FUSION LAW

Buying Your Business Premises: Who Should Own the Building?

A guide for owner-managers thinking about buying the premises their business trades from. The four ways to own the building, a decision guide comparing them, the tax on buying, owning and selling, and a checklist for before you exchange contracts.

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Five questions to settle before you exchange contracts

The question	Why it matters	Where
Who should own the building?	It decides who carries the risk, how the rent and any gain are taxed, and what happens when you sell the business. Settling it before you buy can avoid costly changes later	Sections 2 and 3
Will VAT be charged on the price?	VAT can add a fifth to the price, and stamp duty land tax is charged on the total. If your trading company buys the whole of the building it rents, the rule that can mean no VAT is charged on the sale of a let building does not apply, although a separate owner carrying on the letting may qualify	Section 5
Do you or your company already own it?	Moving a building between you and your own company can bring several tax charges, including stamp duty land tax on its full market value, even if no money changes hands	Section 4
What will the lender want from you personally?	A personal guarantee puts your own assets behind the loan. Lenders will normally insist that anyone guaranteeing a family member's borrowing takes independent legal advice first	Section 8
If the building sits outside the trading company, what lease will the business have?	The rent, the length, any break and who repairs what all matter for tax and for a future sale, and the energy efficiency rules apply to a letting to your own company	Section 10

Introduction

Buying the building the business trades from may well be the first commercial property an owner-manager has bought. The owner will talk it through with their accountant, and possibly a financial adviser, and wants to know what the choices are and what each one means.

This guide is written for that owner. It is not for property investors or developers. It explains the choices in plain words, sets out the tax that goes with each one, and ends with a checklist for before you exchange contracts, which is the point at which you become committed to buy.

The thread running through it is one decision: who should own the building. You, your trading company, a separate company set up just to own the building, or your pension scheme. Section 3 compares the four side by side.

> **Where the line runs.** The tax in this guide is described in general terms; our colleagues at Fusion Tax advise on the tax for your purchase. Section 12 sets out who does what.
>
> **Tax rates change.** The figures in this guide are those in force on the date below. The next Budget is due on 28 October 2026, and rates, thresholds and reliefs can change at any Budget. Check the current position before relying on a figure.

1. Rent or buy?

Buying the freehold gives you greater control over your premises. There is no landlord to refuse renewal or raise the rent. Money that went on rent goes towards an asset, and when the business is sold the building can be sold with it, or kept and let to the buyer for an income. If the purchase is funded by a loan, the lender can enforce its security if the loan is not repaid.

Buying also costs more than the price, and it ties capital up. There is a deposit, stamp duty land tax, possibly VAT, legal and survey fees and the lender's costs. The owner takes on repairs and insurance. If the business outgrows the building or needs to move, selling it takes time, and the market may not suit.

Buying tends to suit a business that	Renting tends to suit a business that
Expects to stay in the same place for the long term	May need more or less space within a few years
Can fund the deposit and costs without starving itself of working capital	Needs its cash for stock, staff or growth
Has premises that would be hard or costly to replace, such as a fitted-out clinic or workshop	Could move without losing customers or spending heavily on a fit-out
Wants to build an asset alongside the business	Wants flexibility more than an asset

If renting is the better answer for now, our guide to taking a commercial lease covers the terms worth negotiating.

2. Who could own the building?

2.1 You personally

You buy the building in your own name, or jointly with your spouse or fellow shareholders, and your company pays you rent under a written lease. The building sits outside the business, so if the business fails, the company's creditors generally cannot reach it, unless you have guaranteed the company's debts or given security over it.

The drawback is funding. If the deposit has to come out of the company first, as salary or dividends, tax is paid on the way out. Any loan is in your name. The rent you receive is taxed as your income, but interest on a loan to buy commercial premises can be set against it. When you sell the business, you can keep the building and let it to the buyer, or sell it alongside.

2.2 Your trading company

The company that runs the business buys the building with its own cash and borrowing. It is the simplest structure, and it uses money that has only been taxed once, inside the company. The loan interest and any capital allowances count against the company's profits.

