidence necessitating a structural survey for example.
 - Any repairs required.
 - Any features which would require a legal confirmation/opinion, such as rights of way.
 - Open market capital value.
 - Open market rental value.
 - Day one insurance reinstatement value.
- Completion of the RICS property observation checklists referred to in RICS valuation standards (including the Rural Checklist if appropriate) and Property Insurance Questionnaire. See also "Environmental risks and global real estate 2018".
 - In addition, we 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 of Asbestos Regulations 2012.
- If the property is affected by radioactive media or sources.
- Evidence of any invasive species, including Japanese Knotweed.
- 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 a RICS registered valuer who is also an FRICS/MRICS.
- The valuation must be dated within 6 months of the transaction/completion date.

Working with Wilbourn & Co

Surveyors are also reminded as to their obligations set out at VPGA 2 5.3 and 6.1 (for secured lending) VPGA 8 1.2 (b) and (c), VPGA 8 2.6 (a) (b) (c) the Red Book Global Edition 2017 so as to protect the interests of the commercial client.

To help ensure this we have appointed Wilbourn & Co to be our nominated environmental expert. They are Chartered Environmental Surveyors and their role is to ensure that the valuation is sustainable.

Once we have received the full valuation, Wilbourn & Co will undertake an initial assessment for environmental purposes. There is no charge for this initial service.

The survey together with Wilbourn & Co’s assessment will be used to determine if the property is an acceptable investment under the Xafinity SIPP.

Wilbourn & Co may recommend an Environmental Screening Report be undertaken before confirming the property can be accepted. This is only likely to occur in approximately 20% of all cases.

Wilbourn & Co can be contacted via email (Philip@environmental-surveyors.com), or call 07973797011).

Please note if you decide not to take this assistance from Wilbourn & Co and your survey fails to meet our requirements the transaction may be delayed.

Environmental risk and concerns

Overview

It's essential when owning property to be aware of the impact of environmental law and the measures that need to be taken.

Since April 2000 Local Authorities have been under a duty to inspect their areas to determine whether any land should be recorded as being contaminated. Under the law, environmental issues can give rise to liabilities for the owners or occupiers of a property. These liabilities can be punitive in the form of fines or imprisonment and financial in relation to costs or damages for remedying the environmental problem.

Wilbourn & Co

Wilbourn & Co is an independent firm of Chartered Environmental Surveyors who are appointed to protect both our and your interests. Wilbourn & Co are independent of Xafinity and we receive no financial incentive for using them. Initial checks are free of charge.

Environmental/flood risk: initial check

We'll provide Wilbourn & Co with a copy of any survey that is prepared in relation to any proposed purchase.

Flood insurance in affected areas is becoming both expensive to obtain and in some cases unobtainable. With this in mind, Wilbourn & Co will undertake a review of the flood risk of the property as part of its environmental check and provide this to us. We'll communicate this to you. Flood risks range from 1 (very low risk) to 4 (high risk) with any rated 3 or over requiring further investigation before any final decision can be taken on whether a transaction can proceed.

There may also be additional insurance requirements on properties with a higher risk of flooding.

Further checks

If on reviewing the survey, Wilbourn & Co believes 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 we receive this recommendation, the proposed purchase can't be agreed until an ESR is carried out and an acceptable rating obtained. Around one in three properties may require an ESR.

Reducing flood risk

Where a flood risk of 3 or 4 has been identified it may be possible, upon further investigation, to reduce this to an acceptable level of risk.

Firstly, Wilbourn & Co can review and re-assess the flood risk using any additional evidence available (e.g. recent flood defence information, local authority reports on flood risk). This interim review is also free of charge.

Where this review does not reduce the flood risk to our acceptable levels (i.e. flood risk 1 or 2), or there is no evidence available to allow a review to be carried out, another option is for a full flood risk assessment to be carried out. This involves a site visit, engaging with the relevant Environment Agencies and a detailed investigation. The charge for this is £1,850+VAT & Disbursements.

Brownfield Sites

'Brownfield' land is an area of land or premises that has been previously used, but has subsequently become vacant, derelict or contaminated. Due to the inherent underlying risks attached to Brownfield sites, we will insist upon a full ESR being carried out.

Japanese Knotweed

A survey and assessment of any Japanese Knotweed will be required, along with a management plan for the treatment of the infestation for the short, medium and long term.

