



Types of Tenancy

A deed is a legal document which transfers property ownership from one party to another party. Specifically, they are generally referred to as a Seller/Grantor, the party selling the Property, and the Buyer/Grantee, the party purchasing the Property.

There are many different types of deeds and it is impossible to cover in one post. However, a question we get frequently is dealing with two-party ownership on a piece of property. Specifically, if two or more persons own a property, how can it be owned?

Tenancy in Common (TIC)- Tenancy in common is a tenancy for two or more individuals where the parties each own a separate interest in the property. Each Tenant may sell their individual interest in the Property to any other third party.

For example, Tenant A and B each are 50% owners of Blackacre. Tenant A decides to sell his 50% share to a third-party. A can sell his 50% to a third-party and now the third-party becomes Tenant-in-Common with Tenant B. If Tenant A passes away, Tenant A's share of Blackacre would pass to his/her heirs. Also, Tenant A could sell 50% of his 50% to a third-party, so that the new ownership structure would be Tenant A 25%, Tenant B 50%, Tenant C 25%.

Joint Tenants with Right of Survivorship (JT)- Joint tenancy with right of survivorship is a tenancy for two or more parties where the Parties each own an equal share of the Property. While JT tenancy has many differences from TIC, one of the main differences is the passing of the Property upon the death of a Tenant.

For example, Tenant A, Tenant B and Tenant C are all 33.333% owners in Blackacre as JT with right of survivorship. Tenant A passes away. Tenant A's share would immediately pass to the remaining living Tenants. After Tenant A's death, Tenant B and Tenant C would be 50% owners of Blackacre.

Tenants by the Entirety- Tenants by the Entirety is reserved for married couples in Pennsylvania. If you are married and both Parties are titled on the Property, it is presumed that you are Tenants by the Entirety unless specified otherwise. Tenants by the Entirety is similar to Joint Tenancy, in so far as the Property automatically passes to the other Tenant upon the death of a Tenant. Further, Tenants by the Entirety have an equal and undivided interest in the Property.

This can get very complicated when it comes to issues like property taxes, inheritance tax, partition actions, and other real property matters. Hopefully this is a helpful overview of some of the very basic elements of the main tenancies you are likely to see in Pennsylvania.

If you need help with any real property or real estate legal issues, we are happy to help. Give us a call at King and Huffines: Attorneys at Law PLLC at 724-242-0230 or reach out to us via email at rking@kinghuffineslaw.com