

# Protect yourself when buying property with family and friends.

Buying a property with family and friends can be a minefield for the parties involved. These arrangements have become more popular with property prices increasing and the home ownership dream drifting further away.

The need for a co-ownership agreement can arise because of a desire of the co-owners or as a requirement of a third party such as a financier.

A co-ownership agreement covers a range of matters which can arise between the owners of property such as:

- the ownership of the property – such as the proportions for ownership interests (if not joint tenants);
- the financial contributions to be made by the co-owners, including for the purchase of the property, ongoing expenses, etc;
- how the sale of the property will be undertaken, should the co-owners agree to sell the property;
- the process to be followed where one co-owner, including preemptive rights for other co-owners;
- how the property is to be valued;
- the responsibility of the co-owners for the upkeep and maintenance of the property;
- the rights and entitlements of the co-owners to occupy the property;
- dispute resolution mechanisms should disputes arise between the co-owners.

Approaching the topic of entering in to a co-ownership agreement at the beginning or during a co-ownership relationship can be daunting. The benefits of having a co-ownership agreement and the potentially awkward conversation outweigh the risks and costs of not having an agreement in place.

For more information, please contact:



**Taryn Hartley**

*Principal*

Phone: (07) 3014 6513

Email: [thartley@mcw.com.au](mailto:thartley@mcw.com.au)