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PROPERTY:

CLIENT REF: /

TENANCY FORM FOR COMPLETION AND RETURN

Please return this form duly completed showing your intention

WE confirm that we have read the information sheet entitled 'Joint Ownership of Property' and decided that we require:- **PLEASE TICK AS APPROPRIATE**

- a) The property to be held as joint tenants
- b) the property to be held as tenants in common in equal shares
- c) the property to be held as tenants in common in unequal shares (specify shares)
- d) further advice before making the final decision

WE understand the information contained in the information sheet provided and the responses given by us in this form

SIGNED SIGNED

DATED DATED

JOINT OWNERSHIP OF PROPERTY

You will need to decide as joint owners how you will each want to deal with your individual shares in the property.

Under English Law, you must hold your shares in the property in one of two ways - either as "Joint Tenants" or as "Tenants in Common". The word "tenants" in this context applies whether the property is freehold or leasehold and does not imply that you only have a lease or tenancy of the property.

"Joint Tenants"

In this case, if one of you were to die, that person's share would pass automatically to the other (or others if there are more than two of you), regardless of whether a Will had been made.

As Joint Tenants, you are deemed in law to hold the property in equal shares, even though you may not each have put in an equal contribution to the purchase price over and above any Mortgage.

"Tenants in Common"

In this case, each of you has a specific share in the property which will **not** pass automatically to the other on death. It will pass under a Will, if there is one, or under the rules in the Administration of Estates Act if there is no Will.

As Tenants in Common, you would hold the property in whatever shares you had agreed - usually this will be in the proportions in which you each contributed to the purchase price (disregarding the Mortgage).

We shall need to know from you how you want to deal with the shares in the property before we can draft the Transfer of the property into your names. The points set out below may help you to consider the matter:-

1. For a married couple with children (particularly where you are already selling an existing matrimonial home) it is probable that you would want to opt for the joint tenancy, unless there were Inheritance Tax considerations to be taken into account.
2. For an unmarried couple with no children, a tenancy in common may be more appropriate for two reasons. First, if either of you were to die, you might want your individual shares to go back to your own family. That would not happen, of course, with a joint tenancy, particularly if something happened to both of you at the same time.

Secondly, if your relationship broke up whilst you were still unmarried, the property would probably have to be sold, or one party may wish to buy the other out. On a sale, you would probably each want your proportion of the proceeds of sale to represent the proportion of your original contribution to the purchase price. If one of you was to buy the other out, no doubt you would want the "purchase price" of that share to reflect the contribution made to the original purchase price.

We can provide for a tenancy in common whilst you remain unmarried which would convert to a joint tenancy on marriage.

Unmarried couples should also consider entering into a "Cohabitation Agreement" which could deal with other related matters such as ownership of furniture or the proceeds of endowment policies. We could

prepare an appropriate Cohabitation Agreement if you wish.

3. If you want to preserve your individual shares in the property, you **must** opt for a tenancy in common. However, if you do so, you ought to make a Will - there is no guarantee that the shares will go where you want them to if you do not make a Will.
4. If either or both of you have children or dependants from a former marriage, you should certainly consider opting for tenants in common and make a Will.

We could prepare Wills for you, if you do not already have them.

The points set out above are general points and you will need to consider your own particular circumstances. The situation does require some thought and it is not always easy to make a firm decision. Please do not hesitate to contact us to discuss the situation before you make up your minds. We would not want you to decide without fully understanding the position.

Can the situation be altered later?

Yes. A Joint Tenancy can be turned into a Tenancy in Common by one party serving on the other (or others) a "Notice of Severance".

A Tenancy in Common can also be turned into a Joint Tenancy, but this can only be done by Deed.

Any such alteration would make an important difference to the position of the parties in relation to the property, and legal advice should always be sought at the time.

May 2008