

# TOP TIPS

**6WHHURPSWRQ** shares his ten top tips when buying commercial property....

## 1 WHICH COMMERCIAL PROPERTY TO BUY?

Know and be able to articulate and distinguish between what you need and want from your property purchase. Having an ordered list of priorities will be extremely useful in the event you need to decide on compromise. This may sound like a very simple thing but 99.9% of the time the ideal property you have in your mind does not exist.

## 2 WHICH VEHICLE TO USE TO ACQUIRE THE PROPERTY

Think about what kind of structure/vehicle you might want to use; personal name, limited company, SIPP, LLP. Get advice from professionals, who have been recommended to you from trusted advisors, with your interests in mind.

## 3 THINK ABOUT FINANCE

How are you going to fund the purchase. Speak with your bank, mortgage broker or investor and be in a position to demonstrate your funding ability at the appropriate moment without delay. With development opportunities, depending on the nature of the lender and vendor you may also need to demonstrate the ability to finance the construction cost.

## 4 WHERE ARE YOU LOOKING TO BUY?

If occupational, this will be determined primarily by your area of business operations and staffing requirements. For investment or development, this will vary depending on your risk profile, what your primary aim of buying property is, how involved in the day to day management of the property you want to be and where you feel comfortable. If you are represented by a reputable acquisition agent, with the backing of a multidisciplinary property consultancy your horizons may broaden to locations you previously haven't been able to consider whilst feeling comfortable that your investment is safe.

## 5 GET A FULL STRUCTURAL SURVEY

You, your bank or your funder will want to know that the value of the property you are buying relates to be price being paid. A valuation will make certain assumptions as to the soundness of the structure so in most cases it is wise to instruct a reputable building surveyor to carry out a full structural survey. The cost of remedying serious structural defects can be substantial, so its better to spend a little on a survey than to spend a lost if the effect of defects begin to show at a later date.

## 6 BUSINESS PREMISES RENOVATION ALLOWANCE (BPRA)

BPRA gives incentives to bring back into 'business use' derelict, or business properties that have been unused for at least one year. It gives an allowance of 100% for certain expenditure you incur when converting, or renovating, unused business premises in a disadvantaged area.

## 7 CAPITAL ALLOWANCES

Are a valuable form of tax relief available to anyone incurring capital expenditure, buying, building or making adjustments to commercial property. According to research, more than 9 in 10 owners of UK commercial property will be due a tax benefit from HMRC as a result on unused capital allowances tax relief.

## 8 STAMP DUTY LAND TAX (SDLT)

Running a business can be like a roller-coaster ride, with all sorts of diversions and distractions. You could be focused on your people, products or offer, borrowings, your team or your growth. Never lose sight of your overall vision.

## 9 BUSINESS RATES RELIEF

You'll get 100% relief (doubled from the usual rate of 50%) until 31 March 2017 for properties with a rateable value of £6,000 or less. The rate of relief will gradually decrease from 100% to 0% for properties with a rateable value between £6,001 and £12,000.

## 10 REMEDIATION RELIEF

This is a relief from corporation tax for both capital and revenue costs incurred by companies in cleaning up and acquired from third parties, in a contaminated state. In the past few years, HMRC proposed abolishing this relief, however this has recently been rejected, reaffirming their support for this. Now is therefore the perfect time to consider whether this would be acceptable for your business.

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