

Self invested Personal Pension (SIPP)

Property Questionnaire

Thanks for choosing Organon SIPP for your property purchase. Before completing this questionnaire, we thought we'd set out the basic steps that both sides will carry out during the process.

Organon will do this:

Appoint Solicitor from our panel*
and instruct full due diligence to be completed.
Appoint Surveyor.
Inspect any existing lease / headlease.
Check environmental reports.
Arrange EPC (if necessary).
Put property onto block insurance policy.
(If requested by you)
Obtain a reinstatement figure (if necessary).
Register the property for VAT (if requested).
Sign lease / Option Agreement / Contract.
Sign Property Management Agreement (PMA).
Release monies to solicitor for completion.
Set up a standing order for loan payments.

SIPP member(s) will do this:

Provide us with fully completed property and insurance questionnaire.
Provide us with copies of any existing Asbestos report / Fire Risk assessment / Electrical Installation Condition Reports.
Provide us with copies of current EPC.
Arrange any lending required.
If you have a surveyor pass us their details.
Sign lease / Option Agreement / Contract.
Ensure there are sufficient funds to cover purchase and associated fees.
Appoint a property manager. *(This may either be the member or a designated member for multi member arrangements or a professional property manager.)*
Sign Property Management Agreement.
Set up standing order for rental payments.
Obtain adequate insurance level *(Unless you have requested that we add you to our block insurance policy).*

*A note on Panel Solicitors

It is understandable that a client may wish to use a solicitor that they know or who they have dealt with before. Having a panel of solicitors is not about ignoring customers wishes, it has been done solely to improve the customer journey when it comes to buying a pension property.

The rationale behind having a panel of solicitors is to help streamline our processes and improve our service. At any one time, our property team can be working on over 80 property purchases and dealing with different solicitors who have different processes, documentation and varying levels of experience on pension matters is unmanageable.

With our panel of solicitors, we have agreed legal documents, agreed service levels, a set fee structure and, most importantly, we can deal with cases more efficiently as, for example, one call to a solicitor allows us to discuss a number of different cases.

The result is a quicker turnaround of property purchases which benefits all parties.

Should you still wish to appoint your own solicitor we have a standard additional charge for this, and we reserve the right to charge on a time basis for any additional work that we encounter in dealing with them.

*A note on Block Insurance

Organon have a block insurance policy that is a specialist policy for pension properties.

Whilst you are able to arrange your own insurance, we would recommend that you consider the block policy as many existing clients have moved to the block policy due to the wider coverage that is provided and the competitive nature of the pricing.

Having dealt with properties for many years we understand the importance of insuring a property properly and have seen the pitfalls of when it hasn't had enough cover or cover has lapsed.

Organon's block policy has you on cover from day and is automatically renewed each year.

Organon do not take any commission from the provider of the block policy.

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PROPERTY QUESTIONNAIRE & DECLARATION

Please confirm the type of property transaction:

Purchase ☐ Sale ☐ In-specie Transfer ☐

Is the acquisition/sale being made by:

An individual SIPP? Y ☐ N ☐ If yes, please provide name of SIPP:

A Group SIPP? Y ☐ N ☐ If yes, please provide name of Group SIPP:

SECTION 1

Member Contact Details

Please provide contact details for any queries we may have regarding the acquisition/sale.

For Group SIPP transactions, please confirm which member you nominate to act as the principal point of contact and whom you authorise us to take instructions from in respect of any aspect of the acquisition, including the transfer of monies from individual and pooled accounts, the appointment of advisers and the settlement of any expenses, both in relation to the acquisition and, once acquired, in respect of any ongoing matters relating to the property.

Contact Name:

Address:

Telephone:

Email:

SECTION 2

Property Details

Please provide relevant details regarding the property below:

Property Address:

Property Description (e.g. offices, warehouse) and Current Use:

Is the property Freehold ☐ or Leasehold? ☐

If Leasehold, state the unexpired term of the lease:

Does the property have any residential element within it? Y ☐ N ☐

If yes please provide details:

Please note it is unlikely that we can proceed with the purchase if there is a residential element to the property.

Purchase/Sale price? £

Proposed Exchange date? / /

Proposed Completion date? / /

Is the property in need of improvement or development? Y ☐ N ☐

If yes please provide details, including costs, timescales and financing:

Who will be financing these costs? SIPP ☐ Tenant ☐

3. VAT

Please confirm any VAT issues relevant to the property/acquisition:

Is the property subject to VAT? Y ☐ N ☐

If not, is a VAT election likely? Y ☐ N ☐

Will the acquisition be classed as a Transfer of a Going Concern (TOGC)?

Y ☐ N ☐

Would you like Organon to arrange for the SIPP to be registered for VAT and an election to tax on the property?

Y ☐ N ☐

If not Organon, who will be arranging registration/election?

Would you like Organon to complete the quarterly VAT returns once registered?

Y ☐ N ☐

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If not, who will be completing the quarterly returns?