Environmental Screening Report (ESR)

Wilbourn & Co will send us two copies, one of which is for you. Whether the property transaction can proceed will depend on the information contained within the "Risk Assessment" part of the ESR. This will show whether the property is:

- Low Risk
- Low to Medium Risk
- Medium to Low Risk
- Medium Risk
- Medium to High Risk
- High to Medium Risk
- High Risk

The report will also give information about the property and list any recommendations or questions that should be dealt with. It may also indicate that further reports are required (e.g. a coal authority mining report). If anything is raised in the risk assessment it must be dealt with prior to the property transaction.

We'll only allow property into a scheme with a risk assessment of:

- Low Risk or

- Low to Medium Risk

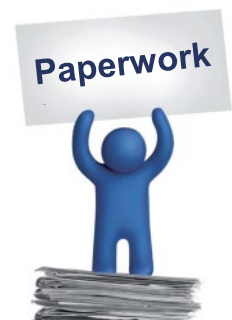
Anything higher than this can't proceed. In such cases the report may detail remedial actions which if taken would move the assessment to an acceptable rating.

Subject to those actions being taken the purchase could then proceed.

The ESR & costs

Where an ESR has been recommended and you decide to proceed, you or we (from a client account) must provide the following:

- a written instruction to Xafinity to prepare an ESR;
- an Ordnance Survey extract clearly illustrating the legal boundaries of the site in question;
- payment of £950.00 plus VAT to Wilbourn & Co;
- an additional charge at cost will be required if a coal mining report with ground stability data is needed.
- Where a re-inspection of a property is required, usually following remedial work undertaken at the site, a charge of £500 +VAT will be payable.



If the property in question is or has been subject to petroleum licensing a letter addressed to the local Petroleum Licensing Officer will be required from the present owners with the following suggested wording:

“Re: Property Name and Address

Wilbourn & Co are presently carrying out research on the above site. We as owners give our authorisation for the release of any petroleum licensing information held on your files to Wilbourn & Co.”

If there is nothing in the survey that needs further investigation, Wilbourn & Co will confirm this to us. For these cases, no fees are payable to Wilbourn & Co and an ESR is not required, approximately 80% of the time.

Please note that at all times Wilbourn & Co will report to us and we’ll then liaise with you, the surveyor, solicitor or adviser. Wilbourn & Co has been instructed not to deal directly with any party other than us. For further details of Wilbourn & Co, please visit www.environmental-surveyors.com.



SIPP borrowing

Borrowing limits

A SIPP can borrow up to a total of 50% of its net asset value, with any borrowing for VAT purposes included in this limit. You must ensure that borrowing repayments can be met by the SIPP from liquid assets and/or rental income.

A SIPP can borrow money from a high street bank or company or individual (connected parties included)

The borrowing can be secured or unsecured.

For any borrowing we will need evidence to show that the loan interest and agreed term of loan is “on commercial terms”. You or your financial adviser should provide “evidence” of the interest rate that the SIPP will pay.

There are many banks and other lenders that will lend funds on an unsecured basis and typical interest rates can be found online. We would suggest that some comparison quotes are obtained online and are presented to Xafinity as evidence for the proposed loan

Where borrowing from a bank or similar the terms of the SIPP borrowing should be agreed with your preferred bank and those terms are presented to Xafinity.

The loan offer must be made to Xafinity Pension Trustees Ltd and the lender must agree to limit our liability under the loan to the assets of the individual’s SIPP.

Full HMRC guidance is available here <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm124000>

Borrowing from a bank

You along with your advisers should identify potential lenders to the SIPP when considering the property purchase. Our business development team will be able to provide you with information regarding our most commonly used banks.



In specie transfers

Borrowing can be repaid before an in specie transfer. If so, and any charge is removed, there will be fewer parties involved in the transfer which should result in a more efficient process. However if this isn't possible you'll need to consider your options for supporting the borrowing in advance of the transfer taking place.

Borrowing: in specie transfer from existing pension schemes

50% is the normal level of borrowing allowed by current legislation. However, if the borrowing now exceeds 50% of the net assets (e.g. because it was agreed before April 2006 when the limit was 75% of the net assets), this may still be acceptable subject to the borrowing remaining with the same provider and the value remaining the same. Please tell us about this before

committing to any transfer. Please also investigate if the new borrowing will result in the bank imposing new terms as this may result in the in specie transfer not being possible.

Bank charges: in specie transfer

Each bank's terms will be different if you transfer borrowing as part of an in specie transfer from an existing pension scheme. Please speak to your lender directly regarding this.

Other costs: in specie transfer

Each bank's terms will be different. Please speak to your lender directly regarding this.

