



Joint Tenants or Tenants in Common, what's the best option for us?

This is a crucial question to consider when buying a property jointly with someone else. It has important consequences when you come to sell the property. You must decide which type of joint ownership is best for you and how you want to register this with the Land Registry. Ask your solicitor or conveyancer to talk through your needs so you can compare the differences between joint tenants and tenants in common, and then speak to your joint purchaser and come up with a decision which suites you both; but this must be done before you complete. Even better decide this before exchange so you plenty of time to explain this to your solicitor so he can prepare the necessary paperwork.

So, what is the difference?

Joint tenants

It is recommended that joint owners hold the property as joint tenants or 'beneficial joint tenants' if you are married, civil partners or in a stable relationship. This means that there will not be any separate shares in the property and you will jointly hold this together, meaning that if one party of the joint tenancy was to die the property would automatically passes to the other party which is legally known as the right of survivorship. No more than four people can own a property as joint tenants at any one time. You will not be able to pass on ownership in your will. It should be noted that if one party becomes bankrupt the Land Registry will have to separate the shares and you will then hold the property as tenants in common.

Tenants in common

If you are not married, not Civil Partners, not in a stable relationship, are contributing unequal funds in the property, have children from a previous marriage or are Business Partners it would be recommended that you hold the property as tenants in common. This will mean that the property will be distributed by shares. This can be 50-50 or any other formula and this will be decided by both parties, this will mean when you come to sell your property the Net Sale Proceeds will be split as per this percentage. If you decide to leave your share of a property in your will you would be able to do so, or if you die intestate your share will be dealt with as part of your estate according to the laws of intestacy.

So what is best, joint tenants or tenants in common?

There are many advantages and disadvantages to both options and every case will should be assessed on its individual conditions. Ask your Solicitor or Conveyancer to go through your options in detail before you make your decision.

