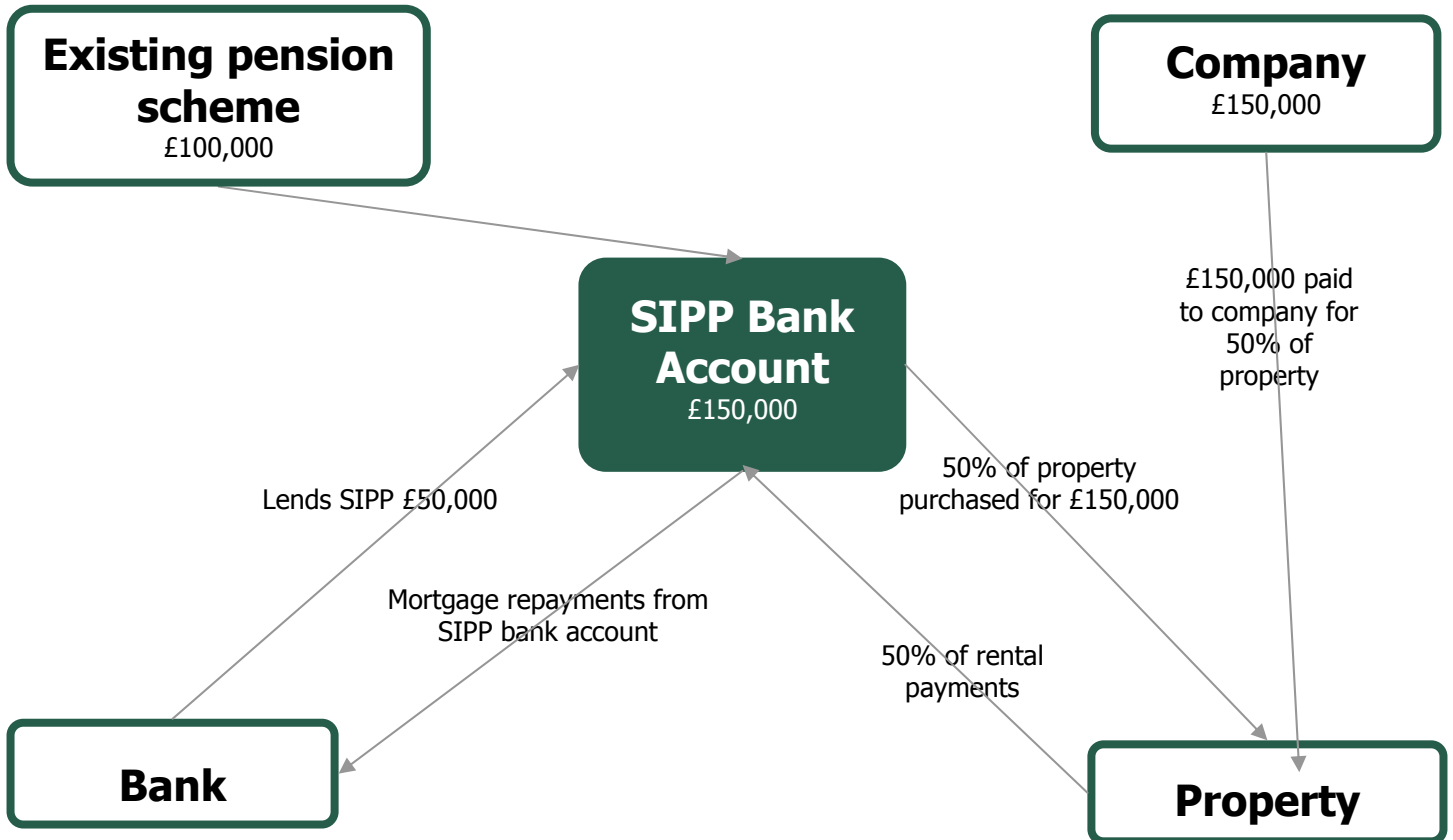


Pre Owned Connected Party Part Property Purchase

Client wants to purchase a commercial property for £300,000. He has earnings of £100,000.



The SIPP must receive market rent for its share of the property. If the member's company is the tenant they do not need to pay rent (they would be paying it to themselves) for the portion that they continue to own.

50% of the property is owned by the pension fund and therefore any growth in its value is free of income and capital gains tax. In addition, the rent payable by the partnership or company to the pension fund can be offset against profits.

Once the loan has been repaid all rental income increases the value of the SIPP.

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