

# Taking your first steps on the property ladder in Jersey

Taking your first step onto the property ladder can be a daunting task. Understanding the different types of property and understanding the buying process is key. Buyers will need to consider all types of property within their budget and many first time buyers will be considering the purchase of an apartment.

In Jersey, apartments can be acquired by way of flying freehold, share transfer and, less commonly, leasehold. So what is the difference?

Flying freehold apartments are acquired through the transfer of a "lot" or share in a property that is subject to a Declaration of Co-Ownership. The Declaration sets out the rights and obligations of the share owners who together form an Association of Co-Owners. The share(s) grant an exclusive interest in a particular apartment, car parking space/s or store along with a percentage interest in the common parts. A proportion of the administration and maintenance costs of the common parts (typically comprising external and structural parts, common areas and amenities) is payable by each owner of a share. The Association of Co-Owners decides upon maintenance and other common issues by majority vote and contributions are collected by the Association Representative or Managing Agent, usually by way of a monthly or quarterly service charge.

Share transfer transactions involve buying a block of shares in a Company which owns the land and the building where the apartment is situated. As such, a buyer is not acquiring freehold property but a shareholding in the Company. The Company's Articles of Association will confer upon its shareholders certain rights and obligations, including rights to occupy a specific apartment, parking space/s or store as the case may be. Whilst the manner of acquisition is different, in practice, the shareholder has similar rights to those that he would enjoy with a flying freehold apartment. In a similar way to flying freehold, the buyer will have an obligation to contribute towards the common expenditure and, again, this is usually collected by way of a regular service charge. A Company Secretary will administer of the company's records and is responsible for convening meetings of the shareholders (who will typically also be the directors of the company) to decide upon management and maintenance issues.

Long-term residential leaseholds are quite unusual in Jersey. The original term of the lease may be for many years but as the term reduces year on year, the value of the investment will fall. The lease will contain provisions for the maintenance of the apartment and is likely to require a contribution towards the maintenance of the common parts of the building in which it is situated. A number of older publicly owned leasehold apartments have in recent years been converted to flying freehold ownership as they had reached the point where lenders would not grant mortgages due to the limited remaining lease term.

In addition to checking legal title to the property, your legal adviser should review all the Association, Company or Leasehold records and ensure that you are fully advised as to the rights and responsibilities, financial obligations and that you are made aware of any issues that may be evident. These can be complicated transactions with a lot of paperwork, so choose your adviser carefully so that you can be confident of completing your purchase smoothly and getting that first foot firmly on the property ladder.

*For an informal chat to discuss any of the above, please do not hesitate to contact the Ogier property team on +44 1534 514056 or Chris Sokrati at [Thompson Estates](#) on +44 1534 707917.*

*The information and expressions of opinion contained in this guide are not intended to be a comprehensive study or to provide legal advice and should not be treated as a substitute for specific advice concerning individual situations.*

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