

Share Transfer Residential Property in Jersey

GUIDE

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This guide explains the steps in a share transfer transaction.

Reaching an agreement

Any offer should be made *subject to contract* as you could unwittingly bind yourself to the purchase.

Once you have agreed a price for an apartment, the seller's lawyers will prepare the sale documents.

This will include a share sale agreement to provide for the sale of a block of shares in a company (**Company**) which owns a property or a development (**Property**). The shares in the company will be divided into blocks which give rights to occupy and use a specific apartment/store/parking space at the Property.

Consents

You do not need consent under the Control of Housing and Work (Jersey) Law 2012 (**CHW Law**) to acquire shares so, even if you do not have housing qualifications, you can purchase a share transfer apartment.

Permission is required under the CHW Law to occupy the apartment (save for a few developments that fall outside this law) so if you are intending to occupy the apartment you must obtain a Registration Card from the Population Office confirming your housing status.

If you wish to carry out any works to the apartment, Planning and Bye-law consent may be required as well as the consent of the other shareholders in the Company so you should investigate this prior to purchase.

The Company

The Company operates under its Articles of Association which sets out the rights and obligations of the shareholders as regards the maintenance and use of their apartments and the Property.

The Company will decide the appropriate level of expenditure for maintaining the structure and common parts of the Property, insuring the Property, cleaning and lighting the common parts and this expenditure is recovered from the Shareholders, usually by way of a regular service charge. The Company is responsible for implementing buildings insurance cover for the Property and each shareholder is responsible for insuring their own contents.

Please bear in mind that levels of service charge will fluctuate and that the amount that is payable when you buy could be increased or decreased at any time should the Company decide that this is necessary.

The Company can introduce House Rules to regulate the use of the apartments and the Property.

The Company's business is managed and administered by the Directors and a Secretary is appointed to deal with day to day administration and to assist with the transfer of shares. For larger developments a professional secretary and/or a Managing Agent is often appointed to administer the Company and manage the Property.

We will review the Company's records to verify that the seller has good title to the shares and that the Company has been operated correctly. We will also ask whether the Company is proposing to incur major expenditure on matters such as building repairs.

Title

We will also check that the Company is the owner of the Property. Please see our guide [Buying and Selling Freehold Property in Jersey](#) for a full briefing on the conveyancing process.

Whilst we inspect the boundaries we do not undertake a survey of the Property, nor do we enter the apartment.

Banks usually require a survey or estimate of value for valuation purposes but a prudent buyer should consider having their own full survey of the Property. Whilst this is expensive, purchase agreements provide that the buyer is acquiring the shares and the apartment/Property in the state in which they are found on the date of completion so each shareholder will have a proportionate liability in respect of structural repairs and decoration to the Property. If problems arise after completion, it is doubtful that there would be any recourse against the seller.

Apportionments

The share sale agreement will provide for the apportioning of the service charge and all Island Wide Rates between the buyer and seller, as well as rental, if the apartment is the subject of a lease.

Land Transaction Tax

LTT is payable by the buyer of the shares and assessed on a sliding scale according to the value of the shares. It is also payable on the registration of a mortgage.

Please see our guide on [Stamp Duty, LTT and EPT in Jersey](#).

Paying for the apartment

Share transfers can take place on any day of the week although most tend to take place on a Friday as there is often a connection to a freehold transaction.

The seller is entitled to the sale proceeds on the completion day so we will need you to provide us with cleared funds to cover the amount directly payable by you.

If you have obtained a loan or mortgage to buy the shares we will liaise with the bank's lawyers, assist with the loan documentation and receive and allocate the mortgage funds.

Possession

It is usual for vacant possession of the apartment to be given on the day of completion although the parties may agree a short grace period to allow the seller to move out.

Don't forget to let the various utility companies and relevant Parish know that you are moving so that they can transfer your details to your new property and update their records.

Completion

We will arrange to meet with you prior to completion to discuss your purchase and advise you about our title, company and other researches and ask you to complete any necessary paperwork.

Completion takes place when the Share Sale Agreement is signed and the shares are transferred for the agreed price.

Contacts

A full list of contacts can be found [here](#).