RESIDENTIAL PROPERTY COMPANIES

Succession Planning

Built by You.
Passed to Them.

Unlock the potential of your accumulated property wealth



Your property wealth

Building a residential property portfolio through a company can create substantial family wealth. However, shares in a company whose main activity is holding and letting investment property will not normally qualify for Business Property Relief, leaving the value built up over many years potentially exposed to inheritance tax. Passing those shares to the next generation during your lifetime can also trigger capital gains tax, even where they are gifted and no payment is received.

BPS advises on a specialist retirement and succession strategy for residential property company owners. The arrangement brings together company property interests, a retirement benefit structure and the transfer of shares to the next generation.

For suitable owners, this may create opportunities to reduce the capital gain arising on a share gift and improve the longer-term inheritance tax position, allowing accumulated property wealth to support your family's succession objectives.

We assess the complete arrangement, including benefits payable on death, independent share valuations and the conditions affecting lifetime gifts. Any benefits depend on your circumstances, specialist legal advice and the arrangements implemented.

Key potential benefits

Lower Capital Gains on Share Gifts

Create an opportunity to transfer company shares at a lower valuation, potentially reducing the capital gain arising on the gift.

Reduced Inheritance Tax Exposure

Support the transfer of company wealth out of your estate, subject to the rules and conditions applying to lifetime gifts.

Future Value for the Next Generation

Position your chosen beneficiaries to benefit from future increases in the value of their company shares.

Planning Around Existing Property

Use property already held within your company as part of a coordinated succession arrangement.

A Structured Transfer of Family Wealth

Bring together property interests, a retirement benefit structure and share ownership within one plan tailored to your family's objectives.

Benefits depend on individual circumstances, independent valuations and specialist advice. The overall assessment must include benefits payable on death, assets retained within the structure and ongoing funding commitments.

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THE NEXT GENERATION

Plan your property company's next chapter



Who might consider this

This planning may be worth exploring if you:

- Own a limited company holding residential investment property.
- Want to provide for security in retirement for current and future generations
- Want to pass company shares to children or other family members.
- Are concerned about capital gains tax arising when gifting shares.
- Have substantial value in company shares potentially exposed to inheritance tax.
- Want the next generation to benefit from future increases in the company's value.

How we work with you

We provide:

- Initial consultation to assess whether this planning is right for you.
- Tailored structuring advice to fit your company and family circumstances.
- Coordination with specialist retirement benefit providers, Counsel, your accountants, solicitors and other advisers.

Visit our website

Start the conversation

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Important: This information sheet provides only a general overview. Full suitability depends on your personal circumstances, tax position, and future plans. All planning is carried out in accordance with current UK legislation and HMRC guidance.