



## Common Ways to Hold Title

### Variations on How to Take Title - Advantages and Limitation

Title to real property in California may be held by individuals, either in Sole Ownership or Co-Ownership. Co-Ownership of real property occurs when title is held by two or more persons. There are several variations as to how title may be held in each type of ownership. The following brief summaries reference eight of the more common examples of Sole Ownership and Co-Ownership.

#### SOLE OWNERSHIP:

1. **A Single Man/Woman** - A man or woman who is not legally married. Example: John Doe, a single man.
2. **An Unmarried Man/Woman** - A man or woman, who, having been married, is legally divorced. Example: John Doe, an unmarried man.
3. **A Married Man/Woman, as His/Her Sole and Separate Property** - When a married man or woman wishes to acquire title in his/her name alone, the spouse must consent, by quit claim deed or otherwise, to the transfer, thereby relinquishing all right, title and interest to the property. Example: John Doe, a married man, as his sole and separate property.

#### CO-OWNERSHIP:

4. **Community Property** - The California Civil Code defines community property as the property acquired by husband and wife, or either, during marriage, when not acquired as the separate property of either. (Continued on next page)



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it's about the relationship."*



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Real property conveyed to a married man or woman is presumed to be community property, unless otherwise stated. Under community property, both spouses have the right to dispose of one half of the community property by will, but if there is not a will, all of the property will go to the surviving spouse without administration. If a spouse exercises his/her right to dispose of one-half, that half is subject to administration in the estate. Example: John Doe and Mary Doe, husband and wife, as community property. Example: John Doe, a married man Sole Ownership Co-Ownership.

5. **Joint Tenancy** - A joint tenancy estate is defined in the Civil Code as follows: "A joint interest is one owned by two or more persons in equal shares, by a title created by a single will or transfer to be a joint tenancy." A chief characteristic of joint tenancy property is the right of survivorship. When a joint tenant dies, title to the property immediately vests in the surviving joint tenant(s). As a consequence, joint tenancy property is not subject to disposition by will. Example: John Doe and Mary Doe, husband and wife as joint tenants.
6. **Tenancy in Common** - Under tenancy in common, the co-owners own undivided interests, but unlike joint tenancy,, these interests need NOT be equal in quantity or duration, and may arrive at different times. There is no right of survivorship; each tenant owns an interest which, on his/her death, vests in his/her heirs or devisees. Example: John Doe, a single man, as to an undivided 3/4<sup>th</sup> interest, and George Smith, a single man, as to an undivided 1/4<sup>th</sup> interest, as tenants in common.
7. **Trust** - Title to real property in California may be held in a title holding trust. The trust holds legal and equitable title to the real estate. The trustee holds title for the benefit of the trustor/beneficiary, who retains all of the management rights and responsibilities.
8. **Community Property with Right of Survivorship** - Community Property of a husband and wife, when expressly declared in the transfer document to be community property with the right of survivorship and which may be accepted in writing on the face of the document by a statement signed or initialed by the grantees, shall, upon the death of one of the spouses, pass to the survivor, without administration, subject to the same procedures as property held in joint tenancy.

*The preceding summaries are a few of the most common ways to take title to real property in California and are provided for informational purposes only. For a more comprehensive understanding of legal/tax consequences, appropriate consultation is recommended.*

*There may be significant tax/legal consequences as to the manner in which title is held. We strongly suggest contacting an attorney and/or CPA for specific advice on how you should actually vest your title (There may be charges associated with these services).*



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**Dianne Crosby**

6201 Antioch St., Suite 200, Oakland, CA 94611 • Cell 510.541.1662 • Fax 1.866.789.1122 • dianne Crosby.com  
DRE# 01348308 • NMLS# 304682