



Property and
Construction Solutions



BAKER TILLY



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Baker Tilly's Property and Construction Group

For many years Baker Tilly's Property and Construction Group has been involved in assisting and advising clients on all aspects of property and construction usage and ownership. Our Property and Construction Group clients demand a broad range of skills and expect their advisers to understand their industry and businesses.

Our Property and Construction Group is dedicated to meeting these expectations by providing a multi-disciplinary team of specialists who are experienced in providing advice to the property industry and finding solutions for clients.

Our multi-disciplinary approach enables us to learn from one another, exchange information about new ideas, developments and market issues, and thus ultimately provide a truly all-embracing service to our clients.

Through our extensive network of contacts, we are able to refer clients to other specialists such as lawyers, surveyors, bankers, engineers, architects and consultants.

The particular services we provide to the property industry include advice on:

- ownership and transaction structures
- joint ventures
- VAT
- auditing
- e-business
- property insurance
- raising debt and equity finance
- corporate and personal tax
- inward investment into the UK
- accounting
- personal financial planning advice
- mergers and acquisitions.

Baker Tilly provides a proactive partner led service. The development of long-term relationships with our clients enables us to understand your business requirements and provide the appropriate advice.

Identifying the issues

- finding the solutions



Through our extensive experience of advising clients on these matters, we can help you in designing and implementing the most efficient structure to meet your particular requirements.

Ownership and transaction structures

Structures should be designed to minimise corporation tax, stamp taxes and non-recoverable VAT and, where necessary, to ring-fence assets and liabilities. It is also important to take into account the impact of financial statements disclosure requirements on particular structures. Through our extensive experience of advising clients on these matters, we can help you in designing and implementing the most efficient structure to meet your particular requirements.

Tax allowances on commercial property

Tax allowances can be available on the plant and machinery contained in a commercial property. A tax deduction of 100% obtained in certain energy-saving environmentally beneficial items. Other plants attract allowances at up to 20% (18% from 1 April 2012) of the qualifying cost. There are also allowances available for the entire cost of a building, which is used for scientific research. Careful consideration is required in relation to repair and improvement works carried out to an existing building in order to maximise the tax deduction. Our tax specialists can guide you through this potential minefield and help you to obtain the maximum tax deduction for your property.

Capital gains tax reliefs

With careful planning it is possible for an individual to benefit from favourable tax rules on the realisation of shares in certain types of property company. This is a complex area on which we can help you to obtain the advantage of low effective rates of tax.

Raising property finance

Sources of finance for property transactions vary with the economic cycle. Underlying this is the correct balance between debt and equity, which is of paramount concern for private and public companies. Institutional investors and their perceptions of key financial criteria are an important factor in determining finance sources accessible to property companies at any point in the economic cycle. Our corporate finance team can offer expert guidance in identifying and sourcing the most appropriate types of finance for you.



We can help you to decide on the most appropriate structure for your joint venture.

Property funds

Property funds are becoming increasingly common for large property transactions where it is desired to share the cost between institutions or with private investors. Fund structures can be complex involving limited partnerships, limited liability partnerships and often associated offshore arrangements. Accounting for these structures can be complicated and the taxation issues highly complex. We can help guide you through the maze.

Joint ventures

Joint ventures can take many forms and often involve complex corporate structures. They may separate the legal and beneficial ownership of underlying property assets, or they can be relatively straightforward arrangements allocating the net income and capital proceeds between the joint venture parties, in specified proportions. The type of joint venture arrangement you adopt can have a significant impact on the taxation and accounting treatment. We can help you to decide on the most appropriate structure for your joint venture, that is suitably documented so that all joint venture parties understand, at the outset, their respective rights and obligations.

Mergers and acquisitions

Finding the appropriate business to buy at the right price in the construction sector can be fraught with difficulties. We can help by researching the sector to find targets, valuing the target, due diligence and support throughout the transaction.

Construction industry

Our construction experts have experience working with main contractors, house builders and specialist sub contractors covering all parts of the industry.

Whether you require advice on stamp taxes, VAT, the Construction Industry Scheme or structuring a project, our Property and Construction Group have the experience and expertise to assist you. We can also provide advice on accounting matters in relation to long-term contracts and provisions for remedial work.



Our VAT consultancy team can help you to maximise the VAT recovery position for your property activities.

Audit and financial reporting

The complexity of property accounting has increased. The impact of both International Financial Reporting Standards and the increasing number of Financial Reporting Standards have had a significant impact upon the accounts and also on the taxation treatment. Our experience has led us to conclude that more care needs to be taken *ab-initio* on how the accounts will look in the light of best accounting practice.

Value added tax

UK VAT legislation and its effect on property transactions is highly complex, particularly given the constant changes introduced by HM Revenue & Customs to stop perceived avoidance and in light of the new penalty regime introduced from April 09. While construction of new residential property benefits from the zero rating of construction services, there are still ways to mitigate other VAT costs. Commercial property can be exempt from VAT or standard rated. The choice of whether to opt to tax the property so that the exemption from VAT is waived, may have ramifications for future use. Our VAT consultancy team can help you to maximise the VAT recovery position for your property activities.

Inward investment into the UK

Non-UK resident companies are in a privileged position from a UK tax perspective as they do not normally pay UK tax on capital gains made on land held for investment purposes. Some non-UK domiciled individuals will be in the same position provided they do not remit the proceeds to the UK. Although the rules regarding inward investment are complex, we can guide you through them as a result of our extensive experience of acting for overseas corporations and individuals investing in UK property.

About Baker Tilly

Baker Tilly is a leading independent firm of accountants and business advisers that specialises in providing an integrated range of services. We provide our growing and established business clients with audit, accountancy, personal and corporate taxation, VAT, management consultancy, corporate finance, IT advisory and restructuring and recovery services. The firm has national coverage through its network of offices and is represented internationally through its independent membership of Baker Tilly International.



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Baker Tilly & Co Limited is authorised and regulated by the Financial Services Authority to conduct a range of investment business activities.