

A guide to managing a delayed property possession

By Viberts
legal assistant,
Irene Blöch



YOU have found your dream property or perhaps you have an eager buyer for your home or investment property. However, either you, your buyer or perhaps your tenants are not able to move just yet. It could be Covid-related or personal circumstances. It could be that works need to be carried out to the home or perhaps more complicated reasons such as finding a specialist mover to transport your grand piano and artwork. So, what happens when the sale and vacant possession are not on the same day or even the following weekend? You will either become a tenant in your own home or the landlord of your new property. If you do find yourself in this situation what do you need to be aware of during that interim period when you are either a 'tenant' or 'landlord'? Clarity avoids disputes, and the terms of an agreement between a 'landlord' and a 'tenant' matter. The following guide provides an overview of some of the areas you should consider – whether the arrangement is for a few days, weeks, or even months:

The finances

In order to pay for the new home, your lender may need to approve the arrangement. They may have policies detailing what is or is not permitted with regards to an owner/occupier mortgage.

While some lenders may be willing to temporarily suspend those policies some may flatly refuse to even consider the arrangement. Check first before you plant the seed of expectation with either your buyer or seller.

Is the property in a 'chain'?

Your home purchase or sale may be one transaction in a chain of transactions. What you agree with your seller or buyer may suit you but may not meet the requirements of other parties in the chain. There have been instances where one party ends up having to live in temporary accommodation until the new home becomes available.

Lease agreements

Ensuring that there is clarity particularly matters if the protections or obligations under the Residential Tenancy (Jersey) Law 2011 do not apply.

Here are a few things to think about:

Rent

- Beware, the rent paid will be taxable as income.
- Will rent be payable weekly or monthly and in advance or arrears?
- Will it be repaid if the occupier moves out earlier than expected?

The term of the agreement

Make sure you agree:

- how long the arrangement is for;
- that the other party will move out at the end and take their belongings with them; and
- on what terms any extension will be negotiated.

Beware, that if the other party knows you will be homeless, that they will possibly be in a position of power during any negotiations.

Insurance

Make sure that you check your insurance policy and that the arrangement will not invalidate the terms of your cover policy. There may be an extra premium to pay and your cover may exclude aspects such as accidental damage to the contents of the home.

Utilities and parish rates

It may seem obvious, but do not forget to state who pays for what in your agreement. For example, in Jersey, parish rates are the responsibility of the owner and occupier of the property on the 1st of January each year. The contract of sale will normally apportion that bill between the seller and the buyer. The owner's rates should become the responsibility of the

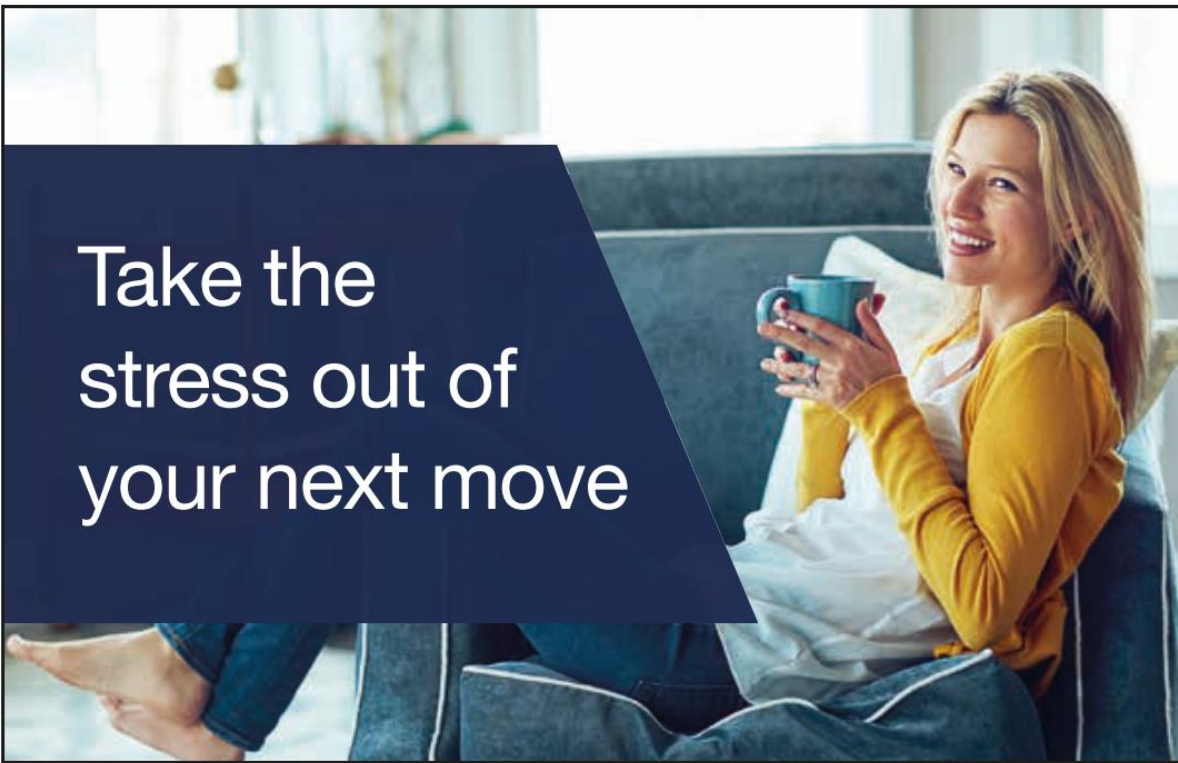
buyer from the moment the contract is passed. Occupiers rates ought to be the responsibility of the occupiers until they move out.

The condition of the property

Most complaints resulting from these arrangements are not to do with the payment of rent but with the condition of the property at the end of the arrangement. It is therefore recommended that before the arrangement starts:

- You make an inventory of anything valuable in the property;
- Take photographs (and perhaps even make a video) to evidence the current state of the property. Make sure to record cracks, marks, scratches, holes and to include all the rooms as well as the outside of the property. These photographs should be agreed by both sides as a good reflection of the current state of the premises. If you are particularly concerned or the property is very valuable, you could arrange for a surveyor to prepare a formal schedule of condition.

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01534 888666
property@viberts.com
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