

Self Invested Personal Pension

SIPP

**SIPP Standard Pre-Purchase
Procedure for Property Acquisition** 

Standard Pre-Purchase Procedure for Property and Land Acquisition

We need to consider the following documents before we are in a position to confirm that the property is acceptable to us in principle. In addition to the requirements below, we will also instruct solicitors to prepare a report on title, conduct searches etc and to ultimately acquire the property on our behalf:

- A surveyor's report. The property must be inspected by a surveyor who is a member of the Royal Institution of Chartered Surveyors (RICS), or an equivalent body. The report should include:
 - A basic assessment of the condition of the property.
 - A recommendation as to whether a full structural survey/environmental risk/contamination or asbestos survey is required.
 - Colour photographs and OS plan showing the property in addition to street and location maps.
 - The open market value.
 - A reinstatement figure for insurance purposes.
 - A recommended current market rent. For these purposes the Surveyor will need to know how long you want the lease to run (which a lender would normally insist is at least as long as the repayment period of any loan taken to assist in the purchase) and whether there will be any break clauses (allowing the lease to be terminated before the end of the term but not before the end of the loan period).
Note that in cases where the tenant is you or someone connected to you, any new lease must reflect the level of market rent set by the Surveyor. Existing leases can normally remain in place on their current terms, until expiry.
 - We are happy to instruct the Surveyor, once your SIPP has been established with sufficient funds, or alternatively you can simply arrange and pay for the Surveyor's valuation report yourself, and then you can be reimbursed the cost of the report later, if your SIPP proceeds (funds permitting). The Surveyor's report must be addressed to us. We may accept a report that has been prepared for a prospective lender.
- A fully completed Property and Land Questionnaire signed by all members.
- The members SIPP Application Forms, Identity Verification and Supplemental Deed.
- Copies of existing Headleases and Occupational leases (where applicable).

Please bear in mind that we may need to ask for specialist reports, structural surveys or risk management reports for contamination and environmental issues depending on the comments in the valuation report and all other documents submitted to us. These will not be undertaken without your agreement but your fund will be responsible for the cost and for any other fees that may be incurred if the proposed purchase is progressed whilst waiting for the report even if the result means we are unable to proceed with the purchase.

You may nominate a Solicitor to act on behalf of the SIPP trustees, alternatively we can choose one from our panel of specialist firms that have the required level of knowledge and experience to deal with this type of transaction. You can find out more in our 'Guide to Panel Solicitors'.

There will be occasions where the proposed property purchase has unusual characteristics or you may wish to simply run through your proposal with us, please contact our Property Acquisitions Team if you wish to do this.

Timescale

We cannot in any circumstances guarantee any timescale for completion as many aspects are out of our hands. Typically, in our experience it takes between 6 to 16 weeks from instruction of solicitors, although it could take longer or less time than this. It is essential that the SIPP is set up before the purchase commences and to ensure that everything is in place, in good time, for the transaction to be successfully completed. Failure to provide the information we require may delay the purchase process. We cannot be responsible for the consequences of such delay nor if the vendor decides to sell to another buyer. If there is a particular issue on timing please raise this with us at the earliest opportunity.

Our SIPP products are offered without advice of any kind. A SIPP may not be suitable for all investors.

If in doubt you should consult a suitably authorised financial adviser. InvestAcc Pension Administration Limited is the Operator and Scheme Administrator and is responsible for the maintenance and running of the scheme. InvestAcc Pension Trustees Limited is the Scheme Trustee. The levels of and bases of taxation can change. The value to an investor of any tax benefits will depend on that investor's tax position. Investors should consult their own tax advisers in order to understand any applicable tax consequence.

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Service Beyond
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