

# Real estate tax



LG

# Real estate tax

We advise investors, developers, funds, financial institutions and major UK corporations in the real estate sector.

We work alongside LG's comprehensive real estate practice to provide advice on tax efficient structures for real estate transactions, including investments, developments, financings and fund formations and the exploitation of real estate assets by corporations.

## Why Use LG?

- We have extensive experience of transactions in the real estate market.
- We provide a full service from structuring to implementation.
- We provide commercial judgement combined with technical expertise.

# Areas of expertise

## Real estate investment

- Direct and indirect acquisition structures
- Tax transparent and offshore vehicles
- Exit planning

The UK is a particularly tax efficient jurisdiction for investment in real estate by overseas investors.

We can advise on how to minimise the indirect tax costs on acquisitions, how to shelter direct tax on UK rental income and prepare for the tax implications of an exit or how to establish tax efficient structures for holding real estate in a joint venture.

## Real estate finance

- OpCo/PropCo structures
- Loan-to-own acquisitions
- Debt restructuring and debt for equity swaps

There is a huge amount of debt secured on real estate which is going to need to be restructured or repaid in the next few years. This continues to put limits on the banks' ability to lend and requires creative thinking around how to raise new finance from real estate assets, or how lenders can exit debt portfolios or restructure existing debt.

We can advise borrowers and lenders on using real estate assets to raise finance in the capital markets, the issues with acquiring debt as a means of acquiring the underlying real estate or the tax effects of debt buy-backs and restructurings.

## Developments

- Forward funding transactions
- Joint ventures and profit-sharing arrangements
- Residential development structures

With the constraints on the availability of debt finance, development transactions are heavily dependent on equity investment. As a consequence, development structures are more complex and tax considerations play a critical part in maximising returns.

We can advise on how best to structure a development, for example, as a forward funding, a joint venture or a profit-sharing arrangement. We have considerable experience of commercial, residential and mixed use schemes and of the issues faced by local councils, property owners and developers.

### Corporations

- Pension funding structures using a group's real estate assets
- HQ buildings and occupational leases
- Sale and leasebacks

UK corporations with pension fund deficits could consider using their real estate assets to fund that deficit. We can advise on whether these structures would be suitable for your company and explain the legal and tax implications.

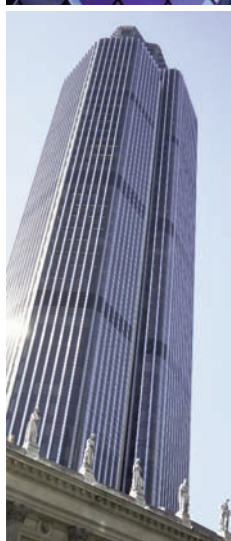
We also have considerable experience of acting for major occupiers and corporations acquiring new leases or seeking to maximise value from their real estate assets.

### Real estate funds and listed vehicles

- REITs, PAIFs
- Jersey unit trusts, FCPs and other offshore funds
- Limited partnerships

Tax leakage is a major factor in determining the efficiency of a fund structure. There is an increasingly competitive international market for funds and recent developments in the UK have seen new onshore fund structures designed to put the UK funds industry on a more equal footing with its off-shore competitors.

We can advise on the choice of vehicle and jurisdiction for establishing a property fund, the tax issues facing the fund and the tax consequences for UK and overseas investors in the fund.



## Key contacts



**Michael Murphy**

Partner

**T/** +44 20 7759 6683

**E/** michael.murphy@lg-legal.com



**Elliot Weston**

Partner

**T/** +44 20 7759 6722

**E/** elliot.weston@lg-legal.com



**Lara Hill**

Associate

**T/** +44 20 7759 6547

**E/** lara.hill@lg-legal.com



**Gemma Neilson**

Associate

**T/** +44 20 7759 6809

**E/** gemma.neilson@lg-legal.com



**Kate Worthington**

Associate

**T/** +44 20 7759 6437

**E/** kate.worthington@lg-legal.com

Lawrence Graham LLP  
4 More London Riverside  
London SE1 2AU

**T/ +44 20 7379 0000**

Lawrence Graham LLP  
Unit 2, Level 6  
Currency House Office Building 1  
The Gate District  
Dubai International Financial Centre  
PO Box 506503  
Dubai, United Arab Emirates

**T/ +971 4 437 5100**

Lawrence Graham  
Est-Ouest  
24 bd Princesse Charlotte  
MC 98000 Monaco

**T/ +377 93 10 55 10**

Lawrence Graham (CIS) LLP  
1-st Troitsky Pereulok 12/5  
Moscow, 129090  
Russia

**T/ +7 495 799-5501**

[info@lg-legal.com](mailto:info@lg-legal.com)  
[www.lg-legal.com](http://www.lg-legal.com)

