

# Why choose active money SIPP for commercial property?

*active money SIPP – part of the active money lifeplan*

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## *Important Information*

*No guarantees are given regarding the effectiveness of any arrangements entered into on the basis of the content of this guide.*

# What's so special about our active money SIPP?

We understand how challenging it can be to satisfy clients with complex investment needs – for example clients who are affluent or who own a business and want to make the most of their tax position.

As a leading SIPP provider we appreciate you don't want to be restricted when it comes to offering your clients flexibility and choice. To ensure we are meeting your needs, we have carried out in-depth competitor research and talked to advisers to refine our active money SIPP.

*Did you know that our active money SIPP delivers:*

- *a lot more investment choice than many think?*
- *the freedom to invest in more specialist assets?*
- *a highly developed commercial property service?*

In addition, we offer high levels of customer service so that you can confidently recommend Standard Life to your wealthiest clients.

To help you appreciate the extent of the choice and flexibility we offer, we have produced individual guides for each of the above specialist areas.



*This guide focuses on commercial property*

## Why choose Standard Life for commercial property?

*1 We are specialists in the SIPP market*

*2 Our SIPP property team is highly experienced and provides an expert personal service*

*3 We offer a wide range of acceptable properties*

*4 We have a network of experienced and established property partners, all with specialist knowledge of the SIPP property market*

*5 We apply robust processes to anticipate and mitigate the risks for your client*

# The benefits of placing commercial property in a SIPP

Increasing numbers of investors are seeing the benefit of SIPPs and these benefits have potentially more value when commercial property is purchased as part of the SIPP portfolio.

- There are no income or capital gains tax charges on property investments held in a SIPP.
- Clients can also benefit from growth opportunities through the receipt of regular rental income.
- Rental outgoings, when part of a SIPP, are an allowable business expense that can be deducted before the company's assessment for tax.

These are powerful incentives and help explain why this segment of the market is showing strong growth.

Please remember there can be disadvantages too; liquidity and vacant let periods for example.

Your clients may also appreciate the relative stability that commercial property has the potential to provide, although past performance is not a reliable guide to future performance.

**The value of tax relief may change and will depend on individual financial circumstances. The information we have given is based on our understanding of law and HMRC practice when published in August 2010.**

# What type of client can benefit from commercial property?

A broad spectrum of your clients can potentially benefit from holding their commercial property in a SIPP and subsequently gain from substantial tax and operational benefits.

For example we've already helped syndicates including: doctors, dentists and other businesses purchase their own commercial premises through their active money SIPP. Transactions include single and multi- lets.

## *Examples of commercial property we manage:*

- *Land (for immediate commercial development)*
- *Children's nurseries*
- *Gyms*
- *Car showrooms*
- *Medical centres*
- *Petrol stations*
- *TV studios*
- *Warehouses*

## Dedicated personal service

The benefits for your clients of buying a commercial property via a SIPP are clear; but what about the benefits of using Standard Life? Successfully buying, managing and selling property is a specialist area, requiring significant expertise and experience. This is where we excel.

We offer you a dedicated in-house SIPP property team, providing expert and personal service. We take a can do approach and if a purchase isn't feasible we'll look for an alternative solution. The team is vastly experienced and consists of 15 members with a combined experience of around 50 years. They currently administer over 1,000 properties for our clients.

We understand that a quick response is important to you and your client. Our team has built up a deep understanding of how to efficiently buy, manage and sell commercial property as part of a SIPP; expertly co-ordinating the various parties involved and keeping you and your client informed all the way through. Our aim is to make the purchase of a commercial property through a SIPP as simple, efficient and safe as possible. The team works alongside solicitors and property managers among others, to help manage the risk and avoid unnecessary costs and delays associated with purchase.

### *Did you know?*

- We currently have over 1,000 properties under management*
- The total value of properties we manage is over £300 million*
- The average property value is just under £300,000*
- Over 50% of all the properties we manage are purchased by syndicated SIPPs*

