

# Co-habitation agreements - Protecting unequal contributions

If you are about to buy a property with another person, whether you are in a romantic relationship, friends or it is a commercial proposition, and you intend to make unequal contributions to the purchase or the outgoings on the property, you should record those unequal contributions to address what will happen when the property is sold.

Protection may be required if any money for its purchase is being loaned or gifted. People who make loans or gifts may find that the money they have advanced is taken by the recipient's partner in the event of separation and that no credit is given for the source of the money.

Even if the prospective property is not being purchased in joint names, without protection, potential claims could be made against the property even though they are not on the title of the property. Such claims can be avoided with a little careful planning.

### Warnings

- In the event of a dispute, it can be an uphill struggle to go behind the title to the property whatever contributions you may have made since it was bought.
- It is important that any joint property is held legally in the appropriate way to reflect your wishes, particularly if unequal contributions are to be recognised.
- Without protecting unequal contributions properly they will not be recognised which can result in a significant financial loss.
- If you are purchasing a property which will be a home for another, even if they are not contributing to the purchase and it is not intended that they have an interest in the property, it is important that this intention is properly recorded to prevent any claims being made against the property in future.
- Litigation is costly, time consuming, stressful, and risky. Having legal certainty as to what will happen will avoid this.
- The legal landscape will change significantly if you are married or are in a civil partnership, or intend to be. Children can also affect matters.

Our Family Department has the skill and expertise to draft bespoke agreements for those that are intending to co-habit. Agreements that are badly drafted without legal knowledge can sometimes be worse than having no agreement at all. Engaging a professional in these circumstances is a must and will be cheaper than the potential financial loss that could arise from a poorly drafted agreement.

Our solicitors will assess your needs and recommend an agreement that is suitable for you. They will explain what is required and draft a bespoke agreement to satisfy your requirements.

**If you are contemplating purchasing a property jointly with another, or you are intending to co-habit, do speak to a solicitor in our Family Department on 020 7631 4141 or at [family@bishopandsewell.co.uk](mailto:family@bishopandsewell.co.uk) to see how we can help to ensure that your position is protected.**

### Consider

- A deed of trust and/or a cohabitation agreement to record your contributions and what you would want to happen when the property is sold.
- A co-habitation agreement to record your contributions, what will happen when the property is sold or on separation and regulate other matters such as how the outgoings on any property are to be met.
- Making a will to stipulate what would occur in the event of death

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