This list is not meant to be exhaustive, please speak to your financial adviser for more information and the issues specific to your circumstances

Leasing the property: lease terms

Important: when a property is leased all tenants will be subject to anti-money laundering checks which will require them to provide evidence of identity.

Lease terms

Where the property has a lease in place for over five years, rent reviews should be in place throughout the term on a commercial basis (e.g. 3 or 5 yearly).

A property can be purchased subject to an existing lease, on the basis that the terms of that lease are acceptable to us. **In particular, there must be a limitation of liability clause.** This is required as the property will be owned by Xafinity Pension Trustees Limited (XPTL) in its capacity as Bare Trustee of The Xafinity SIPP on behalf of your SIPP.

Therefore, when entering into any new leasing transactions or purchasing a property subject to an existing lease, you must limit XPTL's liability to the value of your SIPP assets. **It is essential that you discuss this with the Freeholder (when purchasing a Leasehold) or the existing/new tenant in advance of the transaction as we cannot proceed if this limitation of liability is not incorporated into the lease.**

Existing leases on purchase will run their course, thereafter new leases must be for a minimum of three years.

We'll need clear instructions from you on the terms of any new lease being prepared for the property, plus confirmation of the following:

- full name of tenant;
- lease term (minimum of three years);
- rent review dates and terms;
- break clause dates (if any);
- any other special terms.



Leasing to connected parties

Information about 'connected parties' is contained in your SIPP Member Handbook. The tax rules require that:

- a full commercial lease must be in place; and
- rent must be at a market rate; and
- the landlord is expected to enforce the lease as any 3rd party would. **This includes pursuing outstanding rent and any "late payment interest" in accordance with the lease.**

Head leases and sub leases

A property can be fully leased to one party. That party can then sub-let parts of the property to others (**the head lease must allow sub-letting which the SIPP must consent to**). However, the head tenant is responsible for the full rent for the property, as set out in the head lease, for the full duration of the lease term, regardless of the position with the sub-tenants. Any sub-lease **must** not exceed the term of the head lease.

Where a head tenant is unable to pay the ongoing rent and the lease doesn't allow sub-letting, separate leases can be considered. This is important if the head tenant is a connected party, as unpaid rent could lead to tax penalties.

For example, a connected party head tenant enters into a fully commercial lease with the SIPP (as landlord). The head tenant also enters into three sub-leases with different sub-tenants and relies on this rental income to cover its own rent. If one of the sub-tenants then leaves, resulting in a loss of rental income for the head tenant, this has no bearing on the rent due to the landlord. The head tenant must continue to pay the commercial level of rent agreed in the head lease. Failure to do so could lead to tax charges being levied on both the head tenant and the SIPP.

Existing leases, tenants and rent

If your SIPP is buying a new property or indeed transferring a property from another pension, the existing lease will require amendment as follows:

- Change of landlord on lease
- Insertion of a “limitation of liability” clause (if not already present).

If the tenant is a 3rd party, please ensure that they are clear that the lease will need an amendment and that the appointed solicitor will present a revised lease (or an appropriate lease side letter/minute of variation) for the tenant to sign. Other lease details such as length of lease, etc can remain in place or discussed like any other landlord/tenant agreement at this time.

Rental amounts

When a property is leased to a “connected party” the lease must be in line with the rental valuation prepared by a RICS surveyor and must be dated within 6 months of the commencement date of the lease. We’ll require sight of the survey supporting the valuation before we can agree to use the lease.

When leased to an “unconnected party”, you and your adviser can negotiate the best possible rent and rental terms you can from the tenant, so we’ll accept the rent at the current level.

Rent arrears

We can decline a property (or a lease) if there are rent arrears at the time of purchase.

Where property is leased to a connected tenant and rent arrears occur:

- unpaid rent is initially treated as a debt;

- we, as trustee of the SIPP, will take steps to recover outstanding rent and late payment interest, on a commercial basis; and
- if the outstanding rent and late payment interest can’t be recovered, the outstanding amount could be treated as an Unauthorised Payment. This would result in HMRC tax charges and we will discuss the options open to you if this occurs.

If the tenant is in financial difficulty, HMRC will accept, in principle, the re-negotiating of lease terms to allow a lower rent or a rent holiday. In this instance:

- financial difficulty must be demonstrated - the tenant’s accountant/auditor would be expected to provide evidence to support this;



- independent professional advice must be sought (e.g. from a surveyor) when re-negotiating the lease to show that it is on a commercial basis; and
- where the tenant is a company, HMRC does not expect dividends to be paid to shareholders in these circumstances.

