

What is a Transfer of Equity?

A transfer of equity is the legal process when the ownership of a share or interest in a property is transferred from one person to another. There are many reasons why a property owner may want to amend the legal ownership. The most common circumstances giving rise to the need for a transfer of equity are:

- **Divorce or separation:** After a divorce, the divorcees may have to transfer a jointly owned property back so that only one of them owns it.
- **Marriage or living together:** When two people are getting married or living together and there is a property that is owned by one of them then they may want to transfer it into joint names.
- **Tax:** In certain circumstances, accountants may advise their clients to make a transfer of equity to their children or other family members. The sharing of ownership can be more beneficial from a tax perspective.

If the property has a mortgage on it then the lender's consent will be needed. The person acquiring the share may also require further funding which will involve extra work.

Although transfers of equity seem straightforward, the process is still a legal one and on occasions can be complex. It is essential that you instruct a solicitor to help you through the process which will involve preparing the legal documents (including the transfer deed), updating the Land Registry records and assessing the transaction for Stamp Duty Land Tax implications.



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