



*How Your Property is Affected Upon Your Death -
Temple Estate Planning*

How Your Property is Affected Upon Your Death

Understanding Property Ownership and Wills

When creating a will, it's important to understand how you legally own your property. This determines what will happen to your property after you die.

For Sole Ownership

If you are the sole owner, you can specify in your will who should inherit your property. Without a will, the intestacy rules apply, meaning you have no control over who inherits your property.

Example: Dane wishes to leave his home to his nephew and the remainder of his wealth to his nieces. Without a will, his elderly parents would inherit according to intestacy rules. Dane creates a will to ensure that his younger relatives inherit.

For Joint Tenants

In a joint tenancy, two people share equal ownership of the entire property. When one joint tenant dies, ownership automatically passes to the survivor. The surviving owner can then leave the property to others through their will.

Example: John and Milen are joint tenants. When John dies, Milen immediately becomes the sole owner. When Milen dies, the property will be distributed to the beneficiaries listed in her will or her relatives under the rules of intestacy.

Tenants in Common

When two or more individuals own a property as tenants in common, they each own a specified share. This could be equal shares (50/50) or different proportions (e.g., 75% and 25%). Creating a will allows you to decide who inherits your share, rather than leaving it to chance.

Protecting Your Assets

Many couples switch from joint tenants to tenants in common to use trusts for asset protection. Trusts can help safeguard your children's inheritance from potential risks, such as the surviving partner remarrying, changing their will, or needing care.

Example: Brad and Sabrina want to keep their property safe for their children. They can incorporate a trust in their will (effective upon death) or transfer their property into a trust right away (a lifelong trust). They must convert from joint tenants to tenants in common to protect their respective shares through a trust. As part of their estate planning, we assist them with this and offer specialized counsel.

Changing to Tenants in Common

The process, known as 'severance of tenancy,' involves adding a restriction to the property title at the Land Registry. We can assist with this as part of your estate planning. This change does not affect your mortgage, or property value, or trigger taxes.

Additional Considerations

Updating Your Will

Having an up-to-date will ensures peace of mind and control over who inherits your property.

Lasting Power of Attorney

A Lasting Power of Attorney ensures that trusted individuals can manage your property and financial affairs if you lose mental capacity due to an accident or illness.

Mortgage and Life Insurance

Consider the impact of your death on your mortgage, especially if you want your loved ones to continue living in the property. Life insurance can cover the mortgage and prevent the need to sell the property. Check your life insurance policy to see if it pays out to your estate (and is distributed by your will) or to nominated beneficiaries via a trust.

Property Inheritance: Will vs. No Will With a Will

- You can give your share to a specific person or leave it as part of your overall estate.
- You can protect your property by putting it in a trust.

Without a Will

- The intestacy rules will apply, and your surviving relatives will receive your share.
- The property will be co-owned by the remaining owner and your relatives, which may cause problems or issues in your family.

Get in Touch Talk to us about your legacy you want to leave.

Call Today: **0800 776 5033**

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