

# Owning Property Jointly

*“different types of joint ownership are available”*

When two or more people are buying a property together it is very important that they understand the different types of joint ownership available. The way in which joint property is owned may have implications for couples who separate, friends and family members who pool resources to buy property together, and even married couples wanting to minimise inheritance tax liability.

The two ways in which property can be owned in more than one name are known as ‘joint tenants’ and ‘tenants in common’.

## JOINT TENANTS

- The share of any person who dies passes automatically to the other co-owner(s)
- Ownership as joint tenants can only be in equal shares and may not therefore fairly represent the contribution that each person has made to the purchase of the property
- Joint tenancy may be inappropriate for some second marriages or relationships as the property will pass to the surviving co-owner and not to those named in the deceased person’s Will (eg. children from a previous marriage)

An example of when joint tenancy may be appropriate is for a husband and wife involved in a first marriage making a broadly equal contribution towards the purchase of a property which is not required for inheritance tax planning.

Contact us for more information

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### TENANTS IN COMMON

- Co-owners can own the property in equal or unequal shares
- A deceased co-owner can leave their share in their Will or it will pass to their next of kin if there is no Will. This can be useful for second marriages where a co-owner wants their share to pass to the children of the first marriage and not to the current spouse
- It can fairly represent the contribution that each person makes towards the purchase of the property, as co-owners can hold unequal shares, for example where one party has put down a large deposit for a house. The exact share each person owns can be specified in writing which can help to reduce future conflict
- Unmarried couples with contributions from parents can specify each person’s exact share of ownership
- A husband and wife can use their share in their Will for inheritance tax planning
- Friends or family members buying a property together can specify exactly what share of the property they own

Owning property as tenants in common can offer the flexibility of specifying who owns what share of the property.

A possible disadvantage is that on the death of a co-owner, a sole surviving co-owner is unable to sell the property and must appoint another trustee to act in the sale. A grant of representation may also be required (where it would otherwise not be required) in a deceased co-owner’s estate.

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