

## “Joint Tenants” or “Tenants in Common”

### What does it mean?

When buying a property in conjunction with another party the question will be raised as to how do you want to hold the property as Joint Tenants or Tenants in Common?

There is a difference that can have consequences if not put right at the time of purchase.

### Joint Tenants

This is the most commonly used in a husband and wife situation where they purchase the marital home and effectively means that they own the property conjointly and if one partner passes away their share automatically passes to the other party. This of course applies regardless of marital status or any other relationship between the parties if the property is held as Joint Tenants.

In a marital situation it is likely that each partner would want the other to have their share if something were to happen to them. This may not necessarily be the case, however, if you were buying a property with a friend or other relative then Tenants in Common needs to be considered.

Together you own 100% conjointly



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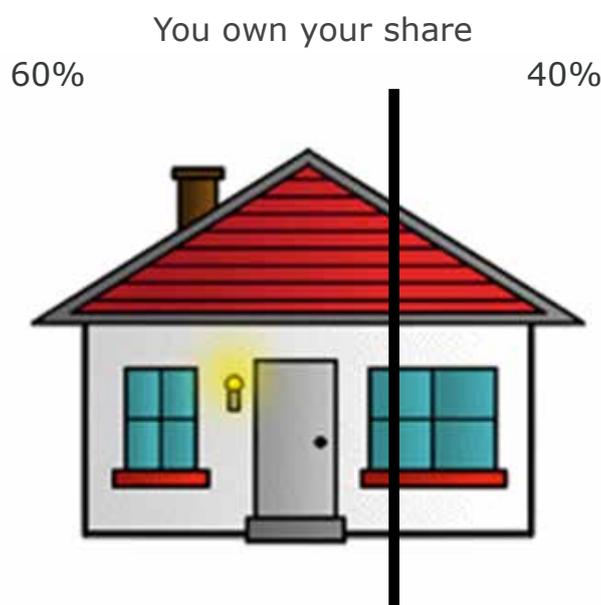
### Tenants in Common

This is used where two or more unrelated or financially unrelated parties want to partner up to purchase a property. In this instance you can determine who holds what share in the property and this can be documented at purchase. It could be any variation and it determines at law who owns what. Each party can **WILL** their share to whomever they wish in the event of their demise.

It is also useful in the event of an investment property purchase by joint couple to maximize their tax benefits from purchase.

The above ownership situations can save a lot of legal problems down the track in the event of any dispute. However, keep in mind that for married couples the ownership issues may be thrown out in the case of a property settlement and the Family Law Court would determine who gets what.

Marriage is the only partnership in the country that has its own court to resolve disputes and there is no appeal. Accordingly, the lesser income earner in a marital relationship can rest a little easier when purchasing an investment property that seems to be going largely into the higher income partner’s name.



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