



DECLARATION OF TRUST



Q. What is a declaration of Trust?

A. Declaration of Trust is utilised where more than one person is involved in buying or investing in a property and the Deed seeks to set out the clear contributions and responsibilities of all parties concerned in the transaction. It is a legally binding document which stipulates the division of ownership of a property. It is used by individuals who have contributed different amounts towards the purchase of a property to ensure that when the property is sold, all parties will receive an amount equal to their initial contribution.

Q. Why should I have one?

A. Declaration of Trust is a simple agreement which allows you to protect your investment in a property. If you have invested more towards a purchase than the other party(s), the agreement can allow your investment to be repaid before the remaining proceeds of sale are distributed.

When you purchase a property, there is a large amount of money involved and it is beneficial to have a written agreement in place that not only protects each individual's investment but, reduces the likelihood of any of disputes.

Q. What if I make contributions towards the maintenance and upkeep of the property after completion of the purchase?

A. Declaration of Trust can cover other contributions and not just your initial contributions towards the purchase of the property. These can include things such as, finances, bills, upkeep and any changes in the value of the property. Any agreements in this regard should be explicitly detailed within the agreement.

Q. How many people can be party to the Declaration of Trust?

A. There is no limit on the number of people that can be party to the Declaration.

Q. Will my Declaration of Trust be registered?

A. Declaration of Trust can be registered at HM Land Registry. This will place a restriction on the title, so when the property is being sold, the stipulations within the Deed must be complied with.

Q. Can I change the terms of the Trust/terminate the Trust?

A. The terms of the Trust can be updated if agreed by all parties and HM Land Registry can be notified of such changes. However, the process of bringing the Trust to an end is not straight forward, all parties must be sure that this is what they want to do before the process is commenced.

If you have any other questions please do not hesitate to contact our expert team here at Savage Silk

This is not legal advice; it is intended to provide information of general interest about current legal issues.

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to make an appointment with
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