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Leaving a charitable legacy through your will

Many charities have suffered during the pandemic, as they have not been able to organise fundraising events or collections, and have had to draw on their reserves to keep going.

Susan Hall, head of wills and probate, highlights tips on leaving a charitable legacy through your will.



Options for giving

You can use your will in different ways, for example by making a one-off large gift; leaving the entire estate or a percentage of it to charity; or creating a charitable trust.

Creating a charitable trust is more complex and will require some thought as to the terms of the trust and appointment of trustees. However, this can be a particularly useful tool to ensure your particular wishes will be put into effect after you have died.

The underlying objective will be to maximise both the value and the impact of the donation you intend to make.

Beneficiaries

If your chosen charity has local branches, committees or even a social enterprise, care will need to be taken to ensure that your money goes exactly where you want it to go.

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With the continued economic uncertainty, it is natural to wish to hang onto our financial reserves in case money is needed to fund our later years, even if we still wish to support good causes. One way to achieve this is to include a gift to a charity in your will, and many charities rely on legacies as a cornerstone of their fund-raising strategy.

'If you are thinking of making a philanthropic gesture in your will, you have the power to make a remarkable difference to those in need,' explains Susan Hall, a private client solicitor with Myers & Co. 'It can have tax benefits, but it is vital to take specialist legal advice to guard against unexpected consequences or legal action by your family after your death.'



Employment



Business



Litigation



Commercial Property



Residential Property



Wills & Probate



Wealth

< This means considering whether you want the charity itself to benefit generally or whether, for example, you want to leave a large amount specifically to your local branch.

Appointing trustees

Think carefully about who to appoint as trustees of any charitable trust fund. As the stewards of a substantial sum of money after your death, they will need to fully understand their administrative and legal duty in ensuring your wishes are carried out.

They must be trustworthy and able to act in accordance with the charity's governing rulebook or code. As well as individual trustees, you can consider appointing a solicitor as a professional trustee.

Inheritance tax benefits

Any charitable donation in your will can also reduce your estate's inheritance tax bill, as money given to charity under a will is exempt from inheritance tax.

The UK tax regime provides a small incentive to give: if you gift more than ten per cent of your estate to charity, the inheritance tax due on your net estate (excluding charitable giving) is payable at the reduced rate of 36 per cent instead of 40 per cent.

However, to qualify for tax relief the charity must have 'charitable purposes for the public benefit' such as education, religion, relieving poverty and health; but again, you need to take care. For example, if you leave a significant lump sum to the National Trust, but you direct that some of it is to be used to fund the running of its shops (ie a non-charitable purpose), the legacy may not be exempt from inheritance tax and your estate could be hit with a large tax bill.



Avoiding a dispute

You must take particular care if you have not discussed your philanthropic goals with your family and if you think it might come as a surprise to your spouse or your children who could be counting on an inheritance.

One of the most common triggers for a dispute over a will is where a child has either been excluded under the will terms or not properly provided for.

It is important to understand that the courts are increasingly willing to allow inheritance claims by adult children, and you should consider carefully whether you have any legal obligation to provide for them. Similarly, if you have any dependents such as a cohabiting partner or a disabled relative, you need to ensure they will be properly provided for.

For further information, please contact Susan Hall on 01782 525001 or email susan.hall@myerssolicitors.co.uk

Improving our accessibility

We have been working on improving accessibility for clients who have a disability.



Sometimes disabilities are invisible.

We recognise not every disability is visible, and so we have a policy of asking all clients if they have any specific requirements for a meeting or visit. We will not make assumptions based on appearances.

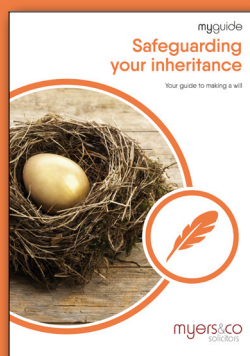
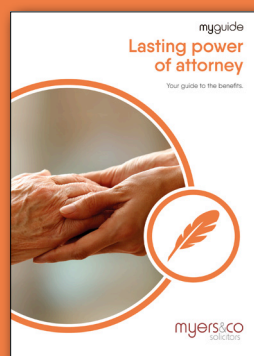
Although we work in an historic building which was not designed for modern access, we have made adjustments to make your visit as comfortable and stress free as possible.

