



Case study: Restructuring a family-owned property business



The client was a family-owned property business which contained 34 residential properties worth approximately £5.5m.

The client wanted to enable the business to grow in a tax-efficient environment, as well as providing an opportunity to begin the process of passing on part of the business to future generations.

The beneficial owner of the business wanted to pass on part of the company to the eldest child, to recognise their input and achievements in improving the profitability of the business, as well as to consolidate the business, which was split between personal and partnership ownership.

A succession of negative property tax changes had also prompted the client to consider the business as a whole and the correct operating structure.

How did Blick Rothenberg help?

The client faced costly tax charges for transfers of the property, despite the fact the transfer did not create a real cash gain. These taxes included Stamp Duty Land Tax ("SDLT") and Capital Gains Tax ("CGT") and triggered other legal determinations from the tenants and their legal rights. Such charges/proceedings could have been incredibly damaging for the business.

Blick Rothenberg worked with the client to establish their aims and goals for the family as a whole, both commercially and personally, and then developed a strategy to meet these in a tax-efficient manner.

Blick Rothenberg was also able to pull together and project manage an experienced team of advisors to assist the client, to overcome the specific challenges faced by the business and to take the legal steps required to safeguard the business.

What was the result?

The property portfolio was restructured within the time-specific parameters we were given and the advice secured:

- £1.5m CGT saving
- £200,000 SDLT saving
- Inheritance Tax exposure reduced by £2m

In addition, the specific legal issues were overcome and the consolidated business was able to take advantage of scale to secure beneficial funding.



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