



Emily McAlister &lt;emily@retirement.capital&gt;

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## Property loan

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**Emily McAlister** <emily@retirement.capital>  
To: "pt.dolan@btinternet.com" <pt.dolan@btinternet.com>

10 July 2024 at 15:30

Dear Paul,

Gavin has reviewed the paperwork on this and advises as follows:

The property is classified as a hotel and we will need an updated classification for HMRC purposes together with an updated confirmation on whether there has been a change in the underlying valuation of the property.

Secondly, if the proposal is to convert this property into residential use I should qualify there is a tax risk. The tax risk to you is that if this property is converted to residential use with the change in planning regulations, any subsequent default on the loan would result in the pension scheme acquiring an interest in residential property and therefore there will be a tax assessment on you equal to at least 40% of the valuation of the property. This would therefore be the position in the event of default and conversion.

The third thing to note is that lending to an LLP is treated under pension scheme rules as a loan to the partners. This therefore means that if you have any financial/family connections to anyone in the LLP it could be taxable.

I recommend that these points are considered before proceeding.

I look forward to hearing from you.

Thank you.

Kind Regards  
Emily McAlister

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On Mon, 8 Jul 2024 at 11:58, [pt.dolan@btinternet.com](mailto:pt.dolan@btinternet.com) <[pt.dolan@btinternet.com](mailto:pt.dolan@btinternet.com)> wrote:

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