



Property Transactions: a quick guide

Buying and selling a property in Jersey can be a complicated business. The following information is useful for all types of property transaction in Jersey and the “**In Depth**” guides give greater detail about specific types of transaction.

Protecting yourselves with an equity agreement

An equity agreement is useful for people buying a property together but who are unmarried. You should ask your lawyer to draw up an agreement which protects both parties when the property is sold. The agreement can deal with situations where one person has a larger equity stake in the property than the other, where only one of two people has housing qualifications and also where unmarried couples separate.

Arranging a will

You should speak to your lawyer about revising or drawing up a will whenever you acquire a new property.

Look ahead and advise of any absence from Jersey

During the average three to five weeks that it takes for a property transaction to complete, you should try to ensure you are on the Island to deal with any issues that may arise. If however, you find that you are going to be absent from the Island, you should advise your lawyer of this fact. They will discuss with you the possibility of signing a Power of Attorney document which will enable your lawyer to complete the transaction on your behalf.

Removals

When a completion date has been arranged, you should prepare your belongings for removal from your old property to the new one. If someone is buying your current property, you will be expected to move out promptly, so you should ensure that you are in a position to move quickly.



Services

It will be your responsibility to ensure that electricity, water and telephone services at the new property have been transferred into your name and from your name in your old residence. You should liaise closely with the other parties in the transaction to ensure that this has been done and that the changes will take effect on or as close to the completion date as possible.

Tax

You should speak to an accountant about potential tax liabilities that you may be subject to should you be purchasing with a view to redeveloping for resale.

Fees

You will be liable for your own lawyer's fees as well as those incurred by the bank which has provided your mortgage.

Generally, payment for all legal costs (yours and the banks) as well as repayment for any expenses incurred during the course of the transaction will need to be held by your lawyer by the morning of the date of completion. These funds will need to be cleared and in your lawyer's account.

Your lawyer will provide you with a statement detailing the funds that will be required in order for the transaction to go ahead.

Housing qualifications

One of the first tasks that your lawyer will do is to check with the Housing Minister that you have the appropriate housing qualifications to let you occupy the property. If you have already done this, provide your lawyer with a copy of the documents which show that you have the correct qualifications.

Inventory of Contents

You should ensure that a written inventory of contents is provided along with the deed of sale. This will need to be signed by both parties and should help avoid disputes at a later date.



Stamp duty (not currently levied on share transfer properties)

Stamp duty is paid on every contract that passes before the Royal Court and all loans that are secured against a property. It is always paid by the purchaser.

There are certain discounts available for stamp duty such as first time buyers' discount. You should ask your lawyer to check whether you are eligible for any discounts.

Dealing with the different types of property transaction

What types of property transaction are there?

There are three different categories of property transaction available in Jersey:

- i) Share transfer**
- ii) Flying Freehold**
- iii) Freehold**

The first two categories (share transfer and flying freehold) are generally used for apartments or other types of property where co-ownership of buildings that have been divided into separate dwellings, is necessary.

The third category, freehold, gives the owner full title over the whole of a property.

Can I choose which method to use for my transaction?

It's unlikely that you will be able to choose your method for purchasing a property as this will be decided by the vendor. However, if you are selling a property you are in a position to make this choice but beware, if, for instance, you decide to break up a single property into a number of units for resale as share transfer or flying freehold, there will be significant administration and legal costs involved.