

## The Benefits of a Declaration of Trust?

A Declaration of Trust is put in place (usually for unmarried couples) to set out the division of any sale proceeds when the property is eventually sold. The Declaration will usually be in unequal shares where one party has perhaps paid the deposit and wishes to 'ring fence' this on a future sale. A note is placed on the property register restricting a sale from taking place without complying with the Declaration of Trust.

### Why Is It Important?

Without a Declaration of Trust, disputes can arise over:

- Ownership shares
- Financial contributions
- Sale proceeds if the relationship ends

This document ensures that each party's intentions and contributions are clearly recorded and legally protected.

### Key Benefits

- **Clarity & Transparency:** Outlines each party's financial stake from the outset.
- **Legal Protection:** Safeguards your investment and reduces the risk of costly legal disputes.
- **Peace of Mind:** Promotes openness and trust, especially during amicable times.

### When Should You Create One?

Ideally, a Declaration of Trust should be signed:

- At the time of purchase.
- Before completion.

### What Can Be Included?

- Ownership percentages.
- Contributions to deposit, mortgage, and upkeep.
- Terms for selling the property.
- How proceeds will be divided.

### Next Steps

If you're considering joint property ownership, speak to TMT about drafting a Declaration of Trust. It's a simple, cost-effective step that can save you from complex issues later.