

TRANSFER OF EQUITY

Pardoes Solicitors will provide clear advice and assist with any transaction that requires a person to be added or removed from the legal title of the property; known as a Transfer of Equity.

Please see related information about Remortgages if the transaction will also involve a person to be added to or removed from the current mortgage.

If you would like to discuss any aspect of a transfer of equity, please contact our team at your local Pardoes office.

What is a Transfer of Equity?

A Transfer of Equity is when a jointly owned property is transferred to a single owner, or when a single owner adds one or more people to the ownership of the property.

A Transfer of Equity may be for value or by way of a gift.

Stamp Duty Land Tax (SDLT) is payable on any **"chargeable consideration"**. Consideration is the amount paid for the interest in the property or the additional debt assumed.

For example, if there is an existing mortgage on the property of £400,000 and the property was being transferred from one person into the joint names of the owner and their partner the following would apply: the Transferee would be deemed to have assumed half of the mortgage debt, being £200,000. They would therefore have to pay SDLT on that amount.

“Your representation was excellent, explaining the legal terms and providing an effective service.”

Why would I need a Transfer of Equity?

There are various different reasons why you may choose to enter into a Transfer of Equity. Some of these might include:

- Adding a partner's name to the title of the property if you have married
- Removing an ex-partner's name from the title of the property if you have separated or divorced
- Altering the percentage share owned by each owner of the property
- Parent is "gifting" the property to their child/children
- Transferring the property between family members for tax planning purposes

How do I go about it?

Follow the steps below and we'll soon have everything in place:-

- Instruct us to open your file
- The title of the property will be reviewed
- The Transfer of Equity Deed (which contains the legal formalities as to ownership of the property) will be drafted and agreed between all parties
- The Transfer of Equity Deed will be signed
- Completion will take place
- Pardoes will complete the SDLT return on your behalf, if required; a stamp duty return is needed if the value of the transaction is above £40,000
- Post completion. The property will be registered in the names of the new owners at Land Registry