

## Essential Information Leaflet: RESIDENTIAL PROPERTY

### JOINT PROPERTY OWNERSHIP

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There are two ways in which you can own a property jointly:-

#### 1. As Joint Tenants

This means that if either of you were to die, the property would be owned by the survivor automatically, irrespective of how much each of you contributes to the purchase price. Your respective Wills would not have any effect on this.

This means that:-

- a) You want to share the proceeds of any sale of this property equally even though you may be providing the purchase price unequally or will contribute to the Mortgage payments unequally and
- b) You want your co-purchaser to be the owner of your interest in the property if you should die

If you owned the property as “joint tenants” then your individual family members (if any) could suffer if one you were to die. Take the example of a couple who have children from a previous marriage who purchase a property jointly. If the property is purchased as “joint tenants” and one of the couple were to die, then the whole of the deceased’s “share” in the property would pass to the survivor and the deceased’s children would not inherit anything.

#### 2. Tenants in Common

Alternatively, the property could be owned by you as “tenants in common”. This means that you will each own a distinct share of the property (eg one half ) and, if either of you were to die, that share would pass by Will or intestacy. Your co-purchaser would not acquire your share in the property on your death.

This alternative has attractive Inheritance Tax implications; please contact us or your Accountant if you want further advice.

If you each want to keep your respective financial contributions to the purchase identified separately, you may have separate family members to consider as mentioned above if one of you were to die, or a third party may have provided money for the purchase and you want to make sure they get it back if you sell the property or die, then a “tenancy in common” is recommended.

You can always change the “joint tenancy” into a “tenancy in common” in the future and your respective interests could also be safeguarded under a Deed of Trust.

*The information given herein is not a comprehensive guide to the law and is intended to be a brief and non-exhaustive summary only. Specific legal advice should be sought for actual cases.*

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