

Living Together – Co-Ownership

February 2012 Edition

DID YOU KNOW:

LIVING TOGETHER – CO-OWNERSHIP

- 1 There is no such thing as a common law wife or a common law husband?
- 2 You get no rights in property merely by living together, no matter for how long?
- 3 When you buy or lease a house or flat you can set out your shares, rights and obligations quite simply, in legally binding form?
- 4 You can make legally binding promises to each other about such things as mortgage repayments, bills, life insurance and pension provision and Wills?

THE ANSWER - A CO-OWNERSHIP AGREEMENT

You and your partner live together. You don't want to get married or maybe you do, but just not yet. You trust your partner, but you would still like that peace of mind and security that comes with being absolutely sure of your position, both now and in case things should go wrong between you, or worse still, if one or other of you should die.

More and more people are in just your position - and you can give yourself that peace of mind and security at relatively low cost, by entering into a Declaration of Trust, Co-Ownership Living together or Cohabitation Agreement with your partner. A Co-ownership Agreement is a formal document, which we will draw up for you in which you and your partner define your financial relationship with each other.

BUYING A HOME

More and more unmarried couples are buying flats and houses to live in together. What many don't realise is that just by having property "in joint names" or, worse still, in the name of one or other partner, they may be creating problems. They take the risk of unpleasant, time consuming and expensive legal arguments, sometimes years later, about what they intended at the date of purchase. It is upon that intention that their strict legal rights depend.

Under the law as it stands there is nothing the courts can do to alter those strict legal rights, no matter how unfair the result of enforcing them may seem. So when you buy property, it is very important to set out precisely what you intend: who should own what, who should pay what and who should get what if you ever decide to separate. This is also a good time to consider a host of other points, like pension provision, life insurance and mutual Wills.

There are those who say it undermines a relationship to have legal agreements drawn up by lawyers, between couples who are living together quite happily. However if things go wrong, quarrelling about money matters, in an already stressful time of separation, will further undermine the remaining respect or regard, leaving both parties vulnerable. Knowing just where you stand can avoid a lot of quarrels, legal fees and anguish. Remember, there is no romance in losing out or difficulties arising from a misunderstanding. That is why you should put into a legal document the position as you understand it to be now.

YOU CHOOSE WHAT GOES IN THE DOCUMENT

What you put in your agreement is for you to decide. Some couples may wish their financial affairs to be much more tightly regulated than others. The following list could be included:

- Your shares in any home or other property, whether bought before or during your relationship;
- Who owns what among your existing possessions;
- How you are going to pay for and who is to own possessions acquired while you are living together;
- Who pays the mortgage and how: who pays the bills and how; do you have a joint account;
- How you would organise the sale of your home if you split up; provision for one of you to buy the other out - how and at what price;
- How you would split up your possessions on separation;
- Provision for life insurance to cover each of you against the financial consequences of the death of the other;
- Mutual Wills including Appointment of Guardians for any children.
- Your intentions in buying a property together and the purpose for which the property has been purchased.
- Arrangements for your children.

- Who can live at your property, for example adult children, relatives or friends, for how long and on what terms.

- Do you prefer things to be clear and in writing or do you want to rely on a verbal agreement which is difficult to verify or can be misunderstood.

WHY YOU SHOULD COME TO US

We can produce a formal agreement that sets out clearly and precisely, in simple and easy to understand language, all the details of your agreement. What you agree is for you to decide. How you express it to give it legal effect is our responsibility. We can approach drafting the Agreement as a collaborative process, so that you and your partner have a greater understanding of your finances, life and parenting views and expectations. It is better to have a clear understanding now, to help build a successful future and to safeguard a clear, controlled and as a 'good' as possible separation, should the need arise.

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