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WARDS
SOLICITORS

InBrief

www.wards.uk.com | Issue 16

BUYING A PROPERTY? LIVING TOGETHER?

*Why good advice
is crucial*





Our Online Services

As well as keeping you up to date with news from the legal world, Wards Solicitors website has an extensive range of online services to help you, including:

- **Legal Guides** extensive information on a wide range of topics
- **Book a meeting** in most instances, the first one is free
- **An online Will service**
- **A divorce enquiry form** make sure you have all the information needed for our first meeting with you
- **Personal injury form** the details we need to help you
- **Conveyancing calculator** an easy way to work out the cost of your move

WARDS

SOLICITORS

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BUYING A FIRST HOME

The 2017 way...

FIRST TIME BUYERS DESPERATE TO GET ON THE PROPERTY LADDER ARE NOW SEEKING FINANCIAL HELP FROM AN INCREASING NUMBER OF SOURCES.

Parents, grandparents, siblings, other relatives, friends as well as Help to Buy and shared ownership schemes are now all in the mix.

- Almost half of first time buyers expect to need help from at least three different sources – including gifts and loans from parents, grandparents and other relatives, buying with friends or siblings, Help to Buy schemes and shared ownership;

- An incredible 70 per cent expect to need at least two additional means of financing their purchase.

But alarmingly, 33 per cent of joint buyers would not put a legal agreement in place, despite putting down uneven deposits, and 18 per cent say the reason for this is a fear of upsetting the other people involved – even though it puts them at risk of not getting their fair share if things fall apart and the property has to be sold.

Your local legal specialists with 11 local offices

- At Wards Solicitors we have highly qualified and experienced conveyancers who really know the area they work in and who will provide you with a quality personal service.
- With an extensive branch network, we offer friendly local advice and clients are welcome to drop in.
- We are easy to work with and accessible, irrespective of where you live.
- We hold the Law Society Conveyancing Quality accreditation.

NEW BUILD HOMES MAKE SURE YOU CHECK THE FREEHOLD

AN INCREASING NUMBER OF BUYERS OF NEW HOUSES, FLATS AND SHELTERED HOMES FOR THE ELDERLY IN ENGLAND AND WALES HAVE BEEN CAUGHT OUT BY DEVELOPERS SELLING HOMES AS LEASEHOLD WHEN THEY PREVIOUSLY WOULD HAVE BEEN FREEHOLD.

The buyers are initially reassured by being given long, 999-year leases but when they enquire about buying the freehold later, find it is prohibitively expensive.

Alarming examples include:

- A 22-year-old who, seven years after the purchase of a £155,000 new-build home she had acquired with a 999-year lease, tried to buy the freehold only to find that the developer has sold it to another company who wanted £32,000.

- A woman who bought a house built by a developer in 2011 with a 999-year lease. When she later tried to buy the freehold, which had again been sold to another company, she was told it would cost her £40,000, one third of the property's value.

Historically, annual ground rents on properties with a long lease were low, often around £5, so there was little value in reversion to freehold.

But now ground rents are much higher, often around £300 a year, with a contract saying this will double every 10 years – valuable income for the company that buys the freehold.



How to avoid problems with leasehold

If you buy leasehold, in legal terms you are actually a tenant and not an owner. Any prospective buyer should:

- Have a close look at the charges – not just the price of the property – and check whether the homes are being sold leasehold or freehold.
- Study the fees if leasehold, which should include annual service charges, buildings insurance and ground rent.
- Consider walking away if the ground rent is more than £150 a year, says property expert Sebastian O'Kelly who set up the charity Leasehold Knowledge Partnership.

BOOST YOUR WAY UP THE PROPERTY LADDER

With one of the new schemes on offer

IT'S OFFICIAL, THE PROPERTY MARKET IS BUZZING AGAIN. ACCORDING TO THE LAND REGISTRY, THE NUMBER OF RESIDENTIAL PROPERTY TRANSACTIONS IN ENGLAND AND WALES HAS INCREASED BY 44 PER CENT – FROM 1,429,000 IN 2012 TO 2,060,000 IN 2016.

SO, WHAT'S NEW OUT THERE TO HELP GET YOU ON THE PROPERTY LADDER?

