

Borrowing and Mortgages

Your pension scheme can borrow either on a short term or long term basis.

Your SSAS can borrow from a bank, a commercial lender to acquire assets. It can also borrow from you and your business. It can borrow to acquire property and the rent received from the property can be used to pay off the mortgage.

You can transfer the cash value of other pensions to help increase your borrowing sum.

Your SSAS can borrow an amount up to 50% of its value. The value this purpose would not include the investment that is to be purchased with the borrowing.

If you have money outside of the SSAS, you can jointly borrow also. Therefore, 50% is borrowed against the pension fund and the balance held by you or your business as an example.

Credit Checks

The borrowing will be subject to credit checks on you, and anyone else you are buying with so make sure everyone's credit rating is ok to get the best deal for you. We will work with you to ensure you get the best deal.

Lending against investment portfolios

Portfolio loans or lines of credit offer a way to tap the cash you need without having to sell investments. Instead, you pledge assets as collateral.

A risk is that the value of your pledged investments drops and the manager asks you to replenish the account to make up the difference.

We can introduce you to fund managers who offer this service, which is also known as Lombard Loans. The loans are generally up to 50% of the portfolio and interest is normally around 2-3% p.a. There is no fixed repayment term.

Buying Costs involving property

These can include:

Advice: you will need assistance from professionals, including a commercial estate agent, lender and solicitor.

Stamp Duty Land Tax: you must pay the tax if you buy a commercial property valued at more than £150,000. VAT applies on some commercial properties Mortgage fee and ongoing mortgage payments. Calculator.

You should consider the ongoing costs of maintaining commercial property, these may include: Insurance. Repairs and maintenance.

Services, including security and cleaning. Local authority charges, including waste collection. Business rates are often a major consideration for owners of commercial property. They are a tax on non-domestic buildings.

