

Joint Ownership explained

It is important to ensure that you make an informed decision on how you wish to hold your property if you are buying it with another person.

The important distinctions are as follows:

Joint Tenants

Should you decide to hold the property as Joint Tenants then on the death of one of you the property will pass to the survivor of you absolutely. The survivor will then own it as if they had purchased the property on their own. This will happen regardless of the contents of any Will you may have made.

Tenants in Common

Should you decide to hold the property as Tenants in Common, then on the death of one of you the share of that person will pass according to any Will that they have made or if they have not made a Will then in line with the intestacy rules which are in force at the time. You can either hold the property as 50% / 50% or else you may decide to quantify the share each of you has, for example, a 30% / 70% split between you or else the initial repayment of deposit funds (this is especially useful if one of you has paid more than the other towards the purchase) and the remaining balance split equally between you or in some other way.

Unmarried couples

It is important for unmarried couples to be aware that if you choose to hold property as Joint Tenants then when you sell the property you will each be entitled to 50% of the net proceeds of sale regardless of your contribution to the property, whether by payment of deposit, mortgage or for improvement work.

If instead you choose to hold the property as Tenants in Common, you can define the share that each of you is to have and upon sale of the property you will each receive your defined share of the net proceeds of sale. We can also cater for the situation where one of you is contributing a larger share to the mortgage or for improvement work after the property is purchased.

It is possible to alter your respective shares at any time, provided you both agree.

Married couples

In the unfortunate event that you separate after the purchase of the property there are special rules which apply to determine how the property should be dealt with, including how the net proceeds of sale should be shared between you, regardless of whether you hold the property as Joint Tenants or Tenants in Common.