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Is fixed property in a trust still viable?

There's the costs—and, of course, there's the tax issues...

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FOR MANY years, the high transfer duty rate applying to trusts made it less attractive to purchase fixed properties in trust, a situation that changed (quite unexpectedly) for the better when on 23 February 2011 the transfer duty rate for trusts was adjusted downwards to the same more favourable rate as those for natural persons.

However, just as unexpectedly, in the 2012 Budget, Capital Gains Tax (CGT) inclusion rates were increased, resulting in trusts now being exposed to a maximum effective CGT rate of 26.7% compared to those of 18.6% and 13.3% for private companies and private individuals respectively.

Concerns have subsequently been raised that ownership of fixed property in trust as a way to create, protect, utilise, and transfer wealth may have been dealt a crippling