

SIPP and SSAS Property Loan

active
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Offering a finance solution to purchase a commercial property via your pension scheme

Key features and benefits

- Provides you with a pension-linked, structured finance solution to purchase commercial property
- Tax benefits may be achievable – Seek Independent Financial Advice
- A choice of interest rate type; fixed or floating linked to Barclays Bank Base Rate, or a combination of both Fixed Rates available up to 10 years. In the event that you cancel or early repay your fixed rate loan you may have to pay breakage costs
- Maximum loan to value of up to 70%
- Lending must not exceed 50% of net value of your pension fund
- Your repayments will be made on a capital and interest basis
- Barclays will have a First Legal Charge over the property
- Arrangement fees, valuation fees, security fees, prepayment fees and associated borrowing costs will be applicable.

Enabling you to acquire a commercial property via your pension scheme

We offer two structured finance solutions as part of our term lending finance offering to help you balance the funding of pensions with the needs of your organisation for working capital; the Self-Invested Personal Pension (SIPP) Property Loan and the Small Self-Administered Scheme (SSAS) property loan.

SIPP and SSAS arrangements give individuals the ability to direct how their pension contributions are invested and provide a packaged financial solution to assist with the purchase of commercial property. The commercial property will be required as security.

You can apply for a loan of up to 50% of the net value of your pension fund to purchase a commercial property.

Loan terms from 1 to 5 years with maximum amortisation profile of 15 years. Longer Tenor and/or amortisation profile will be considered on an exceptional basis, and you will have the flexibility to select your interest rate basis.*

***Please note:** additional terms and conditions may apply.

Structured to your specific requirements

To apply for this type of property-backed pension-linked borrowing you will need to either have or set up a SIPP or SSAS. This can be done through a professional SIPP/SSAS provider or your Independent Financial Adviser (IFA).

At Barclays, our specialist Pensions Team will provide further information about the lending parameters and process involved in a SIPP and SSAS property loan and they will work with you to structure a loan that meets your financial requirements. Additionally they will discuss our savings products which may be of interest to you.

However as SIPP and SSAS are highly regulated products you should discuss their suitability with an authorised IFA and obtain advice on the effect these products will have on your pension plan and investment structures.

Step-by-step guide

The guidance set out in the adjacent table is designed to support member trustees, IFAs and pension providers in understanding the indicative process and our indicative requirements for providing the simplest, most efficient method of proceeding with a SIPP and SSAS property loan.

Indicative SIPP and SSAS set up process
1. Request received from the pension provider for a SIPP and SSAS Property Loan.
2. Valuation instructed by Barclays using a bank-approved valuer. All costs associated with the valuation will be met by the member/borrower and are non refundable.
3. Three years' financial accounts requested from IFA for tenant company. The process cannot proceed beyond this point unless points 1-3 are completed.
4. Loan application is assessed using the items listed in points 1-3 and the loan is approved or declined.
5. If approved, a facility letter is issued to the pension provider and legal paperwork is issued to solicitors.
6. The facility letter is agreed by all parties then signed and returned to Barclays.
7. Legal paperwork is signed and a Report on Title (ROT) is produced by the solicitor and sent to Barclays.
8. ROT and all paperwork is reviewed by Barclays.
9. Funds are advanced if all the paperwork is in order.

Please note: this is purely for indicative purposes and the actual set up process may vary from case to case.

Important information

Nothing in this document comprises investment, tax, legal, regulatory, accounting or other financial advice and you should obtain such advice to the extent you think that it is necessary or desirable.

Next steps

Please contact our Pensions Team to discuss your requirements in more detail. Call 01908 454195/01908 454142 or email pensionsproposition@barclays.com

You can get this in Braille, large print or audio by calling 0800 400 100* (via Text Relay if appropriate) or by ordering online from barclays.co.uk/accessibleservices

*Calls to 0800 numbers are free from UK land lines and personal mobiles, otherwise call charges may apply. Please check with your service provider. To maintain a quality service we may monitor or record phone calls. Lines are open 7 days a week, 7am to 11pm.

The Lending Code sets minimum standards of good practice when dealing with certain customers in the UK in relation to loans, current account overdrafts, charge cards and credit cards. The Lending Code applies to consumers, microenterprise customers and charities with an annual income of less than £1 million. Further details can be found at: www.lendingstandardsboard.org.uk Barclays Bank PLC subscribes to the Lending Code which is monitored and enforced by the Lending Standards Board.

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