

# Property Form

for the Suffolk Life SIPP and MasterSIPP

**This is a legally binding document between you and Suffolk Life.  
It is part of a set all of which should be read together:**

- » Key Features
- » Personal Illustration
- » Schedule of Fees
- » Schedule of Allowable Investments
- » Terms and Conditions
- » Property Guide
- » Property Form**
- » Property Insurance Notes

The letters 'SIPP' are rendered in a large, bold, 3D sans-serif font. They are light grey with a subtle gradient and a soft shadow beneath them, giving them a three-dimensional appearance as if they are standing on a surface.

**SUFFOLKLIFE**  
THE INTELLIGENT APPROACH

Only one Property Form per property is required. In addition a separate MasterSIPP application form is required for each investor if they do not already have a SIPP with Suffolk Life.

Please contact your adviser for an application form.

Please use this form if you want:

- » Suffolk Life to acquire property as an investment for your SIPP; or
- » to transfer property which is already an asset of a pension scheme held by another provider or administrator to your SIPP with Suffolk Life.

Please complete this form as fully as possible and sign in both parts (investment and insurance), but do not delay in returning it to us if some details are not known. All investors in the purchase must sign the form.

This is a legally binding document between you and Suffolk Life. If you have any queries please contact your adviser. We will need the original of this application form before we commence work on purchasing the property. Please complete this form using black ink and block capitals.

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# Part A Investment

## Section 1

### Details of investor(s)

- This section is for completion by all investors who wish to invest. Joint investors should nominate one individual to be our point of contact (and whose details should be the first to be entered in this section). We will be entitled to deal with that individual on all matters relating to the acquisition of the property and its subsequent management, including disclosure (where required) of individual investor cash balances.

If there are more than 8 investors, please use photocopies of page 2 and attach them to the form.

#### 1.1 Investors' personal details

**1** Please note: This first investor will be the point of contact for Suffolk Life.

Title	Mr/Mrs/Miss/Ms/Other	<input type="text"/>	
Forename(s)		<input type="text"/>	
Surname		<input type="text"/>	
Plan number(s)		<input type="text"/>	
Telephone numbers	Home	Work	Mobile
	<input type="text"/>	<input type="text"/>	<input type="text"/>
Email address	<input type="text"/>		

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**2**

Title	Mr/Mrs/Miss/Ms/Other	<input type="text"/>	
Forename(s)		<input type="text"/>	
Surname		<input type="text"/>	
Plan number(s)		<input type="text"/>	
Telephone numbers	Home	Work	Mobile
	<input type="text"/>	<input type="text"/>	<input type="text"/>
Email address	<input type="text"/>		

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**3**

Title	Mr/Mrs/Miss/Ms/Other	<input type="text"/>	
Forename(s)		<input type="text"/>	
Surname		<input type="text"/>	
Plan number(s)		<input type="text"/>	
Telephone numbers	Home	Work	Mobile
	<input type="text"/>	<input type="text"/>	<input type="text"/>
Email address	<input type="text"/>		

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**4**

Title	Mr/Mrs/Miss/Ms/Other	<input type="text"/>	
Forename(s)		<input type="text"/>	
Surname		<input type="text"/>	
Plan number(s)		<input type="text"/>	
Telephone numbers	Home	Work	Mobile
	<input type="text"/>	<input type="text"/>	<input type="text"/>
Email address	<input type="text"/>		



## Property information

### 2.1 Property details

Address of the property  
(the property)

Postcode

Description and use of the property  
(e.g. warehouse for book storage,  
solicitors' offices, etc.)

Please give details below of exactly what all parts of the property are currently being used for.

Does the property include  
living accommodation?

Yes  No If Yes, please give details below.

Disputes

Are you aware of any disputes of any kind in relation to the property or of any circumstances which might lead to any such disputes?

Yes  No If Yes, please give details below.

Inspections

Has the property been inspected pursuant to the asbestos regulations?

Yes  No If Yes, has an inspection report been prepared?  Yes  No

If Yes, please supply a copy as soon as possible.

