



Simply SSAS

COMMERCIAL PROPERTY PURCHASE AND LEASEBACK

A family-run crane hire company, manufacturing and supplying cranes to the commercial construction industry, became too big for its current premises and was looking to purchase a bigger industrial unit. However, it didn't want to tie up too much of its capital in the bank and the directors wanted to purchase the property as tax efficiently as possible.

The three owners of the company are two brothers and a son who are all Member Trustees of their own scheme.

A payment was made as a deposit to buy the new commercial property unit, from which the expanding business would be run. The remainder was funded via a commercial mortgage borrowed by the SSAS. The SSAS then leased the property back to the crane company at a commercial rent, payable directly into the SSAS.

Part of the rent was also used to service the mortgage repayments. Plus, the rental income and capital gains within the SSAS are tax exempt and the company contributions for family members attract corporate tax relief.

In addition, the commercial property is owned by the SSAS and so sits in trust, which makes it a protected asset from any potential future creditors.

