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Myerson **Residential Property**

Our guide to joint ownership of property

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Welcome

Why Myerson?

At Myerson, we are experts in dealing with residential property. Putting our clients and their families at the heart of everything we do means we establish long term relationships across generations and act as trusted advisers.

As a Top 200 UK Law Firm, we are also proud to be ranked in many legal disciplines as '**Top Tier**' in the prestigious international directory **The Legal 500**, providing a truly bespoke and personal service.

Unlike others, our Residential Property Team don't deal in bulk conveyancing and we don't use automated systems or teams of conveyancers, to manage your file. This means that we can provide you with a personal bespoke service, tailored to your specific requirements.

Our service to you is prestige. We have a small, close-knit, team of qualified solicitors who have the knowledge and experience to advise and assist on a wide variety of residential property matters.



Joint ownership of property

When you buy a property with someone else (or it is inherited or transferred to more than one person), your solicitor will ask how you want to hold it – which might seem an unusual question!

It's very important to be clear on how you wish to own property as the different ways have implications in the future, for example, in the event of separation or death.

You can hold property either as “joint tenants” or “tenants in common” and this guide will explain the key differences between them.



What are joint tenants?

Joint tenants hold the property equally together. They each have an equal share and the same rights during ownership as well as when the property is sold.

In the event one person dies, their share in the property automatically passes to the surviving owner.

What are tenants in common?

Tenants in common are those who own the property in shares – either equally or unequally.

In the event of one person dying, their share in the property does NOT automatically pass to the surviving owner like it would if you held it as joint tenants.

You would, therefore, need to make provision in your Will for what you want to happen to your share of the property and who you would like it to pass to.

If you do not make a Will, then the laws of intestacy will take effect and your share in the property (and the rest of your estate) may not be distributed in the way you intended in your lifetime.

If you hold the property as tenants in common, a restriction will be entered on the Land Registry title (called a Form A Restriction) which prevents one person from selling or otherwise transferring/disposing of the property without the consent of the other.



What is a declaration of trust?

A declaration of trust is a binding document which sets out any contributions and financial arrangements between people who own property together.

It may be, for example, that a couple buy a property together, but one person is providing the majority of the deposit. Or, they may have contributed to the deposit equally, but one party may be paying all the outgoings (such as the bills and the mortgage payments) by themselves.

Your declaration of trust may say, for example, that when you sell the property the proceeds of the sale are split in a particular way (either as a fixed sum of money or as a percentage).

It ensures that your contributions and intentions are formally recorded and minimises the risk of disputes or disagreements in the future.

Declarations of trust and gifts

Declarations of trust may also be suitable where a property has been bought with the assistance of a cash gift from a relative.

If you buy a property with your partner and your parents gifted you some money to help with the deposit, a declaration of trust can stipulate that the amount equal to the gift you received is returned to you first before the remainder of the equity is split between you both.

Can you change from joint tenants to tenants in common?

Yes, you can change how you hold the property during your ownership. You would need to sever the existing joint tenancy.



You're in safe hands!

If you would like further information about how we can help you with **joint property ownership** or if you have any questions, please don't hesitate to contact a member of our **Residential Property** today.

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