Copy attached  Copy to follow  Copy not available

Legal actions

Are you aware of any action, actual or impending, which might be taken with respect to the property by the local authority or any other public authority?

Yes  No If Yes, please give details below.

Adjoining properties

Does the property directly adjoin any property already owned by you or a person connected with you?

Yes  No If Yes, please give details below.

Contamination

Have you any cause to think that the property may be contaminated in any way?

Yes  No If Yes, please give details below.

Do any unusual provisions apply?  
(eg. options, rights, etc.)

Yes  No If Yes, please give details below.

## Section 2

### 2.1 Property details (continued)

Has the property been registered at the Land Registry?  Yes  No  Not known

Type of ownership of the property  Freehold  Long leasehold  Commonhold If long leasehold please give details below.

Ground rent £  per annum Outstanding term of lease  years

Type of acquisition  Property purchase Proposed date of exchange of contracts     
 Transfer of property from another pension scheme

## Section 3

### Lease information

• This section is for details of the occupant or proposed occupant.

#### 3.1 Details of lease

Will the existing lease continue after completion?  Yes  No

Will a new lease need to be drawn up after completion?  Yes  No

#### 3.2 Details of tenant/proposed tenant

Full name(s)

Use to which the tenant puts, or intends to put, the premises  As detailed in section 2.1  Other If Other, please give details below.

Address   
Postcode

Telephone

Email address

Rent/proposed rent £  per annum Term remaining/proposed term  years

Is the tenant  You, your business, or someone connected with you?  Other?

## Section 4

### Details of acquisition

#### 4.1.1 If property purchase

Will the whole property be purchased by your SIPP(s)?  Yes  No If yes, please give details below. [Otherwise go to 4.1.2](#)

What is the total purchase price? £

Is the purchase price subject to VAT?  Yes  No

If yes, is the purchase price stated above VAT inclusive?  Yes  No

## Section 4

### 4.1.2

Purchase price of part share in the property to be purchased by the SIPP(s) £

Is purchase price subject to VAT?  Yes  No

If yes, is the purchase price stated above VAT inclusive?  Yes  No

Total current value of the whole property (if known) £

### 4.2 If property transfer from another pension scheme

Transfer value of the property £

Is the property currently elected for VAT?  Yes  No

## Section 5

### Sources of funds

- This section is for details of property purchase, property development and transfers of property from other pension schemes. It tells us how you propose to finance the acquisition.

The sources of funds include lending, transfer values from other pension schemes, contributions to your SIPP, and existing SIPP funds.

### 5.1 If property purchase

Funds for the purchase These can be assembled from the following:

Transfers	£ <input type="text"/>
Contributions	£ <input type="text"/>
Existing SIPP funds	£ <input type="text"/>
Subtotal	£ <input type="text"/>
Less current approximate SIPP borrowings	£ <input type="text"/>
Current net fund value	£ <input type="text"/>

If you need Suffolk Life to borrow to purchase or develop the property, we can only borrow an amount up to 50% of the net value of your SIPP fund (less any existing borrowing) at the point of purchase or when we borrow to develop.

Please note that VAT, if payable, must be accommodated within this limit.

Do you need to borrow funds?  Yes  No If Yes, please give details below. [Otherwise go on to section 6.](#)

Amount of loan required

Towards property purchase	£ <input type="text"/>
To cover property development work	£ <input type="text"/>

Has any lender made an indicative offer?  Yes  No If Yes, please supply a copy.

Please also complete the lender's details in section 5.3.

## Section 5

### 5.2 If property transfer from another pension scheme

Is an outstanding loan attached to the property?  Yes  No If Yes, please give details below. [Otherwise go on to section 6.](#)

Amount outstanding £

Yes  No If Yes, have you spoken with the lender?  Yes  No

Are you expecting to transfer the property subject to this loan?

Please also complete the existing or proposed lender's details in section 5.3.

### 5.3 Details of lender

Name of lender	<input type="text"/>					
Contact name	<input type="text"/>					
Address	<input type="text"/>			Postcode	<input type="text"/>	
Contact numbers	Telephone	<input type="text"/>	<input type="text"/>	Fax	<input type="text"/>	<input type="text"/>
Email address	<input type="text"/>					

## Section 6

### Professionals

- This section is for details of your preferred solicitor and valuer.

