# JOINT OWNERSHIP OF PROPERTY: JOINT TENANTS OR TENANTS IN COMMON?

When two or more people purchase or own a property, they have the choice of owning the property in one of the following ways:

### Joint Owners

If the property is purchased as joint owners, then:

- the property is owned jointly in equal shares irrespective of the contributions made by each owner;
- On the re-sale of the Property, each is entitled to an equal share irrespective of the contributions made by each owner towards the purchase of the Property or otherwise:
- on the death of one of them, the property will automatically belong to the survivor, irrespective of whether or not the parties have made a Will; and
- the survivor can deal with the property in whatever way he or she chooses.

### Owners in Common/Tenants in Common

If a property is purchased as owners in common, then as owners:

- they own separate shares in the property, which can be equal or in some other proportion such as one quarter and three quarters (or equal to the contributions made by each owner towards the purchase price perhaps);
- on a re-sale of the Property each owner is entitled to his or her separate share.
- on the death of one of them, that deceased's share does not pass to the surviving owner but passes in accordance with his or her Will. If no Will was made, it will pass to the deceased's next of kin;
- the survivor retains his or her own separate share in the property; and
- the survivor is not the owner of the whole property. Of course, the deceased might have Willed his or her share to the survivor

It is essential that if you own the property as tenants in common you make Wills in order to ensure the shares pass in accordance with your wishes.

If you want to record more than the actual share proportions, then you should consider having a Deed of Trust drawn up.

Further, if you are purchasing jointly and are not married, we strongly advise you to consider having a legally binding agreement drawn up specifying how you wish to hold the property and other assets.

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## Inheritance Tax Considerations

You should also generally give consideration on how ownership will affect you for inheritance tax purposes. Inheritance tax is payable where a deceased person's total estate/assets exceed £325,000 presently. Should this be applicable, please contact us to discuss general estate planning for inheritance tax purposes in order to minimise or maybe avoid liability.

## Care Fee Considerations

Co-owned property will be valued in the event that you are required to pay for long-term care and how you own the property can have an impact on that. Certain ways of co-owning property can be advantageous when considering care fees planning.

## How can GL Law help you?

We have specialist lawyers who will take time to get to know you in order to provide you with advice tailored to your specific needs and wishes.

Full and transparent information about our fees structure will be provided at the outset, and the basis of our charging agreed before we begin work.

For more information or to speak to a solicitor please contact us by calling 0117 906 9400 or email hello@gl.law

*The content of this guide is intended for general information purposes only and shall not be deemed to be or constitute legal advice.*

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