

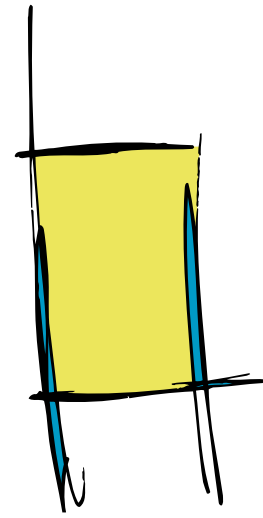
# HOME OWNERSHIP FORM

All purchasers have to read this page & check if the form applies to them, if it applies to them they must:

- First read the notes on English property law below
- Second, choose below how to hold their property
- Third, complete the short questionnaire below if applicable
- Fourth, return this form to us prior to exchange.

Please tell us if you are unsure what to do.

We will not exchange contracts on your purchase until you return the form to us completed and signed.



Woodford  
Stauffer

Solicitors

## DOES THIS FORM APPLY TO YOU?

1. This form applies to you if you are buying the house with one or more other person (s) who will live there. It does not matter whose names the property will be in. This form also applies if one or more other persons are contributing to the purchase price either by giving you a lump sum or helping with mortgage payments or contributing towards renovations, even if that contributor is not living there.
2. If this form applies to you, you **MUST** complete the questions below in full and return it to us as soon as possible. You can only complete the questions below after first reading the brief notes below about English property law.
3. This form is usually less important for married couples, but we still require those couples to complete it. The great majority of married couples do opt for joint tenancy – they assume they will always live together and, in the event of their death, they will want to gift a strict 50% share automatically to the surviving spouse.

This form will not apply to you if you will be the only owner, and the only one living at the property and no-one else is contributing financially to the purchase or mortgage.

## STEP ONE:

Please read these notes: **English property law – How it applies to you.**

Note: under English Law, for property owners who are not married it is vital that the shares in which they own the property are stated up front at the time of purchase. Failure to do that can result in you not getting out your fair share of the proceeds. This can also apply to people not living at the property but who have made some financial contribution to the purchase.

**Under English law, there are two ways you can own a property. These are as follows:**

1. Joint tenancy – the most distinctive feature of a joint tenancy is that when one of the joint tenants dies, his or her interest passes automatically to the surviving joint tenant(s). A joint tenant cannot, therefore, leave his or her interest in the property by a Will. Another important characteristic is equality. All joint tenants have exactly the same interest in the property. It is irrelevant that they may have contributed towards the purchase price unequally. If the property is sold, they will be entitled to an equal share of the proceeds, unless in unusual circumstance they can prove that they intended to hold in unequal shares. A joint tenancy can be converted into a tenancy in common at any time. The most convenient method is to serve a document called a Notice of Severance on the other joint tenant(s). This is usually done if the parties decide to separate so they each want distinct shares in the property.

## STEP ONE: (cont.)

2.Tenancy in common – under a tenancy in common, the interest of each of the joint owners is treated as a separate piece of property. A tenant in common, unlike a joint tenant, owns a separate “share” in the property, which can be given away under his or her Will. Tenants in common may hold the property in equal shares or in unequal shares. If two people buy a property together but contribute different amounts towards the purchase price, the law will normally presume that they hold it in shares that are proportionate to their contributions, unless the parties had some other intention. However the conveyancing documents which are filed at the Land Registry often do not accurately state the contributions made or the intentions of the parties. This leaves room for later dispute. It is often therefore vastly preferable for all contributors to sign a Declaration of Trust, stating expressly what the shares of the tenants in common are to be. This document is not expensive (currently £230 plus VAT) and we will offer to prepare one depending on your answers below.

### **What if I want to give my share automatically to my partner in the event I predecease him, but want to keep my share should our relationship break down?**

It is possible to have the best of both worlds in the same document. You can own in joint shares now – which covers the position on death of one of the owners, and also to provide that either of you can give notice to the other, in the event that the relationship breaks down, that you want distinct shares which you will agree now. This would be property option 4 at step 2 below.

## STEP TWO:

### **Choose a property law option as to how you will hold the property**

Now that you have considered the above, please choose one of the following options:

- |  |                          |  |
|--|--------------------------|--|
| 1.Joint tenants (without a trust deed)                 | <input type="checkbox"/> | If ticked please go straight to step 4 |
| 2.Tenants in common in equal shares                    | <input type="checkbox"/> | If ticked please go straight to step 4 |
| 3.Tenants in common, in unequal shares with trust deed | <input type="checkbox"/> | If ticked, now complete steps 3 & 4    |
| 4.Not sure. We require further advice                  | <input type="checkbox"/> |  |

## STEP THREE:

### **Please answer this questionnaire only if you chose in the step above, option 3.**

Your answers will help us draft a declaration of trust to protect contributors.

#### **1.Deposit**

Give the name of every contributor and how much they are contributing to the purchase price by way of an up-front deposit. **(whether or not they will live there)**

_____	_____
_____	_____
_____	_____
_____	_____

## STEP THREE: (cont.)

### 2. Purchase Costs

Your purchase will involve costs such as legal fees, stamp duty and search fees. Typically these will be about 3–5% of the purchase price. Have you included these in the above figure or is one of you meeting those in addition to the deposit. If so, please state who?

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### 3. Mortgage

Are you contributing equally to the mortgage? If not, please state the approximate shares you will be contributing (e.g. Richard 60%, Sally 30% & Sally's father 10%) The answers you give will not affect the liability you have if named on the mortgage – any person so named is potentially fully liable to pay the mortgage and for any negative equity.

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### 4. Other Contributions

Will someone (whether they live at the property or not) be making other financial contributions (e.g. renovation, re-decoration) or non financial contributions by way of home-making, child care, instead of or in addition to contributing to the mortgage? If so, please give name and amount/type of that contribution.

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### 5. Children

Will there be any children living at the property? Please tick as appropriate:

Yes  No

If "YES", please state the names of the parents

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**We will advise you of the legal consequences of this, if applicable.**

We confirm that we have understood this form. We understand that any declaration of trust document required will cost from £230 plus VAT. That figure covers the vast majority of cases but we reserve the right to quote higher for some complex cases.

## STEP FOUR

Please return completed form to us.

Signed by Purchasers:

Date:

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