

# Key Aspects to Understanding Real Estate



### JOINT TENANCY

“Joint Tenancy” means each joint tenant has an equal right to enjoy the use of the whole property during his/her lifetime. Upon one’s death, that right is terminated. Since a joint owner’s interest in a property is terminated on death, it cannot be inherited by someone, and the surviving joint owner(s) now become the sole owner(s). A joint owner can “sever” his joint tenancy.

### Tenancy by the Entirety

“Tenancy by the Entirety” operates like joint tenancy, but is designed to protect a married couple’s principal residence from creditors of only one spouse.



### Tenants in Common



“Tenants in common” means that each person is a co-tenant (a type of co-owner) of the property, with each person having an undivided interest in the property with the other co-owners, and the co-owners cannot exclude one another from the property. Each co-owner is responsible for his or her share of the property expenses, and each co-owner has a right of contribution for property expenses from the other co-owners. Further, the co-owners have a right to partition (break off a portion of) the property. Therefore, when someone who owns property as tenants in common dies, that person’s ownership interest passes to that person’s heirs.

### Trust

A “trust” is a form of asset ownership established by private agreement used to protect and manage assets. You can select the person or institution you want as the trustee(s) to carry out your instructions. Essentially, a trust creates a separate legal person (the trust) that holds title to (owns) the things transferred to the trust. A trust functions like a will, and whomever is listed as inheriting the property owned by the trust receives that property without the necessity of a probate case.