We will normally be happy to appoint these professionals to act for us in the property purchase or transfer for your SIPP(s).

### 6.1 Solicitor

To purchase or transfer the property and, where necessary, to draw up lease.

Firm	<input type="text"/>					
Contact	<input type="text"/>					
Address	<input type="text"/>			Postcode	<input type="text"/>	
Contact numbers	Telephone	<input type="text"/>	<input type="text"/>	Fax	<input type="text"/>	<input type="text"/>
Email address	<input type="text"/>					

## Section 6

### 6.2 Valuer

To advise on the purchase/the terms of any new lease.

Please note: must be qualified and registered with the Royal Institution of Chartered Surveyors (RICS).

Firm	<input type="text"/>			
Contact	<input type="text"/>			
Address	<input type="text"/>			
				Postcode
Contact numbers	Telephone		Fax	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Email address	<input type="text"/>			

## Section 7

### Seller/transferor

- This section is for details of the seller (if a property purchase) or the transferor and their solicitor.

#### 7.1 Details of seller/transferor

Please indicate below whose details are being given.

<input type="checkbox"/>	Seller			
	Is the seller connected with you?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	If Yes, please give details of connection below
		<input type="text"/>		
<input type="checkbox"/>	Transferor			
Name	<input type="text"/>			
Address	<input type="text"/>			
				Postcode
Telephone	<input type="text"/>	<input type="text"/>		
Email address	<input type="text"/>			

#### 7.2 Seller's/transferor's solicitor

Name	<input type="text"/>			
Address	<input type="text"/>			
				Postcode
Telephone	<input type="text"/>	<input type="text"/>		
Email address	<input type="text"/>			

## Declaration, details of ownership and signature(s)

• For your own benefit all investors should read carefully the declaration below before signing in section 8.2. If you do not understand any point then please ask your adviser or us for further information.

### 8.1 Investor's declaration

#### Declaration

- *I/We confirm that I/we have received a copy of*
  - *a guide to SIPP property purchase*
  - *property insurance notes**as these documents together with the applicable SIPP literature form the agreement.*
- *I/We authorise Suffolk Life to instruct the above mentioned solicitor, valuer and, where appropriate, lending source or such other solicitor, valuer or lender as may be decided.*
- *I/We agree that Suffolk Life should arrange an environmental audit if advised as expedient by the valuer or other appropriate professional or arrange insurance cover if that is a reasonable alternative.*
- *I/We agree that all costs, fees and charges associated with the purchase and administration of the property (including, where applicable, an environmental audit) should be borne by my/our SIPP(s).*
- *I/We agree to be responsible for all liabilities, losses, damages and costs which Suffolk Life may incur in acquiring the property (whether successfully or not) and subsequently holding it and I/we agree to reimburse Suffolk Life if they are responsible to pay any such liabilities, losses, damages and costs.*
- *I/We confirm that either*
  - *I have no connection with the seller and that neither I nor anyone connected with me has owned the property within the last three years, or*
  - *I have disclosed full details of any connection in section 7.1.*
- *I/We understand that Suffolk Life Annuities Limited will proceed to acquire the property on the basis of the contents of this form and acknowledge that title to the property may be held in the name of a nominee.*
- *I/We acknowledge that Suffolk Life Annuities do not monitor the property on an ongoing basis. I/We acknowledge that any responsibility for doing so falls upon me/us and that I/we will reimburse Suffolk Life to the extent of any liabilities, losses, damages and costs which it may incur, for example, as a result of the property becoming or remaining taxable property.*
- *Where there is more than one investor, liability is acknowledged and agreed to be joint and several. This means that we are jointly and individually liable for the whole amount.*
- *If I/we instruct you to sell the property, or otherwise dispose of it, I/we acknowledge that a valuation of the property will be required at the time.*
- *We confirm that following completion of the property acquisition, we will sign up to a group investment agreement in a form supplied by Suffolk Life or in such other form as agreed between us and Suffolk Life. We acknowledge that Suffolk Life's form of group investment agreement is available upon request.*
- *I/ We confirm that I/we have seen the additional information in Appendix A which forms part of this property form.*