Our accessibility team leader is Susan Hall and if you have any particular problems or suggestions, you can contact her: by telephone on 01782 525001 or email: susan.hall@myerssolicitors.co.uk



Request your free guides

To request our free guides on making a will or a lasting power of attorney, call us on 01782 577000 or email info@myerssolicitors.co.uk



The hidden costs of leasehold property

Our head of residential conveyancing Rachel Silvester looks at some of the issues which you need to consider when purchasing a leasehold property.



Ground rent

As a leaseholder, you will almost certainly have to pay ground rent. Traditionally, this is usually a small amount, for example, £100 per annum, or even a nominal 'peppercorn' amount.

However, in recent years, some developers have used ground rents to create an additional income stream which they sell on to investors. Instead of moderate increases over the lifetime of a lease, the ground rent increases exponentially. Formulae, which may appear innocuous, can prove punitive. For example, an initial ground rent of £200 which doubles every five years will be £6,400 by year 25.

Recent changes in the law mean any new ground rent should only be for a token amount. This is good news if you are buying a new build or a conversion, but it will not affect existing leases.

Service charges

Service charges are levied to ensure all leaseholders in a building contribute to the cost of maintaining shared facilities. The lease should clearly set out which services the landlord must provide, and the mechanism for funding and delivery should be fair and reasonable.

When viewing a leasehold property, ask about the management of common parts and service charges. It is easier to avoid buying into potential problems than resorting to your legal rights to sort them out later.

Ideally, the service charge should spread the costs evenly over time, so all leaseholders contribute based on their period of usage, not just when an item of expenditure arises. Under-provision in the past could mean disproportionately large increases later. For example, replacing a capital item, such as a roof or service lift, can be expensive.

There should be a pre-existing fund for the replacement of capital items. However, if there are insufficient reserves, then you and the other current owners may have to make up any shortfall or pay for the replacement.

It is important to ask about planned expenditure and the building's maintenance, so that you could then form a more accurate view of the likely costs in the future.

Consents

Freeholders can use their homes freely, subject only to planning and other laws. In contrast, as a leaseholder, you will be more restricted, and you may need to apply for your landlord's consent for certain things. For example, if you want to make structural alterations. Generally, they will not be able to withhold consent unreasonably, and their costs for dealing with your application must be reasonable.

Cladding

Your survey and solicitor's enquiries should reveal any problems with cladding. Some properties, although affected, may have a satisfactory remediation plan in place, with the landlord paying for the works or the cost discounted in the price. If necessary, we will clarify these matters so that you can then make an informed decision on how to proceed.



Rachel can help you with:

- buying a house or apartment;
- buy-to-let;
- equity transfer
- property disputes;
- remortgaging a property;
- selling a house or apartment; and
- shared ownership.

Rachel can be contacted on 01782 525016 or email rachel.silvester@myerssolicitors.co.uk

Request your free guide

To request our free guide on buying or selling your home call us on 01782 577000 or email info@myerssolicitors.co.uk



Regaining possession of a buy-to-let property

Buy-to-let landlords have had to cope with a slew of new rules and regulations over recent years, and the pandemic meant that many of the usual mechanisms for dealing with a problem tenant were not available.

Sarah Everton, solicitor, writes about regaining possession of a buy-to-let property.



Coping with non-payment of rent has been a particular challenge. Sometimes a dispute, such as breach of contract or an argument over repairs or condition, has gone beyond an amicable solution. Occasionally a landlord may need a property back to meet their own housing need, or for redevelopment.

Whatever the circumstances, the rules regarding repossession and eviction are complex but our experienced dispute resolution solicitors can assist and advise you on:

- the grounds on which you can seek a possession order entitling you to carry out an eviction;
- the notice period you need to provide to the tenant in order to comply with the current rules;
- the form of notice you must give, which will depend on the grounds for possession and the type of tenancy;
- the information to gather in support of your application, which will include an up-to-date rent account for the last two years where possession is sought due to rent arrears;
- the process you will need to go through to achieve eviction in the event the tenant refuses to leave on a voluntary basis;
- whether it might be helpful for you and your tenant to attend an independent mediation which, if successful, could negate the need for a possession order to be made;
- how long you are likely to have to wait for the court to make a possession order, where required; and
- whether there is anything you can do to speed up the eviction process once an order for possession has been made, including transferring the case from the County Court to the High Court to avoid having to wait for a bailiff to become available to assist.



If you are a landlord who wants to regain possession of a rental property in the near future, then contact Sarah Everton on 01782 525012 or email sarah.everton@myerssolicitors.co.uk for an informal discussion about the situation and your objectives.