Vacant Property

Where a property lies vacant, there are significant additional insurance covenants to be met under the terms and conditions of most insurance policies. Failure to meet these additional covenants imposed by the insurer could lead to a future claim on the policy being rejected.

In order to ensure that the insurance for the pension scheme owned property does not become void, Xafinity will seek to protect the members' pension fund.

Xafinity will appoint a third party property protection firm, Orbis Protect, on behalf of the SIPP, where:

- there is to be no tenant in the property post completion
- an occupied property becomes vacant (you are required to notify us within 30 days of the property becoming vacant)

The exceptions to this are where the property is in the process of being developed or there is a tenant in situ with a lease being formally negotiated by a solicitor acting for the SIPP.

Where appointed, Orbis Protect will inspect the property and recommend any actions required to maintain the insurance cover. They will continue to inspect the property in accordance with the terms of the insurance schedule until such times as the property is occupied. The costs of this will be met from SIPP funds.

The recommendations made by Orbis Protect will be checked by Xafinity against the terms of the insurance schedule and Xafinity will then notify you of the required actions in order to maintain the insurance cover.

These actions must be carried out prior to the next inspection date (determined by the terms of the insurance schedule). The actions can be carried out by Orbis Protect who will provide a quotation for the work involved, or you can arrange for these to be carried out independently. Again, the costs involved will be met from SIPP funds.



Property managers

A property manager is a person or firm charged with managing a property for a fee, on behalf of the owner. A property manager's duties will typically include:

- finding, evicting and generally dealing with tenants;
- repair, improvements, cleaning, garden maintenance, landscaping, snow removal etc;
- collecting rents, arranging for rent reviews, paying necessary expenses and making periodic reports to the owner; and
- where a building is vacant for an extended period, arranging for additional security monitoring.

All of the above is coordinated with the owner's wishes and the services provided are generally charged according to the work undertaken.

Responsibilities

The property manager has a primary responsibility to the landlord and a secondary responsibility to the tenant.

The property manager's relationship with the landlord and tenant is crucial in ensuring both parties understand, and act upon, the terms of the lease as both parties will rely on it.

Is a property manager needed?

Our role is to:

- monitor rental payments, insurance, rent review dates; and
- pay any invoices relating to the ownership of the property upon receipt of appropriate instructions from you.

However there is much more to owning a property and, whilst we do not insist a property manager is appointed, we would strongly recommend you consider doing so.

This is particularly relevant where:

- you need to oversee work on a property development; or
- you need help finding, managing or evicting tenants or dealing with vacant properties; or
- the property needs significant maintenance.

Rent collection

Rent should be paid by the tenant direct to the property manager to ensure that the correct amount is paid on the appropriate due dates. Rent must then be paid to us, less expenses, within agreed timescales.

Failure to pay the correct amount when due may lead to tax charges being levied by HMRC.

VAT

Where the property is elected for VAT the property manager must forward a copy of all invoices to us for our VAT records, for both rent invoices issued and expenses paid.

Costs

Any costs paid by a property manager on behalf of Xafinity as owner must be in accordance to the lease terms in place as well as being on the same arm's-length basis.



Developing a property

As Xafinity Pension Trustees Limited (XPTL) will be the property owner, we must be fully involved in the process.

A number of key areas will have to be considered where the property is being developed, such as:

- Obtaining suitable advice;
- Plans/planning permission;
- Type of works being carried out – to establish who's responsible for the costs (i.e. Landlord/Tenant/shared costs);
- Legal agreements and legal representation (where applicable);
- Project manager – suitably qualified party to oversee the project;
- Residential development – how this will be impacted by pension scheme rules;
- Connected parties – all transactions must be on a fully commercial, arms-length basis;
- Revised valuations & potential lease terms impact – RICS registered valuer required;
- Timescales – are they realistic/manageable; and
- Fees & Costs – can the SIPP afford it?

Please refer to our Development & Property Works: "SIPP development & property works guide" for full details of our requirements



Energy Performance Certificates (EPC)

What's an EPC?

An EPC provides a rating, with 'A+' being the most efficient and 'G' being the least efficient, of the environmental efficiency of a commercial building, much the same as the certificates that are given to white goods.

It is based on the energy efficiency of the building fabric, heating, ventilation, lighting and any cooling systems and must be accompanied by a report containing recommendations for improving the energy performance of the building.

When is an EPC required?

The owner of a commercial building who sells, or rents it to a new tenant, (or markets it for either purpose) must by law obtain an EPC and make it available to prospective purchasers or new tenants at the earliest opportunity. Xafinity Pension Trustees Ltd, as sole trustee of the SIPP, is responsible and will arrange for this to be done.