#### Waiving of cooling off rights

- *By completing this form and requesting you to proceed with the acquisition procedures I/we all individually acknowledge that our right to cancel the establishment of my/our SIPP(s) with you (if or where applicable) is hereby waived unconditionally.*
- *I/We understand that this means where I/we would normally have a right to cancel the establishment of my/our SIPP(s) that I/we no longer have the right to receive back any contributions paid within the cancellation period and are liable for all applicable fees.*

## 8.2 Details of ownership and signature(s)

The proposed percentage shares in the property should reflect the respective contributions towards the purchase price by each investor.

Please complete the following for each investor in the order in which they have been entered in section 1.1.

1                      Name

Signature and date               Percentage share  %

2                      Name

Signature and date               Percentage share  %

3                      Name

Signature and date               Percentage share  %

4                      Name

Signature and date               Percentage share  %

5                      Name

Signature and date               Percentage share  %

6                      Name

Signature and date               Percentage share  %

7                      Name

Signature and date               Percentage share  %

8                      Name

Signature and date               Percentage share  %

Total of all percentage shares  %

The percentage shares will be finalised after completion and confirmed in a group investment agreement which we will supply, and which all joint investors will need to sign.

## Part B Insurance

### Application for insurance cover

- Unless legal responsibility rests with a third party to insure, Suffolk Life will arrange for the property to be insured for you. In the event that we are paid commission in respect of the property insurance policy, we will retain this.

The insurance policy covers only the land and buildings. It does not cover the active risks, e.g. contents, business interruption or liability under occupiers' liability laws.

#### B.1 Details of the property

Address to be insured

  

Postcode

Please give details below of exactly what all parts of the insured property are to be used for.

Trade/use of insured property  
(eg. office, clothes shop bookshop,  
electronic warehouse, etc.)

  

Postcode

Annual rent payable by occupier

£

#### B.2 Details of property construction

If the property is not farmland, please continue below. [Otherwise go on to section B.3.](#)

Are the premises constructed of brick,  
stone or concrete?

Yes  No If No, please give details below.

Is the roof slate, tile, asbestos, metal  
or concrete?

Yes  No If No, please give details below.

Are the buildings and electrical  
installations (if any) maintained  
in good repair?

Yes  No If No, please give details below.

Are the floors concrete?

Yes  No If No, please give details below.

Is there a basement?

Yes  No

Is any part of the premises vacant?

Yes  No If Yes, please give details below.

Have the premises ever  
been converted?

Yes  No If Yes, please give details below.

How many storeys  
(including ground floor)?

Will the property be  
elected for VAT?

Yes  No

For completion by Suffolk Life (as advised by valuer):

Age of the premises

Building sum insured

£

#### B.3 Notifications

The following interests will be noted on the policy, if applicable.

Name of tenant

Address

  

Postcode

### B.3 Notifications (continued)

Name of mortgagee

Address

  

Postcode

### B.4 Claims history

Please give details below of any insurance claims made in respect of the property.

Insurance claims

  

Postcode

### B.5 Insurance declaration

#### Declaration

All investors involved should read the declaration below before signing this part of the form.

- *I declare that the foregoing statements and particulars are to the best of my knowledge and belief true and complete.*
- *I confirm that I have received a copy of the insurance notes and acknowledge that these form part of the agreement.*

Signature

Signature

Date

Date

Signature

Signature

Date

Date

Signature

Signature

Date

Date

Signature

Signature

Date

Date

For completion by Suffolk Life:

Please add this property to our existing policy and put it on cover from the date indicated below until the last day in April. Thereafter, please renew annually until advised otherwise.

Date cover is to commence

In respect of the above property, please always quote the following numbers:

Property reference number

Fixed asset number

Signed for and on behalf of  
Suffolk Life Annuities Limited

Date

## Additional information

- We have summarised some of the main requirements as well as highlighting some particular features of a SIPP with Suffolk Life.

