

Chapter 3 – Real Property Ownership

1. B

Explanation: Tenancy in common is the form of co-ownership with no right of survivorship.

2. D

Explanation: An estate is the right to possess and have exclusive use of real property.

3. A

Explanation: Each individual unit owner will receive his or her own property tax bill. An individual unit owner's failure to pay property taxes will not create a lien on the entire property.

4. D

Explanation: If there are two joint tenants and one sells his interest to another party, the unities of time and title are broken, and the joint tenancy becomes a tenancy in common. If one of two joint tenants dies, the remaining tenant holds title in severalty. If one of three joint tenants dies, the other two continue to hold title as joint tenants. And if one of two joint tenants gets married, that doesn't affect the tenancy unless he or she re-deeds his or her interest in the property at that time.

5. C

Explanation: A lease is regarded as personal property, although it is closely related to real estate. In this manner, a lease may also be known as a chattel real.

6. C

Explanation: A person with a life tenancy may lease the property to another person, but the lease is effective only until the end of the measuring life. At that point, the property will either revert back to the grantor, or pass to third parties holding an estate in reversion.

7. D

Explanation: A mortgage or deed of trust executed by one joint tenant does not break the unities of title. An encumbrance such as a mortgage is only a security interest, not a sale.

8. D

Explanation: If a joint tenant dies, his or her interest is immediately terminated, and passes automatically to the other joint tenants. The surviving tenants continue to hold title as joint tenants.

9. D

Explanation: The land itself, as well as natural attachments and riparian rights, are all considered part of the real property. Harvested grain, a leasehold interest, and lumber would all be considered personal property.

10. C

Explanation: Although Raul specified that they would take title with the right of survivorship, he also specified that they would have unequal interests. Joint tenancy would be impossible because it requires unity of interest, so Steve and Tonya would have to receive the property as tenants in common instead.

11. C

Explanation: A condominium owner owns a freehold interest, not a leasehold interest (of which an estate for years is a common example).

12. D

Explanation: A fee simple absolute estate is the highest and most complete form of land ownership. A fee simple absolute estate may still be owned subject to limitations, such as liens or other encumbrances.

13. B

Explanation: A condominium unit (including the hallways within it) is owned separately by the individual unit owner. The common elements, such as the project's swimming pool and parking lot, are owned in common by all of the unit owners.

14. B

Explanation: Whether it's a condominium or a cooperative, every owner will be billed regularly for his or her share of the cost of maintenance for the common areas.

15. C

Explanation: Joint tenancy requires equal interests among joint tenants. Similarly, each spouse has an undivided 50% interest in the couple's community property.