
Briefing Paper

Commercial Property Inheritance Tax Reforms – Need a Valuation?

23 May 2025

In the Autumn 2024 Statement, the UK Government introduced a raft of changes to the Inheritance Tax Regime. Of most interest to Commercial Property Investors will be the fact that from April 2027, Pension Pots will no longer be exempt from the long reach of Inheritance Tax (IHT) and additionally from April 2026, Business Property Relief, currently 100% will have a limit of £1M per person, the surplus being subject to IHT at 20% from April 2026. The normal rate of IHT is 40% which is charged on the value of the assets once all the available allowances have been used.

Whilst FG Burnett cannot assist in your detailed IHT planning, we can however provide accurate up-to-date valuations of your commercial property assets in order to assist you to navigate the extremely choppy Inheritance Tax waters and best plan for the future.

In addition, we can also provide valuations of property assets for IHT as at the date of death for Confirmation purposes. These valuations require to be undertaken in accordance with the specific provisions within the Inheritance Tax Act 1984 and are then subject to scrutiny by HMRC. It should also be noted that these valuations then act as base values for any future Capital Gains Tax liability.

A number of our clients have approached us to prepare valuations for this very purpose, and we would strongly recommend you speak to your financial advisers to discuss your options. The Valuation Team at FG Burnett is on hand to provide your advisors with the relevant valuations to assist with this process.

Should you require to discuss, please contact: -

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