

BUYING PROPERTY TOGETHER

When two (or more) people decide to purchase property together, it is usually the case that the property is to be held in both (or all) names. The property may be held by the co-owners as **tenants in common** or as **joint tenants**. The arrangement you choose should be specified on your Contract and in your transfer document.

What follows is an explanation of both forms of ownership. You should discuss these options with your co-owners and with your lawyer.

Joint Tenants

In the joint tenancy form of ownership, the owners own the entire property together with no specific shares allocated to any individual.

Things to consider:

1. If one joint tenant dies, the surviving joint tenant/s automatically acquire/s their interest in the property. This is straightforward and convenient and often is in accord with the wishes of both parties.
2. The interest in the property of a deceased joint tenant automatically passes to the surviving joint tenant regardless of the wishes of the deceased joint tenant. The right of survivorship is not overridden by instructions in a will.
3. It is not possible for a joint tenant to dispose of his or her interest in the property including by will. If one or both joint tenants wish their interest in the property to go to someone other than the surviving joint tenant when they die, they must legally sever the joint tenancy during their lifetime. Your Solicitor can assist you with this if required.

Tenants in Common

When co-owners own as tenants in common, the property is owned by the purchasers in whatever proportions they agree. For example, they might each own 50% or they might own unequal shares, perhaps reflecting unequal contributions to the purchase price and ownership expenses.

Things to consider:

1. A tenant in common can dispose of his or her interest in the property as he or she sees fit, subject to any contractual agreement between the parties. A tenant in common's interest in a property does not pass at his or her death to the surviving owner. The interest is part of the deceased person's estate and passes in accordance with the will or, if no will, in accordance with laws regarding intestacy.
2. This is a flexible arrangement that caters for differing circumstances including relationship breakdown, unequal contributions to purchase price or ownership expenses and the wish by one or more parties to leave their share to other people in their will.
3. You can draft your will to leave your interest as a tenant-in-common to the person of your choice.
4. There can be uncertainty for the surviving owner especially if you should die without leaving a valid will.