### Age

There is no age restriction. However, careful consideration should be given to individual circumstances. For instance if the purchase of an annuity is a likelihood or serious ill health is an issue an illiquid asset such as a property may not be suitable.

### Types of property

Freehold, leasehold and commonhold property interests are all acceptable, although leasehold and commonhold properties require more careful consideration at the outset as these may involve unacceptable obligations.

### Property taxes

A pension fund acquisition does not enjoy any special exemption from stamp duty land tax. If the property being purchased is VAT elected, a pension fund must pay VAT just like any other purchaser, although this can usually be recovered in full. Once acquired any capital appreciation realised by the pension fund is free of tax as is any rental income generated by the property.

### Joint ownership

Investors may pool funds to buy a property as a joint investment. Ownership of the asset will be apportioned according to the contributions made; it is not necessary for each investor to have an equal interest in the property. A co-ownership agreement is required between all joint SIPP investors setting out the terms of the arrangement. We can also purchase a property jointly with third parties. This requires an intermediate vehicle. Please contact us for further information.

### Connected persons

Investors can ask us to enter into transactions directly or indirectly with themselves, their business, their partners, their family or any person 'connected' with them. Such transactions have to be undertaken on an open market valuation basis. This type of transaction is likely to appeal particularly to professional practices and small businesses which currently own their commercial premises.

### Purchasing with partners

We have assisted a variety of different professionals in the acquisition of premises for their own businesses. One of our largest purchases has been an office in a prestigious area of London on behalf of 85 individual barrister SIPP investors. The property was acquired for approximately £7m with £3m subsequently being spent on refurbishment. Once the work was completed the property was let to the barristers' chambers.

### Transfers from other pension funds

It is possible to transfer a property from an existing pension provider to a SIPP with Suffolk Life. We will need to be sure that the property is an allowable SIPP investment, that any loans on it are in accordance with regulations, and that there are no unacceptable liabilities attached to the property. This will require a solicitor to advise on the property title and carry out the usual environmental checks.

### Fixtures and fittings

It is only property – generally speaking the bricks and mortar – which is an allowable investment. Fixtures that are considered to be part of the property can be purchased but not fittings which must be acquired separately.

### Purchase at auction

It is possible to purchase a property at auction although of course a successful bid will result in a legal commitment to buy. Therefore, prior to the date of the auction, the usual precontract legal due diligence needs to be carried out on behalf of Suffolk Life. Similarly any required finance needs to be in place. It is therefore imperative that we are involved in this type of purchase well before the auction date. Please note that we will also need to sign the auction contract.

### Property acquisition vehicles

There are a number of ways in which a commercial property can currently be purchased into a SIPP. These include:

- » a direct purchase of the property
- » an indirect purchase behind a suitable nominee vehicle
- » acquisition by a tax exempt vehicle such as an EPUT (Exempt Private Unit Trust)

More information on these options is available upon request.

### Property development

Development of the property or capital improvements will normally be effected by us as the property owner. If there is an existing tenant the improvement may well result in a rent increase.

### VAT

This is a complicated area. If we purchase a VAT elected property and have to pay VAT on the purchase price, then by making an election ourselves for VAT purposes, we are able to get the VAT back in almost every case. However, this will not be so if we let the property back to the investor's business where the business is exempt or partially exempt from VAT. If we elect a property for VAT, the rent will attract VAT and VAT will also be chargeable on the sale price when the property is eventually sold.

### Borrowing

The maximum borrowing permitted is equal to 50% of the net value of an individual's fund from time to time.

Existing loans have to be catered for within the 50% figure. Borrowing while in drawdown is permitted as is borrowing for VAT purposes although this must also be accommodated within the 50% of fund limit. Borrowing up to 50% of the net fund value to develop the property is also permitted. The terms of borrowing should be non recourse. In other words, the investor should have no personal liability for that borrowing.

## Additional information (continued)

### Borrowing with joint ownership

It is possible one or more investors may instruct Suffolk Life in the future to reduce or even repay the share of the loan allocated to their SIPP.

If the lender agrees, it reduces the loan repayments. Following any such reduction, then there will be no impact on those investors who do not make a loan reduction at the same time.