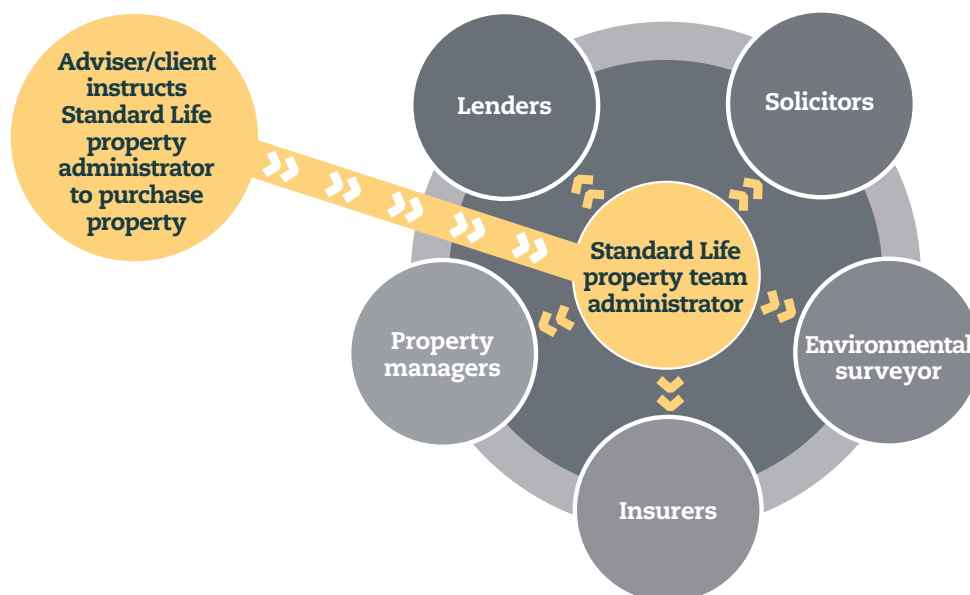
## Our network of professionals – working for you and your clients

Cases are allocated to an individual property administrator who will manage the end-to-end process and be your personal contact throughout.

The administrator will take you through a straightforward questionnaire that is designed to quickly establish if the proposed purchase is possible. It has been refined with the help of advisers and other business partners to make the decision process efficient.

The administrator has strong business partnerships with industry experts, including solicitors, property managers, lenders, environmental surveyors and insurers. All have excellent knowledge and experience of the SIPP commercial property market. These business partnerships allow us to broker competitive fees resulting in attractive charges for your clients. Charges are not guaranteed and may change in the future.

The key role of the administrator is to liaise with all parties on your behalf; keeping you updated on progress and complete the process efficiently.




## **Our promise to you**

We know the value of your time and the importance to your clients of timely feedback. We're focused on keeping you informed on progress and quickly responding to queries from you or your clients.

We aim to deliver a professional service, including offering published service levels.

We'll commit to –

- Answer any general SIPP property enquiries the same day and technical enquiries within two days of receipt.
- Review and give a feasibility report on the property information questionnaire within two working days of receipt at no additional charge.
- Provide you or your client with an update call within two working days of receiving confirmation from you that we are to proceed with the purchase.
- Instruct our solicitor, valuation report and panel lender within two working days of receiving instruction to proceed.
- Ensuring our solicitor provides you and your client with a welcome letter and confirmation of legal costs within two working days of instruction.
- Ensuring our business partners are available to talk to you and your client directly.
- Updating you and your client regularly.
- Ensuring that Willis (the insurance broker) provide a quotation for buildings insurance within two working days of instruction.
- Ensuring that Argyll (environmental surveyor) provides a Stage A report within two working days of receiving complete instructions. If Stage B investigations are required, Argyll will have this report commissioned within four weeks.
- Ensuring that our property manager sets up the property on the system and issues the first rent demand within five working days of receipt.
- Carrying out due diligence to help protect the client from the dangers that are inherent in some types of permitted commercial property.



*Our SIPP property team has vast experience of buying, managing and selling commercial property*

## On-going service

We recognise that the property purchase is only the beginning of the process. So we provide comprehensive on-going property management support and service, including:

- Collecting rent and invoicing
- Conducting rent reviews and revaluations
- Renewing leases
- Arranging insurance
- Dealing with legal issues
- Organising the repayment of loans charged on any property
- Handling issues with planning officials.



*Dedicated SIPP property team*

**0131 245 7400** or  
**0845 0845 000** opt 3

*Priority mailbox*  
**sipp\_property@standardlife.com**

*Call charges may vary. Calls may be recorded and/or monitored to improve customer service.*

**TECHzone** – our 24-hour online technical resource centre which you can access via **www.adviserzone.com**.

Here you can ask us technical questions, read technical briefings and keep up to date with the latest insights on pension and tax policy.

## Summary of purchase process

Customer finds commercial property and their adviser calls SIPP Property Team to discuss suitability. Adviser is given a personal dedicated administrator who is responsible for taking the adviser through the whole process, starting with the Property Information Questionnaire.

Feasibility check carried out by administrator, free of charge. Telephone call/e-mail to adviser confirming outstanding requirements or decision on whether we can proceed. This includes checking that there are sufficient funds in the active money SIPP to make the purchase and cover costs.

Adviser provides instruction to proceed. Administrator carries out 'welcome call' confirming the process and setting expectations with the adviser.

Administrator instructs solicitor who will issue a welcome letter to the SIPP member confirming the key milestones in the process and an invitation to contact them directly for an update throughout the process. Administrator will monitor that the legal process is carried out efficiently.