For an in specie property transfer, it is not clear from legislation whether or not an EPC is required prior to transfer. When a property is being transferred to Xafinity, it will be a decision for the trustees making the transfer to take. Our view is that an EPC is required, and where we're making the transfer we'll require an EPC to be produced before the transfer can complete.

When is an EPC not required?

It is our understanding that an EPC is not required for listed buildings, places of worship, workshops or industrial or agricultural buildings with low energy usage, however as this is a legal issue we will follow the guidance of the SIPP's solicitor.

Low EPC ratings

In England & Wales, owners of properties with EPC ratings of F or G may be subject to carrying out remedial work on the property in order to rent it out.

In Scotland, owners of properties that are larger than 1,000 square meters will need to implement an Action Plan prior to putting a new lease in place or selling the property.

The Climate Change (Scotland) Act 2009 and the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 set out the relevant regulations (there are currently no specific Energy Regulations in place for properties in Northern Ireland, although their rating system is broadly the same as in England & Wales).

These regulations stipulate that the owner/landlord is ultimately responsible for ensuring that the regulations are being adhered to and are the party liable for any penalties imposed for non-compliance. With this in mind, Xafinity will not permit the letting of any property in Scotland, England or Wales or the sale of any property in Scotland unless the regulatory requirements have been fully met.

We would also strongly recommend that a similar position is taken in relation to Northern Irish property.

Please refer to our [Property Matters - SIPP/SSAS: EPC Regulations](#) document for further information

Who can prepare an EPC?

An EPC can only be obtained from an accredited EPC specialist.

Our property partners

Overview: panel solicitors

Over the years, we've developed links with various companies in relation to property transactions, which we use to streamline procedures and overall costs.

In relation to legal work, our chosen solicitor partners include:

- England & Wales:
 - Bevirs Solicitors, Royal Wootton Bassett, Wiltshire
- Scotland:
 - Harper Macleod LLP, Glasgow
 - Anderson Strathern LLP, Glasgow
 - Morton Fraser LLP, Glasgow
- Northern Ireland:
 - Shean Dickson Merrick, Belfast

Based on past experience, our preference is to appoint one of these solicitors to act on behalf of your SIPP in connection with a proposed property transaction, It should be noted that as Xafinity Pension Trustees Limited (XPTL) will be sole owner of the property then the formal appointment is between your chosen solicitor and XPTL on behalf of your SIPP.

Non-panel solicitors

Whilst we suggest that you appoint one of the above panel solicitor firms, you may prefer to choose your own. The panel solicitors are familiar with our SIPP, its Trust Deed and our requirements to ensure your pension fund is protected.

If you still prefer to use a non-panel solicitor, please check that they have processed a SIPP property purchase before. If they lack experience in this field, this could lead to delays in your property transaction and potentially higher fees.



Environmental review partners

Our chosen environmental experts are Wilbourn & Co, who specialise in every aspect of environmental risk assessment and management.

We don't accept environmental reports/reviews or opinions from any other sources and all property related transactions are referred to Wilbourn & Co in advance before they can proceed.

Specialist vacant property protection firm

Our chosen third party specialist vacant property protection firm is Orbis Protect.

Property Partner fees

For the avoidance of any doubt, we receive no financial incentive from any of the solicitors named in this guide, or from Wilbourn & Co or Orbis Protect.

Bevirs Law (England & Wales)

Bevirs Law is a three office practice in North Wiltshire with offices in Swindon, Royal Wootton Bassett and Calne. They have 6 partners and 39 staff. Their dedicated pensions’ property team consists of Sonyia Woolnough, a Solicitor and Partner with over 30 years’ experience, and Zoe Tibbles, a solicitor with 9 years’ experience. The commercial team also includes Hugh Ellins, a Solicitor of over 40 years’ experience, and 3 very experienced legal secretaries

The team has worked with various pension scheme administrators throughout the country over the last 20 years. Bevirs Law has vast experience in pensions property work throughout England and always strive to achieve the best outcome as smoothly as possible.

For the avoidance of any doubt, Xafinity receives no financial incentive from Bevirs Law.

