


For customers

Our new
platform

nucleus^o
platform

Commercial property vacant property guide

 7 minute read



Please note that the following information is only applicable where the property is managed by Nucleus' property manager.

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 the property is insured on our block policy).



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

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

Consider 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,
- if applicable, service charges, business rates and loan payments, and
- VAT, if the property is subject to it.

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.

Re-letting the property



If you want to continue holding the property within your SIPP, you'll 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'll 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 re-letting the property.

Once a prospective new tenant has been found, you'll 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.

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.

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 the relevant corporate trustee 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'll 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 the relevant corporate trustee 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 bi-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 the relevant corporate trustee. 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 the relevant corporate trustee.

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 what work will be carried out and by whom.

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.

You also have a duty of care to anyone who enters the building, whether they have permission or not. Carrying out a risk assessment will help avoid the risks to the building itself and anyone who enters the property. Your risk assessment should ensure compliance with:

- The Regulatory Reform (Fire Safety) Order 2005
- Health and safety legislation
- Environmental legislation
- Public liability legislation

Asbestos



Arrangements must be made with the outgoing tenant to obtain the asbestos survey and management plan. If one has not been completed or can't be located, you should consider whether an asbestos report needs to be prepared. While it's your responsibility to consider whether an asbestos report needs to be prepared and obtained, if we determine that such a survey is required and you have not organised this, it may be commissioned by us directly. In either case it should be paid for from your SIPP and any invoice addressed to the SIPP trustee. If asbestos is identified, you must take appropriate action immediately and costs may be met from your SIPP.

Fire risk assessment



Please ensure you comply with the Regulatory Reform (Fire Safety) Order 2005, and associated regulations and legislation. Arrangements will need to be made with the outgoing tenant to obtain a copy of the Fire Risk Assessment, and this will need to be updated regularly. If one has not been completed or cannot be located, you should arrange for one to be obtained. By removing all combustible materials, you could help to minimise the risk of the vacant property being targeted for arson.

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.

How to contact us

Other commercial property guides and the relevant form(s) can be found on our website.

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



Nucleus

Suite 202 Warner House
123 Castle Street
Salisbury
SP1 3TB



Website: nucleusfinancial.com



Telephone: **03455 212 414**

Lines are open from 8:30am to 5:30pm.
To help us improve our service, we may record or monitor calls.

For literature in alternative formats, such as Braille, large print, audio or E-text, please call us on 03455 212 414, or via the Typetalk service on 18001 03455 212 414.

"Nucleus" is the trading name for Nucleus Financial Platforms Limited (NFPL) (registered in England, number 06033126), Nucleus Group Services Limited (NGSL) (registered in England, number 02538532); James Hay Services Limited (JHS) (registered in Jersey, number 77318); James Hay Administration Company Limited (JHAC) (registered in England, number 04068398); James Hay Pension Trustees Limited (JHPT) (registered in England, number 01435887); James Hay Wrap Managers Limited (JHWM) (registered in England, number 04773695); James Hay Wrap Nominee Company Limited (JHWNC) (registered in England, number 07259308); Nucleus Financial Services Limited (NFS) (registered in England, number 05629686). NFPL, NFS, NGSL, JHAC, JHPT, JHWM, JHWNC have their registered office at Suite B & C, First Floor, Milford House, 43-55 Milford Street, Salisbury, SP1 2BP. JHS has its registered office at Aztec Group House, IFC6, The Esplanade, St Helier, Jersey, JE4 0QH. JHAC, JHWM and NFS are authorised and regulated by the Financial Conduct Authority. NFPL, NGSL, NFS, JHWM, JHPT, JHAC and JHS are members of a VAT group with VAT registration number 514 0358 80. All companies are wholly owned subsidiaries of NFPL. Further details of the Nucleus Group can be found at nucleusfinancial.com (12/25)