Quick Guide to Trust Deeds

If you are purchasing a property jointly with one or more persons, we recommend that you consider preparing a Trust Deed, otherwise known as a Declaration of Trust. This is a document that defines the terms upon which two or more people own a property. This is especially important if you are making unequal contributions to the purchase price, mortgage payments, or if you are purchasing the property as tenants in common.

Trust Deeds are commonly prepared for cohabiting couples, married couples and for those situations where parents have assisted their children to purchase their first home. Trust Deeds are also popular with people who purchase 'buy-to-let' properties together.

A Trust Deed sets out the contributions made by each party to the agreement and confirms how the sale proceeds would be distributed in the event that the property is sold. The Deed can also set out the procedure to be followed should a decision to sell the property be made, for example if a cohabiting couple decide to separate.

If desired, the Deed can also include a provision which states that should one owner wish to dispose of his/her share in the property, then he/she must first give notice of this intention to the other owner(s), who would then have the right to buy that person's share at market value.

In summary a Trust Deed is a sensible way of ensuring that your contribution towards purchasing a jointly owned property is invested for your benefit.

What should I do next?
Give Sheila or Ben a call and we will be pleased to advise you or your family member at our premises or we can visit you at home, in the Basingstoke area.

Sheila Glyn-Owen, TEP, director at Phillips, direct line 01256 854637
Email: sglyn-owen@phillips-law.co.uk

Ben Holden, TEP, solicitor at Phillips, direct line: 01256 854618
Email: bholden@phillips-law.co.uk

Visit our website at www.phillips-law.co.uk for more information