Starter Homes – coming soon

If you're a first time buyer between the ages of 23 and 40, this scheme could help you buy a new-build home with a minimum 20 per cent discount. The 200,000 homes are to be constructed by developers taking advantage of the Government's offer to build on cheaper brownfield commercial land whilst waiving taxes.

You can register your interest on the New-Homes website.

Lifetime ISA – available from April 2017

This offers a tax free boost of up to £1,000 towards either buying your first home or saving towards retirement. Savers under 40 can put away up to £4,000 each year which the Government will then boost by giving 25p for every £1 saved and then paying the bonus directly into the ISA at the end of each tax year. This can then be used towards your first home up to a value of £450,000 or towards your retirement when you are over 60.

Other schemes currently running include:

- Help to Buy
- Help to Buy Equity Loan
- Shared Ownership schemes
- Right to Buy

Help to Buy ISA

Claim your bonus faster by using an eligible conveyancer

Wards Solicitors' is a registered member of the scheme and already set up to claim any bonus on behalf of a buyer, meaning the process is quicker than using a conveyancer who has not signed up.

The incredibly popular scheme was launched in December 2015 with the Government giving first time buyers who use the ISA, £50 for every £200 they save up to an overall maximum of £3,000.

The bonus can be put towards homes with a purchase value of £250,000 or less (£450,000 in London), bought with a residential mortgage.

What every cohabiting couple should know

THE LATEST FIGURES FROM THE OFFICE FOR NATIONAL STATISTICS SHOW THERE ARE NOW 3.3 MILLION COHABITING COUPLE FAMILIES IN THE UK. THIS MAKES IT THE FASTEST GROWING FAMILY TYPE WITH THE NUMBER MORE THAN DOUBLING IN THE LAST 20 YEARS FROM 1.5 MILLION IN 1996.

Although surveys continue to show that almost half the British public believe cohabiting couples have protection in common law, in actual fact they have none of the legal rights of married couples.

Despite repeated calls for a change in the law, it is still possible to live with someone for decades, have children together and then simply walk away without taking any responsibility for a former partner when the relationship breaks down.

HOW TO IMPROVE your legal position

- ✓ Think about drawing up a legal cohabitation agreement to determine how much each partner pays, for example, towards the rent or mortgage, bills and child care both during the relationship and if the relationship comes to an end.
- ✓ Make a will – despite changes to the law in 2014, you do not automatically have rights to your partner's estate if they die without leaving a will. Make sure you both have a valid will in place and keep it up to date.
- ✓ Use sound legal structures for property contracts. When buying a home together, decide whether to arrange the contract as joint tenants or tenants in common. Under joint tenancy, both partners own the whole property; if you are tenants in common you will each own a specified share and can leave your share to whoever you wish in your will.

Stay up to date

To keep on top of the law relating to cohabitation, keep an eye on our website – wards.uk.com – where we are constantly updating articles on this subject.

And take a look at our legal guides particularly 'Buying a house together? Understanding cohabitation and joint property ownership'.





When you're married to the job

GETTING DIVORCED IS HARD ENOUGH BUT WHEN THERE'S A BUSINESS INVOLVED, IT CAN MAKE THE SPLIT EVEN MORE DIFFICULT, COMPLICATED AND PAINFUL.

In England and Wales, businesses can be considered as 'matrimonial assets' and are a key consideration when a couple split. The family courts, not the commercial courts, deal with all related issues, whether the business is a trading firm, a company or a partnership.

Without legal documentation, for example a pre-nuptial or shareholders agreement, the starting point is usually that joint assets are divided down the middle and this can include business interests. How businesses are dealt with is specific to the individual case

but even small businesses can be relevant to the outcome.

Where to begin

It's important to take advice from a specialist family lawyer as well as an accountant to try to ensure that the settlement reached is fair to both parties.

Aspects to consider include to what extent each party is prepared to share the income from the business as well as to share the ownership of the business plus future retirement plans and passing on the business to any children.

Inevitably, the business itself will come under intense scrutiny – things like how much income it produces and the liquidity within it. In some cases, it will need to be valued.

Often, the business owner will want to retain the business and compensate their former spouse with a larger share of other assets and maintenance and if at all possible, the courts will try to do this.