Please note that Organon are not VAT specialists, and we would always recommend that you take advice about any aspect of VAT involved in the acquisition. For purchases that are purely for your pension, we are happy, if instructed, to register the property for VAT on your behalf.

For any purchases that are a joint venture (for example between a SIPP and a private individual / company) an accountant will need to be appointed to set up a partnership between the respective parties to manage the VAT registration, the returns and ongoing distributions between the parties.

SECTION 4 - FUNDING THE ACQUISITION

Please detail the level of funding required for the purchase.

For contributions in-specie, please note that cash funds will be needed in the SIPP to cover stamp duty, professional fees and VAT if applicable, for transfers in-specie from other pension arrangements, cash funds will be required to cover professional fees.

Costs of Acquisition

Purchase Price	£	
Plus VAT if applicable	£	
Stamp Duty	£	
Legal & Professional	£	
Refurbishments	£	
Total	£	

Financed by:

For Single SIPP Purchases:

Existing SIPP Funds:	£	
Transfers In:	£	
Employer Contributions:	£	
Member Contributions (Gross):	£	
Plus Borrowing	£	
Total	£	

For Group SIPP Purchases:

Name of Member:		
Existing SIPP Funds:	£	
Transfers In:	£	
Employer Contributions:	£	
Member Contributions (Gross):	£	
Total SIPP Funds:	£	
Total Contribution to Purchase:	£	
% Share of Purchase:		%

Name of Member:		
Existing SIPP Funds:	£	
Transfers In:	£	
Employer Contributions:	£	
Member Contributions (Gross):	£	
Total SIPP Funds:	£	
Total Contribution to Purchase:	£	
% Share of Purchase:		%

Name of Member:		
Existing SIPP Funds:	£	
Transfers In:	£	
Employer Contributions:	£	
Member Contributions (Gross):	£	
Total SIPP Funds:	£	
Total Contribution to Purchase:	£	
% Share of Purchase:		%

Name of Member:		
Existing SIPP Funds:	£	
Transfers In:	£	
Employer Contributions:	£	
Member Contributions (Gross):	£	
Total SIPP Funds:	£	
Total Contribution to Purchase:	£	
% Share of Purchase:		%

Aggregate funding from members:

Plus Borrowing	£	
Total	£	

Is the property to be acquired jointly with an external third party? Y ☐ N ☐

If yes, please provide details:

Name of Third Party	
Contact Name:	
Address:	
Telephone:	

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Email:

% share of property to be acquired or retained: %

SECTION 5 – BUYER/SELLER DETAILS

Please provide details of who the property is being acquired from or sold to:

Contact Name of buyer/seller:

Address:

Is the buyer/seller connected to the member(s)? Y ☐ N ☐

If yes, please confirm the nature of the connection?

SECTION 6 – EXISTING TENANT DETAILS

Is the property being acquired subject to an existing tenancy arrangement?

Y ☐ N ☐

If yes, please confirm details below:

Existing Tenant Name:

Contact Name for Tenant:

Address:

Is the tenant connected to the member(s)? Y ☐ N ☐

If yes, please confirm the nature of the connection?

Copy of existing lease attached? Y ☐ N ☐

If not, please provide a copy as soon as possible.

SECTION 7 - PROPOSED TENANT

Please provide details regarding the proposed tenancy arrangements on acquisition:

Proposed Tenant Name:

Contact Name for Tenant:

Address:

Is the tenant connected to the member(s)? Y ☐ N ☐

If yes, please confirm the nature of the connection?

Proposed Annual Rent: £

Proposed Instalments: Monthly ☐ Quarterly ☐

Proposed term of lease: Years

Note that for connected party tenancies, a fully repairing and insuring (FRI) lease needs to be put in place from completion (or date of occupation if later) with rent payable in line with Market Rent as assessed by an independent RICS valuer.

SECTION 8 - TRUSTEES' SOLICITOR DETAILS

Please select which panel solicitor you have chosen for this transaction (details of panel solicitors and their schedule of charges can be found in the Property Guide)

☐ Farley Solicitors LLP

☐ Butcher & Barlow LLP

Our panel solicitors have been chosen due to their expertise with pension property purchases and their familiarity with our requirements. You are able to choose your own solicitor but, as per the fee schedule, there is an additional charge for doing so.

SECTION 9 – BORROWING DETAILS

Please provide details for any proposed borrowing below:

Lender Name:

Contact Name:

Address:

Telephone:

Email:

Loan details

Amount: £

Term: Years

SECTION 10 – SURVEYOR DETAILS

Organon will require a Valuation Report to be provided by an independent RICS qualified Valuer. Please provide details of the Surveyor who will be providing the Report below:

Firm Name:

Contact Name:

Address:

Telephone:

Email:

Required from Surveyor:

Market Value:

Market Rent value:

Reinstatement value:

SECTION 11 – FINANCIAL ADVISER DETAILS

Please provide details of any financial adviser you are using to assist with the transaction and whom you authorise us to take instructions from regarding any aspect of the sale/purchase:

Firm Name:

Contact Name:

Address:

Telephone:

Email:

SECTION 12 – PROPERTY MANAGER DETAILS

A Property Manager, either external or a SIPP member has to be appointed to oversee the day-to-day management of the property. Please enter their details in the table below. There is a full breakdown of the duties of the property manager overleaf.

