

Commercial Property Vacant Property Guide

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Introduction

It's important to take all available steps to ensure that any commercial property within your SIPP is occupied by a tenant who has entered into a lease with us.

This will ensure that:

- the legal obligations on both parties are clearly set out,
- your SIPP benefits from a regular stream of income, and
- any bills payable for that property are, where possible, payable by the tenant (not from your SIPP).

We understand that there are times when the property may become vacant. This guide is to assist in the eventuality where:

1. the existing tenant vacates the property early:

- as a result of the tenant exercising a break clause in the lease, or
- where the tenant is in financial difficulty and appoints a liquidator who then chooses to disclaim the lease, or
- through mutual agreement with the tenant who decides that the property is no longer suitable for their needs.

2. the existing tenancy comes to an end and the lease is not renewed.

It's important to let us know as soon as you find out that your property is, or soon will be, vacant so that we can notify our insurers.



If you have any questions about the information in this guide, please call the Property Team on 03455 212 414.

What do I need to do if my SIPP property becomes vacant?

Considering costs

If the property becomes vacant, it's important that your SIPP continues to fund your ongoing property costs, such as:

- insurance,
- third-party and SIPP charges and,
- if applicable, service charges, business rates and loan payments.

Please ensure there are sufficient funds within your SIPP property bank account to cover these expenses.

It's important to remember that any future bills (estimated or actual) received by us will be paid from your SIPP. If you're unsure what ongoing costs you'll need to consider, please contact our property team who will be able to help you work out what these are and how you can make provision for them.

Reletting the property

If you want to continue holding the property within your SIPP, you will need to find a new tenant. You can arrange this yourself or appoint an agent to market the property for us. If you appoint an agent to market the property, we will need to enter into an agreement with them on behalf of your SIPP.

You must let our property team know what you plan to do as soon as possible after the property becomes vacant. Please contact our property team to discuss your options for reletting the property.

Once a prospective new tenant has been found, you will need to agree the main terms of any new lease with them. You may find it useful to appoint an agent to negotiate these with the prospective tenant.

Please see our Commercial Property Purchase and Maintenance Guide which sets out our minimum requirements for any new lease, and/or speak with our property team if you have any questions.

Commercial property disposal guide



If you wish to sell the property, please read the **Commercial Property Disposal Guide** (available from our website), complete the form at the back of that guide and send this to us. Our property team will be happy to help with any questions you have about this process.

Collecting keys

Please arrange with the tenant to collect the keys to the property (including any spare sets and those for internal locks) on their last day of occupation and hold them for safekeeping on our behalf. Alternatively, the keys can be held by those responsible for re-letting the property.

Please let us know once this has been done, how many sets are being held, and where the keys can be found.

Where appropriate, please advise any caretaker or managing agent that the property is vacant, who will be holding the keys, and provide them with your contact details.

Utility providers

Please identify from the vacating tenant who their current utility provider is and ensure that provider is supplied with a final meter reading on the tenant's last day. You should contact them and either have the supply terminated or the account transferred to the name of James Hay Pension Trustees Ltd at our Salisbury address from the date the property is vacant for future billing.

If supply is to continue, please negotiate a new tariff with the supplier directly, provide them with an opening meter reading, and provide them with regular monthly readings throughout the vacant period.

If an intruder alarm exists at the property and you intend to continue the contract, you will need to obtain the code and/or keys for the system and contact the provider. The account and maintenance contract will need to be transferred to the name of James Hay Pension Trustees Ltd at our Salisbury address from the date the property is vacant for future billing. Alternatively, you can arrange for the account to be terminated from the date the tenant vacates.

Regular inspection and repairs

In order to meet the requirements of our insurers, you must ensure that the vacant property is inspected on a monthly basis to ensure it's in a good state of repair and protected from intruders or damage. This could include ensuring windows and doors are secured and locked, alarms activated, combustible materials secured or removed, mains services switched off and water drained if appropriate.

Please arrange a professional third party to carry out any repairs at the property if required. It might be possible to make a claim from either our insurance policy or those held by any Head Landlord, if applicable, for any damage caused.

If you would like to find out more about this or are unsure about what is required, please speak with a member of our property team who are happy to help.

Please ensure any invoices for building repairs are submitted to James Hay pension Trustees Ltd. These works will need to be agreed with us in advance.

Business rates

Please inform the local rating authority of the date on which the property will become/became vacant. You should instruct them to direct all future business rates invoices to James Hay Pension Trustees Ltd at our contact address.

Please explore the rules, exemptions and reliefs available from the rating authority for your SIPP Property, and apply for any of these with the authority directly if you consider them to be applicable. You can appeal the rateable value applied for your property, or make an application to take the property out of the rating system temporarily.

Please keep us informed and contact us if you're unsure how to proceed.

Involving third parties

You should consider appointing a professional third party to market the property for a new tenant or sale. Please let our property team know who you have chosen, and supply us with their terms of engagement which we can then review.

You may need to consider appointing a building surveyor to deal with any dilapidations at the property. Please inform our property team who and what work will be carried out.

If a tenant has vacated the property and there are rent arrears outstanding then you should take independent legal advice about this. Please let our property team know and we'll appoint a solicitor from one of our panel firms.

Should you prefer to appoint a professional third party to carry out the responsibilities outlined in this guide on your behalf, we'll need to enter into an agreement with them. If this is your preferred option, please let our property team know who you have chosen and supply us with their terms of engagement which we can review. We can then work with them directly whilst the property is vacant.

How to contact us

If you have any questions after reading this guide, please contact us via secure message or write to us at:



**James Hay Partnership, Suite 202 Warner House,
123 Castle Street, Salisbury, SP1 3TB**

You can call us on the number below:



03455 212 414

Lines are open from 8.30am to 5.30pm
Monday to Friday. To help us improve our
service, we may record or monitor calls.

Other commercial property guides and the relevant form(s) can be found on:



www.jameshay.co.uk

We are able to provide literature in alternative formats. For a Braille, large print, audio or E-text version of this document call us on 03455 212 414 (or via the Typetalk service on 18001 03455 212 414).

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