

Titling your condo

Condos are titled the same way as other real property

By David M. Brown



Getty Images

Both "natural persons" (individuals) and "legal persons" (corporations, partnerships, limited liability companies, government entities, trustees of trusts, etc.) can take title on condominium units, said Vicki Etherton, president of Phoenix-based Landmark Title Assurance Agency.

Natural persons may hold title as sole owners or as joint tenants with right of survivorship or tenants in common with

undivided one-half interest in the property and this often needs to be cleared through probate upon a spouse passing," Vos said.

Community property with right of survivorship: Also only for married couples, community property with right of survivorship is co-ownership so that the surviving spouse retains full title after the death of the other spouse. This provides a beneficial step-up tax basis, reducing capital gains taxes to a surviving spouse.

other owners. Married persons may hold title with their spouses as joint tenants with right of survivorship, community property, community property with right of survivorship, or tenants in common.

In addition, legal persons may hold title as a sole owner or as tenants in common with another person, either natural or legal.

Variety of ways to title property

Joint tenancy with right of survivorship: In joint tenancy with right of survivorship, each party owns an equal interest in the property and has an equal right to enjoy the property, said Devin Vos, vice president of Scottsdale-based Thomas Title & Escrow. "But each joint tenant must acquire their interest in the property at the same time to establish joint tenancy," he said. And: "On the death of a joint tenant, their percentage interest passes to remaining joint tenant(s) without the need for probate," Etherton added.

Community property: With community property, as in Arizona, title is through a valid marriage between two people. Community property is property acquired during the marriage and was not acquired by gift, devise or descent, which is sole and separate ownership. "Each person holds an

In Arizona, community property is presumed between spouses, but the right of survivorship is not and, therefore, must be designated. And, without right of survivorship, property does not automatically pass to the surviving spouse, Etherton said.

Tenancy in common: Tenancy in common allows for each owner to hold his or her percentage separately from other owners; percentages of ownership interests need not be equal. Each co-tenant has an equal right to use and enjoy the property regardless of his or her percentage interest. Note: "Upon the death of an owner, their interest would not automatically pass to the other owners," Etherton said.

Other options: Vos said that some people establish a trust to limit the taxes of an estate upon passing and others are choosing to title their interest in entities such as a limited-liability holding company. "This is done mostly to limit exposure to liability," he said.

Seek expert advice

This is just a very broad overview of titling options, so be sure to consult with real estate and/or legal professionals before titling your condo, both Vos and Etherton suggested.

CONDO VS TOWNHOME VS LOFT, continued from page CL1



Marc Bolestar Via One Livington

levels inside to maximize land usage but offer more interior living space.

"A townhome is more likely to have a small yard or courtyard and will usually be a more vertical design whereas a condo is far more likely to be either an apartment style or may have residences that horizontally overlap another residence," said real estate specialist Dean Selvey, owner of Arizona Builder Sales.

Loft: A loft is a style of either apartment or condo that is a large undivided interior space, Stapp [of ASU] said, adding that some may have two floors. Lofts often look more industrial with exposed ductwork, concrete floors and brick walls, Newcombe [of Launch Real Estate] said.

unit usually on a small narrow lot, Stapp said. "It may or may not have a zero-lot-line setback meaning one of the walls of the home is on the property line," he noted. A patio home is almost always a single story, Newcombe said, and typically has only a back patio in lieu of a backyard.

Villa: Villas are a bit trickier to identify, Newcombe said. A villa can be a description of an upscale townhome or condo or it can refer to an upscale patio home. Some people use the term to describe a single-family home that's smaller in square-footage than other homes in the same subdivision.

Multi-generational appeal

Regardless of type, "multifamily living has a universal appeal for all generations," Selvey said. "It is both efficient and convenient living for a single person just entering into homeownership or for the retiree who wishes to live maintenance-free. We'll start seeing more live-work building designs (either as condos or townhomes)," Selvey predicted, "especially in the urban areas along the light rail."

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A division of
 The Arizona Republic
 200 E. Van Buren St.
 Phoenix, AZ 85004

Content Specialist
 Sales Manager
 CAMI KAISER
 CKaiser@RepublicMedia.com

Creative Development Director
 ISAAC MOYA
 IMoya@RepublicMedia.com

Editor
 PAULA HUBBS COHEN
 Paula.Cohen@cox.net

Contributing Editor
 JIM WILLIAMS
 JWilliams@RepublicMedia.com

Design
 CARL BEZUIDENHOUT
 CarlBez@me.com

Project Manager, Custom Products
 NICK KOSTENKO
 NKostenko@RepublicMedia.com

For general advertising inquiries, contact Republic Media at 602-444-8000.

ADVERTISING Director, Classified Sales
 BRETT SONDRUP
 BSondrup@RepublicMedia.com

Real Estate and Rentals Manager
 LORNA WALKER
 Lorna.Walker@gannett.com

MICHELLE MURRIETTA
 602-444-8208
 MMurrietta@RepublicMedia.com

GENA ZESTRIJAN
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