

Commercial property purchase

Small Self-Administered Pension Schemes

RULES

SSAS's can purchase all kinds of non-residential property, including:

- Office
 - Retail
 - Industrial
 - Agricultural land
 - Land for redevelopment
- SSAS's can let property to connected parties at market rent or let to unconnected parties
 - SSAS's can purchase from connected parties
 - SSAS's can purchase jointly with other parties or purchase part of the property
 - SSAS's can construct or redevelop properties
 - SSAS's can borrow to purchase property

SSAS's can purchase commercial property which can be let to connected (such as the members' own company) or unconnected tenants.

Case Study - Flower Power Ltd

Robert and Linda own a florist in South West London. Robert and Linda have existing pensions totaling £300,000 and they transfer them into a new SSAS established by their company.

They want to purchase the building that Flower Power operates from worth £900,000.

The SSAS and Flower Power each have £300,000 in cash to purchase part of the property. The SSAS and Flower Power obtain a £300,000 joint mortgage from a bank.

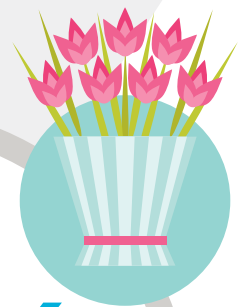
They buy their business premises for £900,000, owned 50% by the SSAS and 50% by Flower Power Limited.

The company pays 50% of the market rent to the SSAS which is used to repay its share of the mortgage.

Surplus rent and future contributions could allow the pension fund to increase its ownership of the property over time.

Benefits

- If the sponsoring company operates from the premises it pays rent directly into the member's SSAS
- Pension fund income grows tax-free
- Pensions are not subject to capital gains tax



THE
COMPANY PAYS

50%

MARKET RENT TO
THE SSAS WHICH IS USED
TO REPAY ITS SHARE OF
THE MORTGAGE

**PENSIONS ARE NOT
SUBJECT TO CAPITAL
GAINS TAX**
