

HOW CAN I HOLD TITLE IN COLORADO?

This is a common question, and it is also an important one, because your decision on how to hold title to your property has legal consequences. Here are the 3 most common ways to hold title in Colorado.

Tenancy In Severalty When real estate is owned by one person, or one legal entity, that one sole owner has all rights and complete control of the property. The name is derived from the fact that the owner is “severed” from other owners.

Joint Tenancy With Right of Survivorship Each person on title has equal access to the property. When one owner dies, that person’s ownership share immediately passes to the other owner(s) in equal shares, without going through probate.

Tenancy In Common When two or more people, or legal entities, own property as tenants in common, each owner has the right to transfer their ownership interest as they see fit. There can be any number of tenants in common on title to the property, and while their interests do not have to be equal, the percentages of ownership do have to add up to a total of 100%.

Example: 3 people who are friends, family members, or business partners, decide to purchase a property together. Each person may, or may not, invest a different amount of money. In this example, 1 person will own 20%, 1 person will own 20%, and 1 person will own 60%.

While the percentage of ownership may vary, no individual may claim ownership to any specific part of the property.

With title held as Tenancy In Common there is no right of survivorship, so the property does not automatically pass to the surviving owner(s) but instead will pass according to the deceased owner’s will.

****These are simplified definitions of common types of ownership (tenancy) for real estate in Colorado, they are not recommendations. For recommendations regarding your specific situation, please consult your tax advisor or attorney.***