



Investment  
Property Forum

Investment Property Forum  
Hana Workspaces  
70 St. Mary Axe  
London EC3A 8BE

email [ipfoffice@ipf.org.uk](mailto:ipfoffice@ipf.org.uk) web [www.ipf.org.uk](http://www.ipf.org.uk)

Sue Forster  
email [sforster@ipf.org.uk](mailto:sforster@ipf.org.uk) tel 07880 729624

Ms Helen Williams  
Property Funds Consultation  
HM Revenue and Customs  
Room 3C.07  
100 Parliament Street  
London  
SW1A 2BQ

By email: [savings.audit@hmrc.gov.uk](mailto:savings.audit@hmrc.gov.uk)

11th December 2020

Dear Ms Williams

### **ISAs and authorised open-ended property funds**

The Investment Property Forum (The IPF) welcomes the opportunity to respond to the above consultation.

The IPF is a national membership organisation of senior professionals, all active in the property investment and finance market. The organisation has a diverse membership of nearly 2,000, which includes fund managers, investment agents, accountants, bankers, lawyers, researchers, academics, actuaries and other related professionals.

The IPF's Mission is to enhance the understanding and efficiency of property as an investment, including public, private, debt, equity and derivatives, for its members and other interested parties, including government. We are not a lobby organisation but one of our key priorities is to identify where legislation or regulation has an impact on the market and to alert government and our members to any adverse or beneficial issues.

The IPF's scope covers direct and indirect routes to investing in property. With regards to the latter, we have an Indirect Property Interest Group that covers issues relating to both the listed and unlisted property sector, including that of the illiquidity of property as an asset class.

The IPF publishes "Understanding UK Commercial Property Investments - A Guide for Financial Advisers". It is intended to provide an objective overview of the attributes of UK commercial property as a mainstream asset class and an outline of the commonly available product structures through which retail investors can access the market, should direct property purchase not be the appropriate route. You can find the fifth edition of the Guide here: <https://www.ipf.org.uk/publications/understanding-uk-commercial-property-investments.html>

We plan to publish the sixth edition of the Guide late-2021.

### **Our response to the consultation**

We publish our Guide as access to property as an asset class is an important source of diversification for investors' portfolios since it offers low correlation with other asset classes, as well as providing a source of income return that is important for long-term savers. The Government has a longstanding commitment to wider investment in illiquid assets, such as property and infrastructure, and a removal of the capability of retail investors to invest in property funds through ISAs would be damaging to this agenda and damaging to the increasing number of retail investors who now have to provide for their own long-term investment and retirement requirements.

This ISA consultation arises because of the proposals in the recent FCA consultation 20/15 on open-ended property funds, to which we also responded.



Investment  
Property Forum

We request that ISA rules are changed to allow property funds with notice periods and other liquidity tools to be held in stocks and shares ISAs. This should be allowed for investors already holding property funds in ISAs, any new investments in existing property funds and further investment in new funds.

Please do contact me should you wish to discuss any of the above in further detail.

Yours sincerely,

A handwritten signature in black ink that reads 'Sue Forster' in a cursive script.

**Sue Forster**  
**Chief Executive**