The building then carries the trading risk: if the business gets into financial difficulty, it is one of the assets at risk. When you sell, a buyer of your shares takes the building too, which may not suit a buyer who wants the business but not the property. Taking the building out before a sale can bring several tax charges (section 4), so plan the exit now.

2.3 A separate property company

A new company is set up only to own the building and lets it to your trading company. It is sometimes called a special purpose vehicle. There are two shapes:

- **Side by side.** You own both companies directly, and neither owns the other.
- **In a group.** A holding company owns both, or the trading company owns the property company. That shape opens up some tax reliefs on moving property between the companies, with conditions (section 4).

Holding the property company alongside the trading company, directly or under a separate holding company, can keep the building apart from the trading risk and let you sell the trading company while keeping the building. If the trading company owns the property company, its shares in it remain exposed to the trading company's creditors, and they go with a sale of the trading company unless the property company is moved out first, which has its own tax cost (section 4).

It is not automatically the best answer. Where both companies borrow from the same bank, it may want each to guarantee the other's borrowing, and if the trading company fails, the rent stops. Either way, some of the risk comes back. How the property company is owned changes the corporation tax it pays (section 6), and getting money into it for the deposit needs planning, because moving money between companies can have tax consequences. It is also a second company to run, with its own accounts, returns and directors.

2.4 Your pension scheme

Some pension schemes can buy commercial premises and let them to the member's business. Section 7 describes the rules in outline. Whether it suits you is a question for a regulated financial adviser, not for us.

What it means for you. Settle who will own the building, with your tax adviser or our colleagues at Fusion Tax, before you make an offer. Section 3 compares the four choices side by side.

3. The decision guide

The two tables on the next pages compare the four choices on the points that matter most to an owner-manager. They are a starting point for the conversation with your advisers, not an answer. The right choice depends on your plans for the business, how you want to take money out of it, who else owns it, and your family and inheritance position.

A few questions tend to point the way:

- **Do you expect to sell the business in the next ten years or so?** If so, ask whether a buyer would want the building. If a buyer would not, keeping it outside the trading company makes the sale easier.
- **How much do you want the building protected from the trading risk?** Owning it personally or in a separate company keeps it apart, subject to what the lender asks for.
- **Where is the money for the deposit?** If it is in the company, buying in the company avoids paying tax to take it out.

- **Who else owns the business?** Co-owners need to agree who owns the building, in what shares, and what happens if one leaves. That belongs in a written agreement.

The decision guide: owning and paying for the building

	You personally	Your trading company	A separate property company	Your pension scheme
Who owns it	You, alone or with your co-owners. The company rents it from you	The company that runs the business	A company that only owns the building, beside your trading company or in a group with it	The scheme, for your pension
If the business fails	Generally out of reach of the company's creditors, unless you have guaranteed the debts or given security	One of the company's assets at risk	Kept apart from the trading company's creditors if it sits alongside, not under, the trading company, and unless the lender has required guarantees between the companies	A question for your financial adviser (section 7)
Paying the deposit	Taken out of the company first, which costs tax on the way out, unless you already have the money	Company cash, which has only been taxed once, inside the company	Needs planning. Moving money between companies can have tax consequences	From the scheme's own funds, within the borrowing limits described in section 7
Tax on the rent	Income tax on the rent, less loan interest and costs. Rates due to rise from April 2027	No rent. The company owns its own premises	Corporation tax on the rental profit. If you own it directly and it lets only to your company, the 25% main rate applies whatever its profits	Paid to the scheme at a market rent. A question for your financial adviser
Running it	You are the landlord. Keep the lease and rent on a commercial footing	The simplest. One company, one set of accounts	A second company, with its own accounts, returns and directors	Strict rules on what the scheme buys and how it deals with you

Continued overleaf. Nothing in this guide is a recommendation of any structure or investment.