Contact details

Address:	Sonya Woolnough, and Zoe Tibbles Bevirs Law 141 High Street Royal Wootton Bassett Wiltshire SN4 7AZ
Website:	http://www.bevirs-law.co.uk/
Telephone:	01793 848900
Fax:	01793 853191
Email:	Sonyia.woolnough@bevirs-law.co.uk Zoe.Tibbles@bevirs-law.co.uk

Bevirs Law Fees

UK conveyance charge: purchase with vacant possession and no mortgage	
Property purchase freehold vacant possession price up to £250,000.00:	£1,650
Property purchase price freehold vacant possession between £250,000.01 and £500,000.00:	£1,850
Property purchase price freehold vacant possession between £500,000.01 and £1,000,000.00:	£2,650

UK conveyance charge : purchase with existing lease in place and no mortgage
Fee as per above plus £385

Leasing property	
New Lease of whole	£1,430
Renewal Lease	£1,250

Important notes

All charges are exclusive of VAT and outlays (e.g. registration dues, stamp duty land tax). If the work involved changes from that for which the fixed fee has been agreed then Bevirs Law will discuss with you what further fees may be required. Further fixed fee quotes available on request (e.g. Leasehold purchases; Land Registry registration, etc.).

Harper Macleod Solicitors (Scotland)

Harper Macleod advises a number of pension scheme administrators and has vast experience in all aspects of commercial property work. The firm is one of the top ten legal firms in Scotland, and is committed to excellence in its standards of service delivery, client care and communication.

Harper Macleod emphasises its partner-led, solution-driven approach, which blends technical expertise with commercial acumen and enables the firm to achieve the best results for its clients, at competitive prices.

For the avoidance of any doubt, Xafinity receives no financial incentive from Harper Macleod.

Contact details

Address:	David Bell Harper Macleod Solicitors The Ca'd'ro, 45 Gordon Street Glasgow G1 3PE
Website:	www.harpermacleod.co.uk
Telephone:	0141 227 9318
Fax:	0141 229 7318
Email:	David.bell@harpermacleod.co.uk

Important notes

All charges are exclusive of VAT and outlays (e.g. registration dues, stamp duty land tax). Harper Macleod reserves the right to make additional time-based fee charges where there are any unusual elements involved or where the title is particularly complex or where lost deeds or documents have to be traced / ordered up.

Harper MacLeod Fees

UK conveyance charge: purchase with vacant possession and no mortgage	
Property purchase price up to £250,000.00:	£1,250
Property purchase price between £250,000.01 and £500,000.00:	£1,500
Property purchase price between £500,000.01 and £1,000,000.00:	£2,250

UK conveyance charge: purchase with existing lease in place and no mortgage	
Fee as per above plus £600	

Leasing property	
New Lease – Connected Party where we act for the landlord, and the tenant is not separately represented	£500
New Lease – where we act for the landlord, and the tenant is separately represented	£1,000 or if greater 5% of the annual rent

If Harper Macleod is appointed to act for both the SIPP and the heritable creditor of the SIPP, the fee for acting for the mortgagee will be charged on a time cost basis (subject to an agreed cap). Fees for purchases of properties above £1 million will be subject to separate agreement.

Anderson Strathern Solicitors (Scotland)

Anderson Strathern is one of Scotland’s leading full service law firms. With over 300 staff based in their offices across Scotland, they provide specialist legal advice to commercial clients and public bodies as well as private individuals.

The principal contact at Anderson Strathern is Ken Gerber, who is a commercial property lawyer, an accredited specialist in commercial leasing, and a specialist in advising family businesses.

For the avoidance of any doubt, Xafinity receives no financial incentive from Anderson Strathern.

Contact details

Address:	Ken Gerber Anderson Strathern LLP George House 50 George Square Glasgow G2 1EH
Website:	www.andersonstrathern.co.uk
Telephone:	0141 242 6060
Fax:	0141 221 4733
Email:	Ken.gerber@andersonstrathern.co.uk

Important notes

All charges are exclusive of VAT and outlays (e.g. registration dues, stamp duty land tax). Anderson Strathern reserves the right to make additional time-based fee charges where there are any unusual elements involved or where the title is particularly complex or where lost deeds or documents have to be traced / ordered up.

Anderson Strathern Fees

UK conveyance charge: purchase with vacant possession and no mortgage	
Property purchase price up to £250,000.00:	£1,250
Property purchase price between £250,000.01 and £500,000.00:	£1,500
Property purchase price between £500,000.01 and £1,000,000.00:	£2,250

UK conveyance charge: purchase with existing lease in place and no mortgage	
Fee as per above plus £600	

Leasing property	
New Lease – Connected Party where we act for the landlord, and the tenant is not separately represented	£500
New Lease – where we act for the landlord, and the tenant is separately represented	£1,000 or if greater 5% of the annual rent

If Anderson Strathern is appointed to act for both the SIPP and the heritable creditor of the SIPP, the fee for acting for the mortgagee will be charged on a time cost basis (subject to an agreed cap). Fees for purchases of properties above £1 million will be subject to separate agreement.

