

Commercial Property

Investing in Self Invested Personal Pensions (SIPPs)

Increasingly more people are taking control of their pension investments by using a SIPP. Not merely the preserve of the super-rich, a SIPP is a tax-efficient wrapper which can shelter a range of investments.

The advantages of commercial property

One such investment can be commercial property - such as shops, offices or factories. Commercial lettings can be less hard work than letting houses - tenants tend to be financially better off and more able to meet their commitments, whether to pay the rent or to look after the property. A landlord can expect to charge the entire responsibility for repair of the property onto the tenant.

Commercial leases tend to be for longer periods than house tenancies, making voids (periods when the property may lie empty, and therefore a cost to the landlord) less likely. Statutory obligations on the landlord tend to be less for commercial lettings than residential lettings.

2008 a window of opportunity

Although there has been price inflation in the commercial property sector over the past 5 years (due to their popularity and reputation for steady growth in capital while providing reasonable above-inflation income), the UK property sector is in a period of price adjustment, and investments are more reasonably-priced and easier to obtain. 2008 is a window of opportunity for the new investor in commercial property.

Long term tax free benefits

Although some investors prefer the freedom from statutory control that comes with keeping investment in property out of tax wrappers, nevertheless many people are prepared to accept the restrictions which come with pension investment to obtain the long-term tax-free benefits of the pension regime.

Experience

Gordon Brown Associates has considerable experience in acting for SIPP investors, both in acquisition and in the letting of investment properties to tenants. Those tenants could be the trading company of the SIPP holder, or completely unrelated persons. Acting in conjunction with your Independent Financial Adviser and SIPP fund managers, Gordon Brown Associates can ensure you comply with the statutory requirements for a property investment in your SIPP.

The next step

So if you want to explore ways of investment in commercial property through the medium of a self-invested personal pension please contact:

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