Administrator instructs nominated surveyor to carry out Valuation Report. This will be reviewed against standard requirements with a copy of the report being sent to the adviser with recommendations if appropriate.

Administrator arranges for our environmental surveyor, Argyll, to provide a full environmental report for every property.

If applicable, Administrator will arrange mortgage through a panel lender in line with the agreed process. See page 12 for choice of lenders.

Administrator will arrange an insurance quote for the property to be covered by our block insurance policy held. On completion, we will ensure that property is on cover from day one.

Administrator will arrange for funds to be sent from the active money SIPP to solicitor when we are ready to complete.

Solicitor will confirm the property purchase is complete. Administrator will update active money SIPP to show the property is held as an asset by the SIPP trustee for your customer.

Solicitor instructs the appointed property manager to start managing the property; collecting rent, organising repairs etc. See page 12 for choice of property managers.

# Our property business partners are:

## Property solicitors

### England & Wales

Dickinson Dees  
1 Trinity Gardens, Broad Chare  
Newcastle Upon Tyne, NE1 2HF  
[www.dickinson-dees.com](http://www.dickinson-dees.com)

### Scotland

Macdonalds  
St Stephen's House, 279 Bath Street  
Glasgow, G2 4JL  
[www.macdonaldslaw.co.uk](http://www.macdonaldslaw.co.uk)

### Northern Ireland

Wilson Nesbitt  
City Link Business Park, Albert Street,  
Belfast, BT12 4HB  
[www.wilson-nesbitt.com](http://www.wilson-nesbitt.com)

If your client wishes to appoint a solicitor nominated by them, we may be able to help subject to certain conditions and costs. Call us to discuss.

## Property managers

CB Richard Ellis Ltd  
Bank House  
27 King Street  
Leeds  
LS1 2HL  
[www.cbre.co.uk](http://www.cbre.co.uk)  
Countrywide Property Management  
Central House  
Clifftown Road, Southend on Sea  
SS1 1AB  
[www.countrywidema.co.uk](http://www.countrywidema.co.uk)

DTZ  
No 1 Colmore Road  
Birmingham, B4 6AJ  
[www.dtz.com](http://www.dtz.com)

## Environmental surveyor

Argyll Environmental Ltd  
Tower Point 44  
North Road  
Brighton  
BN1 1YR  
[www.argyllenvironmental.co.uk](http://www.argyllenvironmental.co.uk)

## Property insurer

Aviva  
139 West Regent Street  
Glasgow G2 2SG  
[www.aviva.com](http://www.aviva.com)

## Insurance broker

Willis Limited  
6-8 Wemyss Place  
Edinburgh, EH3 6DH  
[www.willis.com](http://www.willis.com)

## Valuer

You may nominate a firm of valuers to undertake valuations. They must be a Member (MRICS) or Fellow (FRICS) of The Royal Institution of Chartered Surveyors (RICS). Standard Life will instruct the valuer, giving full details of our valuation requirements. The valuation report must be addressed to Standard Life Trustee Company Limited.

## Lenders

Standard Life have a panel of lenders with whom we have agreed processes and documentation. If your client wishes to appoint a lender nominated by them, we may be able to help. Call us to discuss.

- Barclays
- Bank of Ireland
- Clydesdale Bank
- Co-Op Bank
- First Trust Bank
- Halifax/Bank of Scotland
- HSBC
- Royal Bank of Scotland/National Westminster
- Ulster Bank
- Yorkshire Bank

## Managing risks

There are risks involved in buying commercial property within a SIPP so we work with the best in the business to anticipate and mitigate the risks for you and your clients.

We believe it is vitally important to use business partners who have a proven track record in dealing with property purchases within a pensions environment. The legal and regulatory consequences can be extremely damaging if the correct professionals are not used.


On the legal side for example, legal contracts and documentation could be prepared incorrectly by a solicitor or lender unfamiliar with the particular regulatory requirements of pension schemes. Our solicitor helps reduce this type of risk. They ensure that all legal contracts and documentation are prepared in accordance with current pension legislation, avoiding delays and potential problems that may not surface until some time in the future. They will also structure the lease correctly to ensure that landlord and tenant obligations are clear.

The team employs robust processes that are designed to ensure that legal or regulatory issues are brought to the attention of the SIPP client and/or tenant early so that the appropriate action can be taken (e.g. rent reviews, lease renewals, licenses for application and serving notices).

Our overarching aim is to help maximise your client's investment income and capital growth by avoiding any unnecessary costs and exposure to claims against their pension fund. Please be aware that commercial property values can go down as well as up and that rental income cannot be guaranteed.

Our program even includes using an environmental surveyor to screen properties at outset, ensuring that they do not carry any significant environmental risk.

Professional property managers ensure that day-to-day issues are identified and managed efficiently and effectively.