Morton Fraser Solicitors (Scotland)

Morton Fraser has its own dedicated Property in Pensions team which acts for a large number of SIPP, SSAS and other pension providers, structures and arrangements throughout the United Kingdom and has extensive experience in this field built up over many years. The firm in general has one of the country's top rated commercial real estate divisions covering all aspects of commercial property work and servicing client requirements from bases in Glasgow, Edinburgh and London.

Morton Fraser delivers clear technical advice keeping to agreed fee levels and timescales to meet client requirements in all transactions.

For the avoidance of any doubt, Xafinity receives no financial incentive from Morton Fraser.

Contact details

Address:	Fergus McDiarmid Morton Fraser LLP 145 St Vincent Street Glasgow G2 5JF
Website:	www.morton-fraser.com
Telephone:	0141 375 0796
Fax:	0141 274 1129
Email:	Fergus.McDiarmid@morton-fraser.com

Morton Fraser Fees

UK conveyance charge: purchase with vacant possession and no mortgage

Property purchase price up to £250,000.00:	£1,250
Property purchase price between £250,000.01 and £500,000.00:	£1,500
Property purchase price between £500,000.01 and £1,000,000.00:	£2,250

UK conveyance charge: purchase with existing lease in place and no mortgage

Fee as per above plus £600

Leasing property

New Lease – Connected Party	£500
New Lease – 3rd party	£1,000 or if greater 5% of the annual rent

Important notes

All charges are exclusive of VAT and outlays (e.g. registration dues, stamp duty land tax). Morton Fraser reserves the right to make additional time-based fee charges where there are any unusual elements involved or where the title is particularly complex or where lost deeds or documents have to be traced / ordered up. If Morton Fraser is appointed to act for both the SIPP and the heritable creditor of the SIPP, the fee for acting for the mortgagee will be charged on a time cost basis (subject to an agreed cap). Fees for purchases of properties above £1 million will be subject to separate agreement.

Shean Dickson Merrick (Northern Ireland)

Shean Dickson Merrick is a long established firm with many years' experience in the SIPP/SSAS property market. They are an approachable commercial firm with an established business client base including many, well known public companies.

For the avoidance of any doubt, Xafinity receives no financial incentive from Shean Dickson Merrick.

Contact details

Address:	Alan Wilson Shean Dickson Merrick Solicitors 38 – 42 Hill Street Belfast BT1 2LB
Website:	www.shean-dickson-merrick.com
Telephone:	028 9032 6878
Fax:	028 9032 3473
Email:	alanw@shean-dickson-merrick.com

Important notes

All charges are exclusive of VAT and outlays (e.g. registration dues, stamp duty land tax). Shean Dickson Merrick reserves the right to make additional time-based fee charges where there are any unusual elements involved or where the title is particularly complex or where lost deeds or documents have to be traced / ordered up.

Shean Dickson Merrick Fees

UK conveyance charge: purchase with vacant possession and no mortgage	
Property purchase price up to £250,000.00:	£1,250
Property purchase price between £250,000.01 and £500,000.00:	£1,500
Property purchase price between £500,000.01 and £1,000,000.00:	£2,250

UK conveyance charge – purchase with existing lease in place and no mortgage	
Fee as per above plus £600	

Leasing property	
New Lease – Connected Party	£750
New Lease – 3rd party	£1,000 or if greater 5% of the annual rent

If Shean Dickson Merrick is appointed to act for both the SIPP and a heritable creditor of the SIPP, the fee for acting for the mortgagee will be charged on a time cost basis (subject to an agreed cap). Fees for purchases of properties above £1 million will be subject to separate agreement.

Wilbourn & Co (all UK areas)

Wilbourn & Co are our chosen environmental experts. No alternative environmental surveyors are acceptable to us.

The practice has £10 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 and is responsible for current Guidance for Chartered Surveyors in respect of contamination and environmental matters.

Wilbourn & Co are an independent firm of Chartered Environmental Surveyors who have been appointed to protect the interests of you, as well as us.

Wilbourn & Co are members of Property Agents Independent and work closely with surveyors and other property professionals from practices across the UK.

Although there shouldn't be any need for you to contact Wilbourn & Co, their contact details are provided below. We'll be Wilbourn & Co main contact in any transaction.

For the avoidance of any doubt, Xafinity receives no financial incentive from Wilborn & Co.