Just in case

When happily married, no-one ever wants to look ahead to shoring things up in case the relationship turns sour later – but it is worth making a few precautionary preparations including:

- Setting up a pre-nuptial or post-nuptial agreement to help limit claims against a business;
- Drawing up a founders' agreement setting out what is to happen if you divorce;
- Making sure you keep your business assets separate from your private assets if at all possible;
- Considering sharing ownership of a business with other parties.



Neighbours...

talk before you go to court

THERE ARE MANY TIMES IN LIFE WHEN SITTING DOWN TO TALK A PROBLEM THROUGH CAN WORK WONDERS – AND JUDGES FIRMLY BELIEVE THIS IS THE CASE WHEN IT COMES TO NEIGHBOURS WHO FALL OUT.

A growing number are now calling for mediation when it comes to neighbour disputes to save the aggrieved parties from battling it out at vast expense in the courts.

Some judges have even suggested it might be time for the courts to help sort things out by standard direction – meaning court proceedings could be stayed for a couple of months in order for mediation to be attempted.

Expensive arguments

- One couple have accumulated a legal bill of £70,000 – so far – because of a row with their 83-year-old neighbour over who owns the hedge between their properties.
- Neighbours in Cheltenham argued over a six metre patch of land for two years running up costs of £160,000.
- A dispute over who was to pay the £4,000 bill for a blocked drain left next door neighbours facing court legal costs of more than £300,000.
- A couple who pulled down a neighbour's fence during a boundary dispute which lasted years was ordered to pay massive legal costs which meant they had to sell their home after pursuing their claim to the High Court

Having problems with your neighbours? What to do...

1. Talk to them informally and see if you can resolve the problem
2. If your neighbour is a tenant, you could complain to their landlord if you know who they are
3. Consider mediation. Contact us for a copy of our legal guide 'Understanding Mediation and Alternative Dispute Resolution'
4. If your dispute is about boundaries or shared party walls, you can get free advice from the Royal Institute of Chartered Surveyors (RICS)
5. If all else fails, we can help you take action through the courts

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LATEST NEWS ON PROBATE FEES



CONTROVERSIAL PROPOSED PROBATE FEE INCREASES HAVE BEEN SCRAPPED BY THE GOVERNMENT BECAUSE, IT SAYS, THERE IS TOO LITTLE PARLIAMENTARY TIME BEFORE THE SNAP GENERAL ELECTION TO PUSH THE LEGISLATION THROUGH.

The move – which could lead to the changes being dropped altogether - follows pressure from organisations including Solicitors for the Elderly (SFE), a body of which the majority of Wards Solicitors' probate team are members.

The proposed changes – from which the Treasury stood to gain an extra £1.5 billion - would have affected most estates from May this year. Instead of the current flat rate of £215, or £155 if applying through a solicitor; a new band of charges was set to be introduced meaning that the more an estate was worth, the bigger the probate fee beneficiaries would have to pay.

Executors for estates worth between £500,000 and £1 million, for example, would have had to pay £4,000 and estates valued at over £2 million would have incurred a charge of more than £20,000 representing a staggering 12,900 per cent increase.

Jenny Pierce, head of the Wills, Probate and Mental Capacity team at Wards Solicitors and regional coordinator for SFE in Bristol and Bath, said: "We are delighted to hear the proposed probate fees have been

dropped. It was clear from the outset that the new system was nothing more than a backdoor tax and Government had abused its powers in pushing them through under the guise of a fee."

Our website – www.wards.uk.com – carries all the latest important legal news as it happens and has followed the proposed increase to probate fees, and the controversy surrounding them, from the start.

Key times in your life to make or update your will.



Buying a house



Getting married



Moving in with a partner



Getting divorced



Having children

The work done by Wards Solicitors has been recognised by two important legal guides:

- Three recommendations in the independent Legal 500 2016 guide for Clinical Negligence: Claimant, Contentious Trusts and Probate and Personal Tax, Trusts and Probate;
- A recommendation in the Chambers Guide 2017 for Personal Injury work with Alison Underhill, Head of the Accident and Injury Team, and Partner, Helen Boyd, both recognised as notable practitioners.