*Our overarching aim is to help maximise your client's investment income and capital growth by avoiding any unnecessary costs and exposure to claims against their pension fund.*

# Why choose active money SIPP?

## Scale and quality

- Our active money SIPP is recognised as being a leader in the market; a fact backed up by its five-star rating from Defaqto.
- We provide you with a specialist service. We will appoint a dedicated property administrator to guide you through the process from start to finish, including extensive after-sales service. We aim to take the stress and paperwork away from you.
- Our size and scale mean that we are able to negotiate attractive terms with our business partners; this is factored into our charging structure.

## Service

- We commit to service agreements to make sure you and your clients receive timely attention.
- On your behalf we manage an extensive panel of process-critical property professionals.
- Our service makes a potentially risky process less stressful.
- We offer your clients a panel of carefully selected professionals to safely facilitate their property transactions. We appreciate they may wish us to use a solicitor or lender nominated by them and we will try hard to accommodate their preferences subject to certain conditions.

## Risk mitigation

- Extensive controls are built right in to our processes. We carry out due diligence to try and ensure that your client is protected from the dangers that are inherent in some types of permitted commercial property.
- We employ robust controls and security measures including well-defined disaster recovery programs.

## Brand and expertise

- We have a strong and respected brand with which clients and advisers can identify.
- We are committed to treating customers fairly; clients can be assured their interests are embedded in our business plan.

## Value

- Our charging structure is flexible. Clients are only charged for the services they use.
- We aim to build strong relationships with advisers and set ourselves up to deal with your requirements.

Buying commercial property is an involved process and when held in a SIPP can be even more so. Our professional team manages the complexities of the transaction so you can concentrate on your client.



*We can help a wider variety of clients than you might think*

# More active money SIPP material

## Find out more

To find out more visit – [www.adviserzone.com/sippinvestments](http://www.adviserzone.com/sippinvestments). There you will also find other helpful material on our property proposition.

**SLSIP81** – Lists our commercial property charges

**SLSIP82** – An in-depth technical guide

**SLSIP83** – Property Investment Questionnaire

**SLSIP108** – Gives a worked example of the property purchase

**SLSIP109** – Gives an example of a syndicated purchases

Our commercial property proposition is just one component of our active money SIPP. If you would like to find out about our Discretionary Investment Management, portfolio management

or specialist assets services, please ask for:

**SLSIP24** – Why choose active money SIPP for Discretionary Investment Management?

**SLSIP156** – Why choose active money SIPP for portfolio management?

**SLSIP157** – Why choose active money SIPP for specialist assets?

## Important information

- Standard Life Trustee Company Limited (the SIPP trustee) will be the owner of the property. It will be managed by a property company appointed by the SIPP trustee. All rent must be paid at a commercial rate.
- Commercial property may take longer to sell and there will be associated sale costs. This should be taken into account when reviewing your clients' investments or advising them when they can take their benefits.



### Money Marketing Awards

Voted Company of the Year  
1999, 2000, 2001, 2002, 2003, 2004, 2005, 2007, 2008 and 2009

Voted Best Pension Provider  
2004, 2005, 2006, 2007, 2008 and 2009

### Financial Adviser Life & Pensions Awards

SIPP and/or SSAS Provider of the Year  
2006, 2007, 2008, 2009 and 2010

Best Income Drawdown Provider  
2007, 2008, 2009 and 2010

### Financial Adviser Service Awards

Voted 5 Star Life and Pensions Provider  
1996 through to 2008

### Financial Technology Research Centre (FTRC)

e-Excellence Award “eee” Rating for SIPP and SIPP Specialist  
2008 and 2009

### IFAs' preferred SIPP Provider Defaqto's Annual Survey

Source: Defaqto SIPP Report June 2009 – Bridge over Troubled Water

**Pensions**  
**Savings**  
**Investments**  
**Insurance**

# Want to know more about the active money SIPP?

If you want to find out any more about the active money SIPP, just speak to your Standard Life Account Manager or call us on

**0845 0845 000 option 3**

Call charges may vary and be recorded and/or monitored to help improve customer service.

**[www.adviserzone.com/sippinvestments](http://www.adviserzone.com/sippinvestments)**

Standard Life Assurance Limited\*, registered in Scotland (SC286833), Standard Life House, 30 Lothian Road, Edinburgh EH1 2DH is the Provider and Scheme Administrator of the Standard Life Self Invested Personal Pension Scheme. Standard Life Trustee Company Limited, registered in Scotland (SC076046), also Standard Life House, is the Trustee. Telephone (0131) 225 2552. *Calls may be recorded/monitored.*

\*Authorised and regulated by the Financial Services Authority

[www.standardlife.co.uk](http://www.standardlife.co.uk)

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