Contact details

Address:	Wilbourn & Co 6 Whinhill Road Doncaster DN4 7AL
Website:	http://www.environmental-surveyors.com
Telephone:	07973797011
Email:	philip@environmental-surveyors.com

Fees

- **Initial check**

There are no fees charged for this initial assessment by Xafinity or Wilborun & Co.

- **Full Environmental Screening Report**

See "Environmental risks and concerns" for details.

Orbis Protect (all UK areas)

Orbis Protect Ltd are our chosen third party Specialist Vacant Property Protection Firm.

No alternative third party Specialist Vacant Property Protection Firms are acceptable to us.

The practice has £5 million of Professional Indemnity Insurance cover

Our key contact is Billy Reid, who is a Business Development Manager for Orbis Protect and is based in Scotland. He specialises in the commercial sector to ensure full compliance with all conditions of insurance for unoccupied premises.

Billy is an expert in assessing the risks associated with vacant property with more than 26 years of experience in the industry. Qualified to NEBOSH H&S standard, Billy was the H&S Quality Manager for Orbis Protect in Scotland for 7 years and has been in the Business Development role for the past 7 years.

Orbis Protect have over 36 years' experience in vacant property protection, management and associated services, they secure over 50,000 properties a year, clean and clear over 40,000 properties a year and inspect over 20,000 properties a year in the UK.

They have more than 500 staff located at branches and sub depots throughout the UK, operating a 24/7 service providing national coverage by local teams, all staff are fully trained in house by Orbis in all tasks they undertake

Orbis Protect also provide many other services including alarm monitoring and Lone Worker Protection and have their own fully accredited Category II Alarm Receiving Centre based in Bromborough which receives over 20,000 alarm signals a day. The highly trained staff respond to 50,000 alarm activations a year as well as

monitoring CCTV, providing out of hours call handling, Anti Social Behaviour reporting and Loan Worker Protection.

They have a head office based in Uxbridge

For the avoidance of any doubt, Xafinity receives no financial incentive from Orbis Protect Ltd.

Contact details

Address:	Orbis Protect Unit 7 Harmony Court Govan Glasgow G51 3HN
Website:	https://www.orbisprotect.com/
Telephone:	0141 445 4338 or 07789 925700
Email:	billy.reid@orbisprotect.com

Fees

- Insurance approved inspection carried out by fully trained NeBOSH/loSH/CSCS qualified inspectors, in accordance with the insurance schedule (per inspection) - £22.75 + VAT
- Fees for any recommended work in accordance with the insurance schedule will be quoted for on a case by case basis, including drain downs of water systems, lock changes and combustible waste removal. No work will be completed without prior approval

Terms and links

This section helps explain the various terms you may run into during a SIPP property transaction.

Connected person

- Your relatives and their spouses or civil partners; and
- Your spouse or civil partner, any of their relatives and their relatives' spouses or civil partners.

Connected company

A company is connected with another company if:

- a person has control of one and he (either alone or with persons 'connected' to him) has control of the other; or
- a group of two or more persons has control of each company, and the groups consist of the same people (or could be replaced by people 'connected' to them).

A company is connected with another person if that person has control (either alone or with persons 'connected' with him).

Any two or more persons acting together (or any person acting on their directions) to secure or exercise control of a company are treated (in relation to that company) as 'connected' with one another.

Company

A body corporate or unincorporated association, but not a partnership.

Freehold ownership

Legal ownership and control for an unlimited time.

JCT agreements

The Joint Contracts Tribunal (JCT) produces standard contracts, guidance notes and other documentation for use in the construction industry.

These are normally prepared by architects and surveyors at the design stage of any development and will need reviewed and agreed by solicitors representing the SIPP. The main purpose of a JCT Agreement is to document the agreed terms of the particular development between the owner and the developer/builder.

For a SIPP development, the JCT must limit any potential liabilities that may occur to the value of the assets held under the individual SIPP. For further details on the JCT and their agreements, please see www.jctltd.co.uk.

Leasehold ownership

Ownership of property (normally for a fixed period – e.g. 99 or 999 years). Subject to an annual payment of a ground rent to the owner of the freehold.

Legal charge

A legal charge, sometimes called a legal mortgage, is a formal document that gives a lender certain rights over the property in return for the mortgage loan necessary for the property purchase. Basically, it allows them certain repossession rights if the terms of the mortgage contract are not met. The legal charge will be registered at The Land Registry by the lender to show the interest they have over the property.

Please see your SIPP Member Handbook for other defined terms.

SIPP trustee

Xafinity Pension Trustees Ltd

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