But if the lender insists that Suffolk Life maintains the original loan repayments:

- (a) the loan will be amortised before the end of the agreed loan period; but
- (b) the liability on the SIPPs who have not made any loan reduction will increase. This could be an issue for any such SIPPs with inadequate liquidity to meet any increased liability.

### Realisation

There are a number of reasons why a property may need to be realised, the most common of these is to help fund an individual's benefits on retirement. However, there are a range of options such as unsecured income and alternatively secured pension which provide income flexibility and avoid the need to realise a property investment immediately. But, if benefits are to be provided through purchasing an annuity all the assets held within a SIPP will need to be sold. As a property is an illiquid investment steps should be taken to ensure timely disposal.

### Asbestos and disability requirements

There are regulations regarding asbestos and commercial property. There are also regulations requiring premises to comply with disability discrimination laws. All these requirements fall on the person liable for the upkeep of the property. In most cases this will be the occupying tenant. When acquiring a commercial property it is prudent to ensure that the premises comply with the various regulations as the cost burden could fall upon the investor's SIPP if the premises fall vacant or if the tenant is not responsible for upkeep.

### Leases

When purchasing a property subject to an existing lease we will require a report from the solicitor confirming that the lease does not contain any unacceptable obligations. If a vacant property is acquired and a new lease is granted to an incoming tenant, the lease must be on normal full repairing and insuring terms. Where that lease is granted to a investor's business, we require an independent valuer to advise on the principal terms of the proposed lease.

### Property management

Having acquired the property, we also manage it.

This includes:

- » invoicing rent
- » collection of rent (other than by legal action)
- » insuring the property
- » where appropriate, obtaining reimbursement of the cost of insurance from the tenant

- » accounting for VAT and dealing with all VAT records when appropriate
- » arranging for the repayment of any loans charged on the property
- » renewing leases
- » arranging rent reviews and revaluations
- » providing suggestions on how to deal with legal complications with tenants, adjoining landowners and public authorities

It does not include:

- » any costs incurred in taking action to recover rent
- » legal advice in connection with any other tenancy issues or relating to the property itself
- » physical inspections
- » anything not referred to above

### Property insurance

We will arrange for the insurance of the property. We have arranged a block policy, currently with Royal and Sun Alliance that covers all the usual comprehensive risks. In most cases the cost of the insurance will be charged back to the occupying tenant. The property will be insured for its reinstatement cost as advised to us by a valuer at the outset.

It should be borne in mind that if a property remains vacant, the insurance company will have additional requirements which must be complied with. More details are given in the insurance notes which form part of the overall property arrangement and terms.

### Fees

**Solicitors** - The investor's preferred solicitor will normally be acting for us in the property acquisition and dealing with the grant of any new lease where that is required at completion of the purchase. Negotiating these fees is the responsibility of the investor.

**Lenders** - A lender will normally expect an arrangement fee, typically up to 1%, to be paid in return for agreeing a loan facility. We will be using the investor's lender of preference and any fees should be negotiated by the investor.

**Valuation fees** - Both the lender and ourselves will require a property valuation. Most lenders are happy for us to use the same valuer as they instruct and this will result in lower fees than if two separate valuers were instructed.

**Our fees** - Please refer to our separate schedules of fees which provides details of all our property related fees which are payable in addition to the fees described above.

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

Suffolk Life is the trading name of Suffolk Life Pensions Limited (registered in England and Wales number 1180742) and Suffolk Life Annuities Limited (registered in England and Wales number 1011674).

Both companies are authorised and regulated by the Financial Services Authority.

Suffolk Life Annuities Limited is an authorised insurance company that provides self-invested personal pensions, trustee investment plans and similar pension products.

Suffolk Life Pensions Limited is the scheme administrator of Suffolk Life's self-invested personal pensions and administers the products of Suffolk Life Annuities Limited.

The registered address of both companies is 153 Princes Street, Ipswich, Suffolk, IP1 1QJ, United Kingdom.

Tel: 0870 414 7000 Fax: 0870 414 8000

Telephone calls to Suffolk Life are recorded for training, monitoring and fact verification purposes.

MS670.1 September 2010

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