



Owning Property Jointly

If you are buying or acquiring property with somebody else it is important that everybody understands the basis of joint ownership from the beginning. There are two ways in which property can be owned jointly as follows:-

- A] JOINT TENANTS and**
- B] TENANTS IN COMMON**

In neither case does the word "tenant" have its usual meaning of somebody paying a rent.

A] Joint tenants is the form of ownership where two or more people together own property on the basis that :

- i) On any sale of the property, the proceeds of sale are automatically divided equally between the parties, regardless of the contributions they may have made to the original purchase price, subsequent improvements etc.
- ii) If any joint owner dies, his/her share automatically passes to the surviving owner(s) without payment. The transfer of the deceased owner's interest to the other joint owners is automatic, and not affected by any Will the deceased owner may have made.

B] Tenants in common is the form of ownership where two or more people together own property, and their shares in the property are specified e.g. A and B may own property jointly as tenants in common in equal shares or unequal shares.

This form of ownership can therefore record differing shares e.g. where one party has contributed more of the purchase money than the other. The effect of owning property as TENANTS IN COMMON is as follows:

- i) On any sale, the proceeds of sale are distributed between the owners in accordance with their stated shares.
- ii) If any owner dies his/her share does not automatically pass to the other owner(s), but will form part of his/her estate and will therefore pass to either the beneficiaries under the deceased owner's Will, or if no Will has been made, to his/her next of kin.



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If you have children from a former marriage or relationship you may wish them to inherit your respective interest in the property and therefore hold as tenants in common to reflect this. This will need to be backed up by a Will dealing with your respective interest.

WE WOULD STRONGLY SUGGEST THAT YOU CONTACT A SOLICITOR WITH REGARDS TO MAKING A WILL SHOULD YOU WISH TO HOLD THE PROPERTY AS TENANTS IN COMMON.

If two or more people own property as JOINT TENANTS it is possible for any one owner to "sever the joint tenancy" and change it into a TENANTS IN COMMON where the shares would automatically be equal shares. It is not necessary to have the agreement of the other owner (s) for this to happen. A person may wish to do this if e.g. he/she was in dispute with or separating from his/her joint owner.

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