The decision guide: tax, selling and the right fit

	You personally	Your trading company	A separate property company	Your pension scheme
When you sell the business	Sell the company and keep the building, letting it to the buyer, or sell the building alongside	A buyer of your shares buys the building too. Taking it out first can cost tax	Sell the trading company and keep the property company, which lets to the buyer, unless the trading company owns it	A question for your financial adviser
Selling the building later	Capital gains tax at 18% or 24%. Business asset disposal relief may help if sold with your shares, but is cut back for any period since April 2008 in which the company paid you rent (section 6.3)	Corporation tax on the gain in the company, then tax again when the money is paid out to you	Corporation tax on the gain, then tax again when paid out. Leaving a group soon after a transfer can bring an extra charge	A question for your financial adviser
Inheritance tax	50% business relief may be available while the building is used by a company you control	Part of the value of your shares, which can qualify for 100% relief within the £2.5 million allowance, and 50% above it	Shares in a company that only holds and lets property generally do not qualify for relief	From 6 April 2027, most unused pension funds come within inheritance tax
Points to weigh	Keeps the building apart from the business, and lets you keep it after you sell	Simplest and cheapest to fund, but the building carries the trading risk and goes with a sale of the shares	Keeps the building apart from the trading risk and from a future sale, at the cost of a second company	Not for us to say: a question for a regulated financial adviser

Tax figures are those in force on the date of this guide and are explained in sections 5 and 6. Nothing in this table is a recommendation of any structure or investment.

4. What if you or your company already own it?

Owners sometimes want to move a building they already hold: from themselves into their company, from the trading company into a new property company, or the other way. It feels like a paper exercise because the same people own everything. The tax and company law treat it as a real sale.

- **Into a company: stamp duty land tax on market value.** When a company buys or is given a building by its owner, or by another company the same people control, the tax is normally charged on at least the building's market value, even if the company pays nothing.
- **Tax on any gain.** A transfer between connected people is treated as a sale at market value, so tax can be due on the increase in value since the building was bought, with no cash coming in to pay it. Some reliefs can defer the gain in particular cases; whether one applies is a question for your tax adviser.
- **Out of a company to you.** If the company hands the building to you for less than it is worth, the shortfall is normally treated as a dividend and taxed as your income, on top of the company's tax on any gain. Stamp duty land tax is not normally charged on a straight gift from a company to its owner, but it can be if you take over the company's mortgage.
- **Shareholder approval.** A transfer between a company and one of its directors, or someone connected with them, which can include another company in which the director has a stake of 20% or more, can need the shareholders' approval. It generally applies where the building is worth more than £100,000, or more than £5,000 where that is over 10% of the company's net assets. Check the approvals before signing, because without them the company can undo the deal and the director can be personally liable.
- **Group relief, and its limits.** Where one company owns at least 75% of the other, or both are 75% owned by a holding company, a transfer between them can be relieved from stamp duty land tax. The relief can be withdrawn if the company receiving the building leaves the group within three years while it still owns the building. Two companies owned side by side by the same individual are not a group for this purpose, so there is no relief between them.

What it means for you. Before anything moves, have the stamp duty land tax, the tax on any gain and the company law steps worked out together. The order in which things are done, and how the new structure is set up, can change the answer.

5. What tax do you pay when you buy?

This section describes the taxes a buyer of commercial premises meets. Our colleagues at Fusion Tax can work out the figures for your purchase.

5.1 Stamp duty land tax

In England and Northern Ireland, a buyer of non-residential or mixed-use property pays stamp duty land tax on the price in slices, in the same way as income tax bands. A single purchase that includes both commercial and residential parts, such as a shop with a flat above, is usually taxed at the same rates as purely commercial property.

Part of the price	Rate
Up to £150,000	0%
£150,001 to £250,000	2%
Above £250,000	5%

> **An invented example.** A business buys its workshop for £600,000. Stamp duty land tax is nothing on the first £150,000, £2,000 on the next £100,000, and £17,500 on the remaining £350,000: £19,500 in all. If the seller has opted to tax and VAT of £120,000 is added, the tax is charged on £720,000 and rises to £25,500, even if the buyer later recovers the VAT.

