

Source: Property Week (Web)

Date: 23 June 2010

PropertyWeek.com

Holley and Blake's Altyon launches exempt PUT

Altyon Partners, the new property company set up by former CB Richard Ellis directors Simon Holley and Simon Blake, has launched the first in a series of exempt property unit trusts that aims to raise £25m from small pension funds.

The exempt property unit trust, one of only a handful of such funds in the UK, gives pension investors access to the UK commercial property market in a tax efficient way at a time when it is beginning to show some strong recovery. Revenue rules allow SIPP and SSAS holders to invest in exempt property unit trusts, providing they certify themselves as sophisticated investors or are advised by an FSA-authorized intermediary. The SIPP and SSAS market has been valued around £200bn.

The trust will target an internal rate of return of 12% a year. Capital gains are free of tax and the 20% income tax that is payable can be reclaimed. The term of the fund is five years, with a two-year "run-off" period, and the minimum investment is £20,000 for pension investors, with a minimum of £50,000 for other investors.

Holley, Altyon's chairman, said: "All the signs are that this is exactly the right moment to be putting money in to the secondary property market. The latest figures from RICS show the biggest jump on record in expectations for central London office rents, resulting in a boost to the national average rental expectation. Elsewhere rents are also on the rise."

Altyon, which was set up at the end of last year, will focus on secondary property and land, distressed industrial situations, conversion/change-of-use opportunities and off-market transactions.