



CHICAGO TITLE

Understanding Tenancy in Common (TIC) Ownership

Tenancy in Common (TIC): A Flexible Co-Ownership Vesting

A TIC property refers to real estate owned under a Tenancy in Common arrangement, where two or more people hold undivided interests in the same property, each with their own percentage share.

Key Benefits of Tenancy in Common Ownership

- Undivided Interest: Each owner has a share of the whole property, not a specific portion
- Unequal Shares Allowed: Ownership percentages can vary based on contributions
- No Right of Survivorship: Share passes to heirs, not other co-owners
- Each owner may generally sell, or transfer their ownership interest independently, subject to any applicable agreement, lender requirements, or legal restrictions.
- Expense & Profit Sharing: Costs and income split by ownership percentage
- Unity of Possession: All co-owners can possess and use the entire property pursuant to any existing occupancy agreements
- Partition Rights: A tenant in common may generally seek a court-ordered partition (division or sale) of the property if co-owners cannot agree on ownership or management issues

How TIC Differs from Joint Tenancy

While both types of ownership give all owners equal access to the property, joint tenancy requires all owners to obtain and hold ownership in the same way and includes a right of survivorship. A tenancy in common (TIC) only requires shared possession and does not automatically transfer an owner's share to the other owners upon death.

Common Uses

- Investment Properties: Shared resources without equal contributions
- Family or Friends shared Funds: Flexible contribution with entry and withdrawal opportunities.
- Tax-Deferred Exchanges: TIC interests in Section 1031 exchanges

Example of TIC Ownership

If three people own a home as tenants in common:

- Owner A: 60% • Owner B: 20% • Owner C: 20%

All can live in the home, pursuant to any occupancy agreements, share expenses proportionally, and each can sell their share independently.



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