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# Ways to Hold Title in Real Estate

This guide outlines the most common methods of holding title, with pros, cons, and THA insights for selecting the best option based on your situation.

# Ways to Hold Title in Real Estate

*A Comprehensive Guide by The Housing Assistant*

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## Introduction

When you buy real estate, one of the most important decisions is how to take title. Title determines your legal rights to the property and impacts inheritance, taxes, liability, and future transfer of ownership. This guide outlines the most common methods of holding title, with pros, cons, and THA insights for selecting the best option based on your situation.

### 1. Sole Ownership

Property is owned entirely by one individual or legal entity.

Best For: Single buyers, investors, or entities (LLCs, corporations)

Pros:
• Full control of the property
• Simple to transfer or refinance

Cons:
• No automatic transfer upon death (goes through probate)
• May expose owner to personal liability

THA Tip: Consider adding a living trust or beneficiary deed to avoid probate.

### 2. Joint Tenancy with Right of Survivorship (JTWROS)

Two or more people hold equal ownership with automatic survivorship rights.

Best For: Couples, family members, or friends purchasing together

Pros:
• Avoids probate—ownership passes automatically to surviving joint tenant
• Equal rights and responsibilities

Cons:
• One owner's actions (e.g., selling interest) affect all
• Cannot pass interest through a will

THA Insight: All joint tenants must take title at the same time and with equal shares.

## 3. Tenancy in Common (TIC)

Two or more individuals hold ownership, which may be unequal. No right of survivorship.

Best For: Unmarried partners, investor groups, or buyers with unequal contributions

Pros:
• Each owner can transfer or will their share
• No requirement for equal ownership

Cons:
• No automatic inheritance—interest goes through probate
• Disputes can arise over usage and expenses

THA Reminder: Ensure a TIC agreement outlines responsibilities and sale terms.

A Tenancy in Common (TIC) Agreement is a legal document that outlines the ownership structure, responsibilities, and rights of individuals who co-own a property under a *Tenancy in Common* arrangement.

### 📝 What a TIC Agreement Does:

It defines:

- **Ownership shares** (equal or unequal percentages)
- **Use and occupancy rights** (who can live there and how common areas are shared)
- **Financial responsibilities** (mortgage, taxes, insurance, repairs, utilities)
- **Maintenance duties** (who handles what upkeep)
- **Rules for selling or transferring an interest**
- **Conflict resolution processes**

### 🔑 Why It's Important:

Without a TIC Agreement, co-owners may face:

- Legal disputes over usage or contributions
- Challenges when one party wants to sell or refinance
- Unclear expectations for maintenance or repairs

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🏠 **Common in:**

- Multi-family properties converted into shared ownership
- Investment property partnerships
- Unmarried co-buyers purchasing together

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✅ **THA Insight:**

Even though *Tenancy in Common* allows flexible ownership, a properly drafted **TIC Agreement is essential** to protect each party's interests and avoid future disputes.

### 4. Tenancy by the Entirety

Exclusive to legally married couples in certain states.

Best For: Married buyers in states that allow this form of ownership

Pros:
• Right of survivorship
• Protection from one spouse's individual creditors

Cons:
• Cannot transfer interest without consent of both spouses
• Only available in select jurisdictions

THA Note: Provides added asset protection benefits in some states.

### 5. Community Property

Applies in nine community property states. Property acquired during marriage is owned equally.

Best For: Married couples in community property states (e.g., CA, TX, AZ)

Pros:
• Equal ownership regardless of who earned the income
• Step-up in basis for both halves upon death (tax benefit)

Cons:
• Must be married
• May require court involvement for division

THA Insight: Consider community property with right of survivorship for streamlined transfer.