

## The Importance Of Cohabitation Agreements

John W Davies Solicitors is a law firm based in South Wales, with offices in Newport and Chepstow. We specialise in Family law, Conveyancing, Wills and Probate.

Cohabitation Agreements (sometimes called Living Together Agreements) for unmarried couples are important for many reasons. This data sheet provides key information that will help you when considering if such an agreement will fit your situation.



**A Cohabitation Agreement is a form of legal agreement reached between a couple who have chosen to live together.**

Parties should consider purchasing property as Tenants in Common, or subsequently sever the tenancy. This does not refer to 'tenancy' in the rental sense, it is a way of recording what percentage you each own. Parties should record their respective % interests - the Cohabitation Agreement will reflect this, but how you purchase the property and any deed reflecting this will not deal with your contributions, the rest of the living arrangements and financial consequences if you separate.

Parties should understand that, unlike married couples, they do not benefit from matrimonial legislation which will guide the division of assets if they separate. If a partner moves into an owned home, they will start to generate a 'beneficial interest' i.e. a financial interest – Cohabitation Agreements can prevent / limit any impact, especially (but certainly not uniquely) important if there are children involved.

Parties should identify money that is to be repaid to family and friends (or themselves) if they split up. This should be reflected in a clause in the Agreement – it is likely to be treated as a gift otherwise.

It is extremely costly to litigate if cohobitees split up. There can be an order for sale of the home to satisfy the other party's 'interest' (or large borrowing has to be incurred to pay the other party off).

What will you do if the other party refuses, or can't, pay their contributions? A correctly drafted Cohabitation Agreement is the best way to prevent or limit dispute on separation – it makes sense to prepare one ahead of cohabiting, but one can be prepared at any time during cohabitation. It may seem unromantic, but actually it is a loving and respectful thing to do.

A Solicitor can only advise their own client, not both parties. The John W Davies Family Department offer 20 minutes free telephone or office appointment to look at the issues and provide cost estimates.

Please contact our team for further help and information.

**Get in touch**

For further information, please contact either our Newport or Chepstow office.

**Chepstow**

T: 01291 639523

F: 01291 639540

E: [hellochepstow@johnwdavies.com](mailto:hellochepstow@johnwdavies.com)



**Newport**

T: 01633 841773

F: 01633 841823

E: [hellonewport@johnwdavies.com](mailto:hellonewport@johnwdavies.com)



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