I. THE CONCEPT OF OWNERSHIP

In Chapters 1 and 2, we learned that the concept of property consists of its physical characteristics and also of the rights and interests a person has in that property. The concept of ownership comprises the bundle of rights: possession, control or use, enjoyment and disposition. Ownership of real estate must always be vested in either public or private parties. Publicly owned real estate is held by federal, state or local government entities for such things as schools, roads, parks, public housing, military installations and government office buildings. Privately owned real estate may be held by one individual or entity or by more than one. Any freehold interest can be held in the forms of ownership discussed in this chapter.

For a real estate licensee, it is important to understand the various forms of ownership to determine what signatures are required on a contract involving a specific parcel of land. However, advising buyers about what form of ownership to use would be considered giving legal advice. Buyers often ask questions like, “Should the house be in both names?” or “Should we take title as joint tenants or tenants in common?” The proper response for a licensee is to recommend the buyers seek advice from an attorney knowledgeable about real estate law.

The types of ownership discussed in this chapter are presented in their basic forms. The laws of each state might vary about choices available to buyers and the legal rights associated with the type of selected ownership.

II. TYPES OF PROPERTY OWNERSHIP

A. SEVERALTY OWNERSHIP (TENANCY IN SEVERALTY).

When an estate is owned by one person or by a single legal entity, such as a corporation, it is called severalty ownership or sole ownership. It is NOT ownership by several people as the term might suggest, but single