- **When it is paid.** The return must be filed with HMRC, and the tax paid, within 14 days of completion, or earlier if you move in or pay most of the price first. Your solicitor normally files it.
- **Higher residential rates.** The extra rates for additional homes and for non-UK residents do not normally apply to a mixed-use purchase. If a company buys a building that includes a flat worth more than £500,000, a higher stamp duty land tax rate on the flat, and an annual tax on it, can apply, although reliefs are available where the flat is let commercially to someone unconnected. Ask your tax adviser or our colleagues at Fusion Tax.
- **Wales and Scotland.** Wales has land transaction tax: on commercial property, nothing on the first £225,000, 1% up to £250,000, 5% up to £1 million and 6% above. Scotland has land and buildings transaction tax: nothing on the first £150,000, 1% up to £250,000 and 5% above. The rest of this guide describes stamp duty land tax, which applies in England and Northern Ireland.

5.2 VAT

Whether VAT is charged on the price depends on the building and on the seller.

The building	VAT on the price
Freehold sale of a commercial building completed less than three years ago	Normally charged at 20%, unless the sale is the transfer of a letting business (below)
Older, and the seller has not opted to tax	Normally not charged. The sale is exempt
Older, and the seller has opted to tax	Charged at 20%, unless the sale is the transfer of a letting business (below)

Opting to tax is a choice an owner can make to charge VAT on the sale and rent of a building, which lets the owner recover VAT on its own costs. Once made, it can generally be revoked only within the first six months or after 20 years. Ask the seller in your first enquiries whether it has opted.

Can you recover it? A business that is registered for VAT and makes taxable sales can usually recover VAT charged on the price, but it still has to fund it at completion, and stamp duty land tax is charged on the

VAT-inclusive price. A business that cannot recover all its VAT, such as a medical or dental practice whose services are generally exempt, bears the VAT as a real cost.

The sale of a let building. Where a building is sold with tenants in place, the sale can be treated as the transfer of a letting business, and no VAT is charged, provided the VAT conditions are met. The buyer's VAT registration must be checked. If the seller has opted to tax, or the sale is of the freehold of a new building, the buyer must also take three steps in time. It must opt to tax itself and tell HMRC before completion, or before any deposit is released to the seller if that is earlier. It must confirm to the seller in writing that its own option will not be switched off by the rule described below. And it must carry on letting the building.

> **The trap for tenants.** This treatment does not apply if your trading company buys the whole of the building it rents, because it cannot take over its own letting business. A separate owner, such as you personally or a property company, buying the building and carrying on the letting to your business may qualify, subject to the VAT conditions. Ask early whether VAT will be charged, and budget for it.

VAT adjustments over ten years. On a building costing £600,000 or more before VAT, or £250,000 where any of the spending was before 29 July 2026, the VAT you recover can be adjusted over the following ten years if your use of it changes, for example if you start making VAT-exempt sales. This is called the capital goods scheme.

If your business cannot recover VAT. A property company may want to opt to tax so that it can recover the VAT on the purchase. But where the building is within the capital goods scheme, special rules can stop this if it lets to a connected business making mainly VAT-exempt sales, such as a medical or dental practice. The rent can then become exempt, and the VAT on the purchase may not be recoverable. Check before choosing the structure.

5.3 Capital allowances

Capital allowances give tax relief over time on certain spending, including fixtures in a building such as heating, air conditioning, lighting and lifts. Where the seller could have claimed allowances on the fixtures, a buyer can claim them only if two conditions are met:

- **The seller has pooled them.** Where the seller was entitled to allowances, it must have recorded its spending on the fixtures in its capital allowances pool. It need not have claimed the allowances.
- **A value is agreed.** Buyer and seller make a joint election fixing the value of the fixtures within two years of the purchase. Without that agreement, or an application to the tax tribunal within the same two years, the buyer can claim nothing on them.

There is also an allowance for the cost of constructing a commercial building, at 3% a year, for buildings whose construction contracts were entered into on or after 29 October 2018. A buyer takes over the remaining allowance but needs the seller's allowance statement to claim it.

What it means for you. Raise capital allowances in your first enquiries and deal with them in the contract. It is very hard to put right once the two years have passed.

6. What tax do you pay while you own it, and when you sell?

6.1 Rent paid to you personally

If you own the building and your company pays you rent, the rent is part of your income, less allowable costs such as loan interest, repairs and insurance. Interest on a loan to buy commercial premises can be set against the rent in full. The rent is a cost of the company, so it reduces the company's profits for corporation tax.

From 6 April 2027, rent received by individuals is due to be taxed at new property income rates of 22%, 42% and 47%, two points above the general income tax rates. Separate rules apply in Scotland; check any devolved changes.

6.2 A company that owns the building

A company normally pays corporation tax at 19% where its annual profits are up to £50,000 and 25% where they are over £250,000, with an effective rate between the two in between. Those profit limits are reduced where there are associated companies, so a property company and a trading company owned by the same people share them.

A property company you own directly, letting only to your own trading company, generally pays 25% on all its profits, however small. Tax advisers call it a close investment-holding company. One held in a group with the trading company may pay less; ask before choosing the shape.

Money paid out of any company as dividends is taxed again in your hands. For 2026/27 the dividend rates are 10.75% for basic rate taxpayers, 35.75% for higher rate and 39.35% for additional rate, with a £500 allowance.

6.3 When you sell the business

When you sell your shares in a trading company, business asset disposal relief taxes the gain at 18% from 6 April 2026, on up to £1 million of gains in your lifetime, subject to conditions. If the company owns the building, its value is in the share price, so the relief can cover it.

If you own the building yourself, the relief may also cover selling it as part of a qualifying disposal of your shares, of at least 5%, subject to further conditions. You do not have to retire. But the relief on the building is cut back for any period since April 2008 in which the company paid you rent for it: a full market rent removes it for that period, and a lower rent reduces it in proportion. Rent puts money in your pocket now and may cost you relief later, so take tax advice on the rent before the lease is signed.

6.4 Selling the building

- **Owned personally.** Capital gains tax on the gain at 18% within the basic rate band and 24% above it, after the first £3,000 of gains each year, which are tax-free, unless business asset disposal relief applies.
- **Owned by a company.** Corporation tax on the gain, then tax again when the proceeds are paid out to the shareholders.
- **Within a group.** If a company leaves a group within six years of receiving a building from another group company, a charge can arise as if it had sold the building. The rules are complicated and need advice before any sale.

6.5 Inheritance tax

Business relief reduces inheritance tax on business assets. From 6 April 2026, 100% relief is available on up to £2.5 million of qualifying business and agricultural property, with 50% relief above that, and an unused allowance can pass to a surviving spouse or civil partner.

- **Building in the trading company.** Its value is part of the value of the shares, which can qualify for 100% relief within the allowance.
- **Building owned personally and used by a company you control.** It can qualify for 50% relief, subject to conditions.
- **Building in a separate property company.** Shares in a company that only holds and lets property generally do not qualify, although a holding company of a trading group can be different.
- **Pension scheme.** From 6 April 2027, most unused pension funds and death benefits come within inheritance tax.

7. Can your pension scheme buy it?

Some registered pension schemes, in particular a self-invested personal pension or a small self-administered scheme, can buy commercial premises and let them to the member's business. Whether that suits you is a question for a regulated financial adviser, such as our colleagues at Fusion Financial or your own adviser. Nothing in this section is a recommendation to use a pension scheme for this or any other investment.

In outline, the rules include these:

- The scheme can hold commercial property but not, in general, residential property. A shop with a separate flat above needs particular care.
- The scheme can borrow up to half of its net value to help fund a purchase.
- Any dealing between the scheme and you or your business, including the price and the rent, must be at market value. A rent below or above the market rate can lead to tax charges.
- The lease from the scheme to your business must be on normal commercial terms and in writing.

Questions to take to your adviser include whether the scheme can buy this building, how the purchase would be funded, what happens to the building if the business needs to move or is sold, and how it fits with your retirement and inheritance plans. We can act on the legal side of the purchase and the lease to your business.

8. What will the lender want?

A commercial lender will value the building, look at the business's accounts and set terms. Read the loan offer as a whole, not only the interest rate: the term, the fees, how much you can borrow against the building, and the conditions you must keep to, which can include revaluations.

The lender will take security. Expect some or all of these:

- **A legal charge over the building.** This is a mortgage, which lets the lender sell the building if the loan is not repaid.

- **A debenture.** Where a company is borrowing, this is a charge over its other assets. A charge given by a company must be registered at Companies House within 21 days, starting with the day after it is created; the lender's solicitors normally do this.
- **Personal guarantees.** A director's guarantee puts their own assets behind the company's loan. Ask whether it can be capped, and released once the loan is paid down.
- **Guarantees between companies.** Where a property company and a trading company borrow from the same bank, it may want each to guarantee the other and give security over its assets. That can put the building back within reach of the trading company's debts.

Independent legal advice. Where a spouse, partner or other family member is asked to guarantee a loan, or to agree to a charge over a home, the lender will normally require them to take independent legal advice first. The solicitor meets them on their own, explains the documents and the risks in plain terms, and confirms to the lender that the advice has been given. That protects the guarantor, and it protects the lender's security. We can give that advice where we are not acting for the borrower or the lender on that loan. Our article on personal guarantees, later in this series, covers the subject in full.

A building with a home in it. A loan to a company to buy commercial premises is not a regulated mortgage. A loan to an individual secured on a building that is at least 40% used as their own home, or a close relative's, can be, which brings different rules and a different set of lenders.

What it means for you. Settle the finance, and read any guarantee, before you exchange contracts. At exchange you are committed to buy whether or not the loan comes through.

9. The purchase, step by step

1. **Agree the price and main terms.** The agents normally record them in heads of terms, marked subject to contract, so that nobody is yet bound. Decide who the buyer will be before this point.
2. **Set up any new company.** Each director must verify their identity and give their Companies House personal code when the company is registered. Each individual with significant control must also link their verified identity to that role, at the same time or within 14 days. Allow time for it.
3. **Investigate the building.** Your solicitor checks the title, which shows who owns the building and the rights and restrictions that come with it. Searches with the local authority and others cover planning, roads, drainage, environmental issues and anything particular to the area. Check that planning rules and the title allow your intended use, with adequate access and services. The seller answers detailed enquiries about the building. Your surveyor reports on its condition; ask for the asbestos and fire safety records, and an energy performance certificate where one is required.
4. **Settle the tax.** Stamp duty land tax, VAT and capital allowances are worked out and, where needed, dealt with in the contract.
5. **Arrange the finance and the approvals.** The loan offer is accepted, the board approves the purchase, and the shareholders approve it where the law requires (section 4).
6. **Exchange contracts.** You are now committed to buy, and a deposit is paid. If you fail to complete, you can lose it and be liable for more. Do not exchange until the steps above are done.
7. **Complete.** The price is paid, the building is transferred to you, and the lender's charge is signed.

8. **After completion.** The stamp duty land tax return is filed and the tax paid within 14 days. The transfer and the lender's charge are registered at HM Land Registry, and where the land is already registered, you only become the legal owner once that is done. Any company charge is registered at Companies House within 21 days, starting with the day after it is created. If the building sits outside the trading company, the lease to the business takes effect.

10. What lease does your business need?

If you, a property company or a pension scheme owns the building, your trading company needs a written lease from the owner. Between people who trust each other it is tempting to treat this as a formality. It is not, and it should be in place on the day you complete.

- **A market rent.** A market rent, meaning what an unconnected landlord and tenant would agree, on normal commercial terms supports the tax treatment on both sides, and for a pension scheme it is a requirement. If you own the building personally, the rent also affects business asset disposal relief on a later sale (section 6.3).
- **Terms both sides could live with if they parted company.** One day the business may be sold, or a co-owner may leave. A buyer of the business will read the lease closely. Agree the length, any break, how the rent is reviewed and who repairs what as if the landlord and tenant were strangers.
- **The right to renew.** A business tenant will usually have the right to ask for a new lease when the lease ends, unless that right is formally excluded before it becomes bound to take the lease. A buyer of the business may want the right kept.
- **Energy efficiency.** A letting to your own company is still a letting. Commercial premises in England and Wales cannot usually be let, or continue to be let, if the energy rating is below E, unless an exclusion applies or an exemption is registered. The Government intends to raise the standard for larger buildings in the future, but that still needs regulations.
- **Stamp duty land tax on the lease.** The tenant may pay tax on the lease if the total rent over its term, discounted to today's value, exceeds £150,000: 1% on the amount between £150,000 and £5 million, and 2% above that. A lease to a connected company can also attract tax on the market value of the lease itself, even if no premium is paid. Have both charges checked.
- **VAT on the rent.** If the owner has opted to tax, VAT is added to the rent. That is no cost to a business that can recover it in full. Section 5.2 covers businesses that cannot.
- **Rent review.** Parliament has passed a ban on upwards-only rent reviews. It is not yet in force, and once it is, it will generally cover new and renewal leases and rent review terms added later, subject to transitional rules.

Our guide to taking a commercial lease covers each of these terms in more detail.

11. Checklist before you exchange contracts

	Check	Done
1	You have decided who will own the building, and why, with your tax adviser or our colleagues at Fusion Tax	
2	Any new company is set up, its directors and people with significant control have verified their identity, and co-owners have agreed in writing how the building is held	
3	You know whether VAT will be charged on the price, and have planned for the cash and the stamp duty land tax on it	
4	If you are buying a let building, the steps for treating it as the transfer of a letting business are in hand before completion, or before any deposit is released to the seller	
5	Stamp duty land tax has been worked out for your chosen structure	
6	If you or your company already own the building, the tax and the shareholder approval on moving it have been dealt with	
7	Capital allowances on the fixtures are dealt with in the contract	
8	The title, searches and enquiries have been reported on, anything unusual explained to you, and you know the planning use allows the business you intend to run there	
9	A surveyor has reported on the condition of the building, and you have the energy performance certificate	
10	The loan offer is accepted and its conditions can be met by completion	
11	You have read any personal guarantee and know what it covers, and anyone guaranteeing for a family member has had independent legal advice where the lender requires it	
12	The board has approved the purchase, and the shareholders too where the law requires	
13	If the building will sit outside the trading company, the lease to the business is agreed and ready for completion	
14	You have the money for the deposit, the balance, the tax and the costs on the dates they fall due	
15	If you are moving to a new building, you have checked its rateable value, the likely business rates bill and any reliefs	

12. How Fusion Law can help

We act for owner-managers and their companies buying business premises, from the first decision to completion and the lease that follows. Who does what:

Workstream	Led by
The purchase, the property company and its shareholder arrangements, the lease to the business, the loan and security documents for the borrower, and independent legal advice for guarantors where we are not acting on that loan	Fusion Law
Stamp duty land tax, VAT, capital allowances, income tax, corporation tax, capital gains tax and inheritance tax	Fusion Tax, or your own tax adviser
Whether a pension scheme should buy, and anything about the scheme itself	Fusion Financial, or your scheme's own regulated adviser
Accounts and the cash-flow effect of buying	Fusion Accountancy, or your own accountant
Valuation and survey	Your surveyor
Choosing a lender and a loan	A mortgage broker, or your bank

> We do not advise on tax, pensions, valuation or which loan to choose. We are a non-contentious practice: if a purchase becomes a dispute, we refer it out. Where appropriate, we work alongside our tax, accountancy and financial-planning colleagues across Fusion Consulting Group.

Talk to us about the right ownership structure. Tell us about the building and your plans for the business, and we will work through the choices with you and our colleagues at Fusion Tax, or your own tax adviser, before you commit.

Contact

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Words you will meet

Word	What it means
Capital allowances	Tax relief, spread over time, on spending on certain assets, including fixtures in a building
Capital goods scheme	A VAT rule that can adjust the VAT recovered on a costly building over ten years if its use changes
Completion	The day the price is paid and the building is transferred
Debenture	A charge over a company's assets in favour of a lender
Energy performance certificate	A certificate rating a building's energy efficiency from A to G
Exchange of contracts	The point at which buyer and seller become legally bound
Freehold	Outright ownership of the building and its land, with no landlord
Independent legal advice	Advice from a solicitor acting only for a guarantor, before they sign
Legal charge	A lender's security over a building, sometimes called a mortgage
Mixed-use	A building with both commercial and residential parts, such as a shop with a flat above
Opting to tax	An owner's choice to charge VAT on the sale and rent of a building
Personal guarantee	A promise by an individual to pay a company's debt if the company does not
Property company	A company set up only to own a building. Also called a special purpose vehicle
Searches	Enquiries of the local authority and others about the building and the area
Stamp duty land tax	The tax paid by a buyer of land in England and Northern Ireland
Title	The legal ownership of the building, as recorded at HM Land Registry
Transfer of a letting business	The sale of a let building with its tenants, which can be treated as outside VAT. Tax advisers call it a transfer of a going concern

Legal sources

Legislation. Finance Act 2003, sections 53, 54, 55, 76, 86 and 116 and Schedules 4, 4A, 4ZA, 5, 7, 9A and 15. Value Added Tax Act 1994, section 2, Schedule 9, Group 1 and Group 7, and Schedule 10, including paragraphs 12 to 16 and 20. Value Added Tax (Special Provisions) Order 1995, article 5. Value Added Tax Regulations 1995, regulation 113, as amended by the Value Added Tax (Amendment) Regulations 2026. Capital Allowances Act 2001, sections 187A, 198, 201, 270AA and 270IA. Corporation Tax Act 2010, sections 18A to 18N and 1122. Taxation of Chargeable Gains Act 1992, sections 17, 18, 165, 169K, 169N, 169P, 179 and 286. Income Tax (Trading and Other Income) Act 2005, sections 272A and 272B. Finance Act 2026, sections 4, 6, 7, 65 and 66 to 71 and Schedule 12. Corporation Tax Act 2010, section 1000. Inheritance Tax Act 1984, sections 104, 105 and 124D. Finance Act 2004, sections 174A, 179, 182 and 183 and Schedule 29A. Finance Act 2013, section 133. Companies Act 2006, sections 190, 191, 252, 254, 859A and 859H. Land Registration Act 2002, sections 6 and 27; Land Registration Rules 2003, rule 131. Landlord and Tenant Act 1954, Part 2, and section 54A and Schedule 7A, inserted by the English Devolution and Community Empowerment Act

2026, section 100 and Schedule 37. Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015, regulations 20, 22 and 27. Energy Performance of Buildings (England and Wales) Regulations 2012, regulation 6. Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, article 61(3).

Cases. *Royal Bank of Scotland plc v Etridge (No 2)* [2001] UKHL 44. *Waller-Edwards v One Savings Bank plc* [2025] UKSC 22.

Guidance. HMRC VAT Notice 742A, Opting to tax land and buildings; VAT Notice 700/9, Transfer a business as a going concern, paragraphs 2.3 and 6.2; VAT Notice 706/2, Capital goods scheme; HMRC Capital Allowances Manual, CA26470 to CA26480; HMRC Pensions Tax Manual, PTM121000, PTM124000 and PTM125200; HMRC Stamp Duty Land Tax Manual, SDLTM30220; FCA Perimeter Guidance Manual, PERG 4.4. Welsh Revenue Authority, land transaction tax rates and bands. Revenue Scotland, land and buildings transaction tax rates. Department for Energy Security and Net Zero, Minimum energy efficiency standards in the non-domestic private rented sector: interim response (18 June 2026).

Disclaimer: This guide provides general information only and is not legal, tax or financial advice, and nothing in it is a recommendation to make any investment or to use any particular structure. It describes the law of England and Wales and, on stamp duty land tax, England and Northern Ireland. Law and tax rates stated as at 11 October 2026. Tax rates, thresholds and reliefs change, including at the Budget due on 28 October 2026, so check the current position before relying on them. Fusion Law is the trading name of Fusion Law Ltd, authorised and regulated by the Solicitors Regulation Authority (SRA No. 822590). Other services provided by companies in the Fusion Consulting Group are not regulated by the Solicitors Regulation Authority.