

SLIDE 1 - Basic Property Rights

In this section we'll look at basic property rights.

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Bundle of Rights

The bundle of rights is a set of legal rights afforded to real estate title holders.

These are:

- 1) Possession
- 2) Enjoyment
- 3) Disposition
- 4) Control
- 5) Exclusion

Let's look at each of these on their own.

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The right of possession

A property is owned by whomever holds title.

Once you close a real estate deal for cash and you have the title in your hand, it's yours. You have free and clear title.

If you have a mortgage, the lien holder can take possession of the property if you default.

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The right of enjoyment

Property owners can enjoy the use of the property in any legal manner.

If the owner wants to throw a monster party with a rock and roll band that's his right to do so.

As long as it's not restricted through subdivision or home-owner covenants or violates other local ordinances.

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The right of disposition

The title holder can sell, rent or transfer ownership or use of the property at will.

If a mortgage is in place, that must be settled prior to disposition of the property.

Any other lien must also be settled, such as a tax or mechanics lien.

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The right of control

Within the laws, the owner controls use of the property.

Local laws, subdivision covenants or homeowner restrictions may forbid certain property use.

For example, a homeowner may want to build a shop on his property to open a car or motorcycle repair business. The HOA does not allow for businesses to be located on any property, so this would not be an allowed use.

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The right of exclusion

Homeowners are within their right to exclude others from their property with few exceptions.

Utility companies are generally allowed access to maintain their easements and law enforcement with warrants will have full access.