- ☐ SIPP Member
- ☐ External Property Manager
(if so, please provide details below)

Firm Name:

Contact Name:

Address:

Telephone:

Email:

Please note that where no external property manager is appointed, responsibility for ongoing management will reside with the individual SIPP member or for Group SIPP, the members collectively.

Details of the respective duties in relation to the property are detailed overleaf.

Organon SIPP Services Limited will carry out the following duties:

Advising the Property Manager when:

- A capital valuation is required.
- A rental valuation is required.
- A new lease is required.
- Banking rental payments.
- Arranging for payment of invoices in relation to work carried out on the property once payment has been authorised by the member(s).
- Reviewing proposed leases, tenancy agreements and loan agreements to ensure that the contents are acceptable.
- Arranging payments of loan interest and capital to lending institutions.
- Submitting VAT registrations and returns if required.
- For joint purchases, managing the operation of a joint property account to receive and process the transactions referred to above.
- For joint purchases arranging the distribution of excess monies from the joint property account to individual member SIPP accounts in proportion to their share of ownership and subject to written instruction from all parties.

The property manager (i.e the Member(s) or other appointed individual or Company) will be responsible at all times for the following:

- Preparing and submitting rental invoices for submission to tenants.
- Ensuring rent is paid within the terms of the lease or tenancy agreement.
- Forwarding copy rental invoices and rental payment to Organon for banking.
- Ensuring that the terms of all leases or tenancy agreements are adhered to.
- Unless you have requested that we add you to our block insurance policy, ensuring that the property is adequately insured at all times as well as providing Organon with a copy of the insurance certificate on an annual basis (or more frequently as may be required).
- Ensuring that all service charges and rates are paid promptly.
- Obtaining valuations of the property in accordance with instructions from Organon.
- Obtaining rental valuations in accordance with instructions from Organon.
- Complying with all reasonable instructions from Organon in order to ensure that the tax exempt approved status of the SIPP is maintained.
- Ensuring at all times that there is sufficient cash in the bank account to service any loans and meet administration and professional expenses.
- Ensuring that all documents in relation to the property are at all times lodged in a safe place and that Organon has access to such documents.
- Ensuring that any invoices in relation to work carried out are correctly raised to the trustees of the relevant Organon SIPP(s) and forwarded to Organon.
- Ensuring at all times that the liability of Organon is limited to the value of the relevant Organon SIPP(s).
- Ensuring compliance with the provisions of the Control of Asbestos Regulations 2012 (CAWR 2012).
- Ensuring an Energy performance Certificate has been obtained and issued to the relevant parties, where required.

SECTION 13 - MEMBER(S) DECLARATION

All members should read the declaration below, then sign and date this form.

I/we confirm that I/we wish to purchase the property detailed in the Questionnaire with funds from my/our SIPP. I/we request that investment powers and duties in relation to the asset are delegated to me/us.

I/we understand that I/we will be responsible for ensuring compliance with the various legislative requirements relating to ownership of commercial and other property.

I/we understand that where no external property manager is appointed I/we will be responsible for the ongoing management of the property and for all duties detailed in Section 12 of this Questionnaire.

I/we understand that should the purchase not proceed fees may be payable in respect of time spent by both Organon and any appointed advisers, such as surveyors and solicitors and I/we authorise Organon to settle any expenses accrued from the assets of my/our SIPP.

I/we hereby indemnify Organon SIPP Services Limited and Organon Pension Trustees Limited against any liabilities, losses, damages and costs that may occur in acquiring and holding in my/our SIPP including any liability in respect of unauthorised payment charges, unauthorised payment surcharges, scheme sanction charges or any other tax charges imposed by HMRC in connection with ownership of the asset.

I/we confirm the information that I/we have given in this questionnaire is true and accurate and can be used by Organon for the purposes of determining whether the investment is acceptable as an asset of a Registered Pension Scheme for which Organon SIPP Services Limited and Organon Pension Trustees Limited acts as Scheme Administrator/Trustee.

I/we confirm that I am/we are aware of the Organon Property Purchase Guide and that I/we have read it.

I/we confirm that I/we have sought financial advice in relation to this investment and can confirm that no financial advice has been provided by Organon.

I/we confirm that I am/we are aware that commercial property is an illiquid asset and that the value can go down as well as up. It may take time to realise its value and I/we understand that this could be an issue if I am/we are close to taking benefits.

For Individual SIPP acquisitions/sales:

To be signed by the SIPP Member below:

Signature:

Name of Member:

Date:

For Group SIPP acquisitions/sales:

To be signed by all Group SIPP Members below:

Signature: Signature:

Name of Member: Name of Member:

Date: Date:

Signature: Signature:

Name of Member: Name of Member:

Date: Date:

Signature: Signature:

Name of Member: Name of Member:

Date: Date: