Property valuations in your SIPP

A guide for financial advisers and Yorsipp members

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Commercial property is one of the most common assets held within a Yorsipp SIPP. Because it doesn't trade on a public market, an independent, professional valuation is the only reliable way to know what it's really worth at any given time.

We ask for a current valuation at certain points to make sure transactions are conducted fairly, that dealings with connected parties are at arm's length, and that the value shown in your annual reporting is accurate. This guide explains when a new valuation is needed, how recent it must be, and who to speak to if your circumstances don't fit the standard timeframes. These timeframes are Yorsipp's own policy for evidencing accurate market value; HMRC does not itself prescribe a fixed valuation age.

In short

We ask for a written RICS valuation whenever a property is bought, sold or transferred from another pension into a Yorsipp SIPP, whenever a connected party is involved in a purchase, sale, lease or rent review, and at least every three years even if nothing else has happened. In most cases the valuation must be no more than six months old.

At a glance

When	Valuation must be no older than	What's required
Buying a commercial property (unconnected)	6 months	Full RICS Red Book valuation
Buying, selling, leasing to, or reviewing rent with, a connected party	6 months	Full RICS Red Book valuation; value must equal the price paid
Transferring a property from another pension scheme into your SIPP (in-specie)	6 months	Full RICS Red Book valuation
Development or refurbishment works funded by the scheme	On completion	Updated RICS market value, market rent and reinstatement value
No transaction or event has occurred (ongoing holding)	3 years	RICS valuation — keeps your annual valuation and reporting accurate
Taking benefits for the first time (crystallisation)	6 months	Full RICS Red Book valuation
Taking further benefits later from the same property	2 years	Full RICS Red Book valuation

Buying a commercial property

Where your SIPP is buying a property from an unconnected party:

- A full RICS ‘Red Book’ valuation report is required, prepared by a RICS-registered valuer.
- The report must be dated within the preceding 6 months.

Where the purchase involves a connected party, the same 6-month timeframe applies, with one extra requirement:

- The market value stated in the report must equal the price actually paid, so the transaction is demonstrably at arm's length.

Transferring a property into your SIPP (in-specie)

This covers property already held within another registered pension scheme — such as another SIPP — being transferred into your Yorsipp SIPP in specie, rather than being bought through the scheme. It does not cover contributing a property you personally own: Yorsipp does not accept in-specie contributions.

- The valuation supporting the transfer must be no more than 6 months old.

A fresh valuation may still be needed within that window if:

  - the property has been materially altered since it was last valued;
  - market conditions have shifted significantly; or
  - a new or renewed lease to a connected tenant is being put in place at the same time.

Connected party transactions and leases

Transactions involving a connected party carry the closest scrutiny and should always be supported by a valuation no more than 6 months old. This includes:

- purchases and sales of property involving a connected party;
- reallocation of property interests between members or connected parties;
- new or renewed leases to a connected tenant; and
- rent reviews under such leases.

Leases to connected tenants should be on normal commercial terms, with the rent supported by an independent valuation. Rent reviews should currently be:

- upwards only; and
- carried out at least every five years.

This reflects long-standing market practice, but the position is changing for English and Welsh leases. The English Devolution and Community Empowerment Act 2026 will make upwards-only rent review clauses void in new and renewal commercial leases in England and Wales once it comes into force (not expected before 2027), and already has a retrospective effect on certain lease renewal arrangements entered into on or after 17 March 2026. Scotland is not affected. If you are arranging a new lease or renewal on an English or Welsh property, please take specific property law advice on rent review structuring and contact Yorsipp if you are unsure.

Development and refurbishment works

Where the scheme funds development or refurbishment works to a property, an updated valuation is required on completion, covering:

- current market value;
- current market rental value; and
- buildings reinstatement value, for insurance purposes.

If the property is let, a rent review should also be carried out at the same point to capture any uplift arising from the works.

Keeping existing holdings up to date

Where none of the events above apply, a property held in your SIPP should still be revalued at least every 3 years. This is so that your annual valuation and reporting always reflect an accurate, current figure for regulatory purposes, even where nothing has actually changed hands. If a transaction or event listed above happens sooner, the shorter timeframe for that event takes priority.

Taking benefits from your SIPP

- For the first time you crystallise benefits against a property, the supporting valuation must be no more than 6 months old.
- For any later crystallisation event against the same property, a valuation up to 2 years old may be used.
- A full RICS Red Book valuation is required to support each crystallisation event, prepared by a RICS-registered valuer.
- You are always free to obtain a more up-to-date valuation if you or your adviser consider it appropriate.

Choosing your surveyor

Yorsipp does not operate a panel of approved surveyors. You, or your financial adviser, may instruct any RICS-registered valuer of your choice, provided the valuation is prepared on a Red Book basis and meets the requirements set out in this guide.

Exceptions and approvals

We recognise that a valuation within the standard timeframe isn't always practical. Any valuation used outside the timeframes set out in this guide must be approved by Yorsipp's Trustee Committee before it can be relied upon. Please get in touch before the transaction proceeds if you think this may apply.

Tips for advisers

- Treat 6 months as the working default when planning a transaction and build the valuation into your timeline early.
- Flag valuation requirements as soon as a connected party transaction is in prospect, given the arm's-length requirement.
- Engage a surveyor ahead of a benefit crystallisation event or the completion of development works, rather than after.
- If in doubt whether a valuation will meet the required timeframe, contact Yorsipp before instructing works or exchanging contracts.
- For English or Welsh properties, take specialist advice on rent review structuring given the incoming ban on upwards-only rent reviews under the English Devolution and Community Empowerment Act 2026 — this does not affect Scotland.

Getting in touch

If you have a question about a specific property or transaction, or think an exception may apply, please contact Yorsipp — Email: **info@yorsipp.com** | Phone: **0141 772 3365**

Important information: this guide is provided for general information only and does not constitute financial, tax or legal advice. It does not form part of, and should be read alongside, the scheme's trust deed and rules, which take precedence in the event of any inconsistency. Requirements may be updated from time to time; please check you are referring to the current version.