

SLIDE 18 – How ownership can be held

Now we'll take a look at how an estate can be held, or shared, as the case may be – ownership and co-ownership.

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**Property ownership**

There are four ways in which property can be held in ownership.

1. Severalty – sole ownership
2. Tenancy in common
3. Joint tenancy with right of survivorship
4. Tenancy by entireties

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**Severalty**

Ownership of real estate by a single individual.

No other person is joined or connected with the individual in the possession of the estate.

This is the most common means of holding an estate.

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**Co-ownership – Tenancy in common**

The tenancy in common, also known as the estate in common, is the most common form of co-ownership when the owners are not married.

The defining characteristics are:

- Two or more owners
- Identical rights
- Interests individually owned
- Electable ownership shares
- No survivorship
- No unity of time

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**Co-ownership – Tenancy in common**

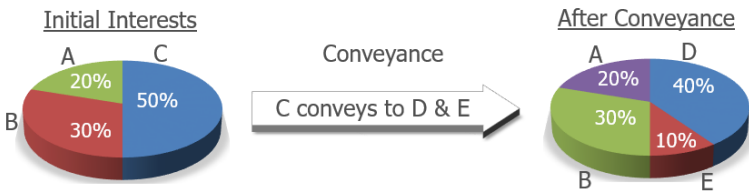
Ways to dissolve a tenancy in common:

- One or more co-tenants can always buy out the others.
- Property can be sold and the proceeds distributed equally among the owners
- A partition action can be filed. The property would be sold under court order and the proceeds would then be distributed among the owners.

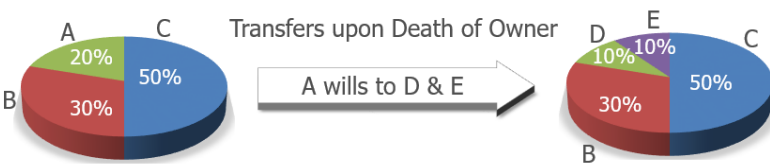
## SLIDE 23

### Co-ownership – Tenancy in common

To illustrate how tenants in common may transfer ownership interests to other parties by sale or will.



Notice owner “C” has 50% ownership. C sells 40% of his ownership to D and 10% to E. Nothing changes with A and B estate.



Tenant A dies. His will provides that his ownership share will go to his two children (D and E), split equally.

## SLIDE 24

### Co-ownership – Joint tenancy

Commonly referred to as unity of ownership. Four specific things must exist before Joint Tenancy happens:

1. **Time:** Each person must obtain property title at the same time.
2. **Title:** The deed must reflect each owner’s name on the document
3. **Interest:** Shares must be equal
4. **Possession:** Each person has the same right to occupy the property.

## SLIDE 25

### Co-ownership – Joint tenancy

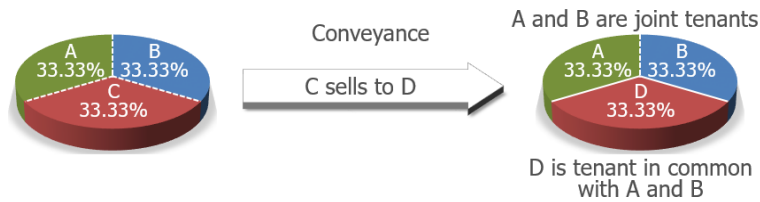
The defining characteristics and requirements of joint tenancy are:

- **Unity of ownership** – Joint tenants hold a single title to the property
- **Equal ownership** – Four tenants, each own 25%; 10 tenants, each own 10%
- **Transfer of interest** – joint tenant may transfer his or her interest to an outside party
- **Survivorship** – joint tenants enjoy rights of survivorship; rights pass to surviving joint tenants without probate

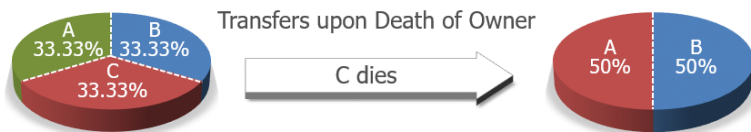
## SLIDE 26

### Co-ownership – Joint tenancy

To illustrate how joint tenants may transfer ownership:



The third tenant “C” decides to sell his share of the joint tenancy to a third party. Original tenants A & B remain joint tenants; whereas new tenant “D” is in common to tenants A & B.



In a joint tenancy survivorship rights fall to the title holders. In this case, tenant “C” dies and his share would then transfer equally to tenants A & B.

## SLIDE 27

### Co-ownership – Joint tenancy

Ways to dissolve a joint tenancy:

- One partner sells his/her interest in the property.  
As the example showed the new tenant would be in common with the remaining tenants.
- Partition Law suit: a court can dissolve the ownership.
- Bankruptcy of any of the joint tenants
- Property foreclosure

## SLIDE 28

### Co-ownership – Tenancy by Entireties

Tenancy by entireties is a form of ownership reserved exclusively for husband and wife.

It features survivorship, equal interests and limited exposure to foreclosure.

In the event of death the survivor spouse becomes an owner in severalty.

The property can only be sold under agreement by both spouses.

## SLIDE 29

Up to this point we’ve been talking about Freehold states. The second type of ownership rights is Leasehold which is about renting or leasing a property for occupation. These are always for some definite time period.

State statutes regarding these arrangements are generally covered in the Florida Landlord and Tenant act.