

Establishing a trust or will

Business



Establishing a Trust Establishing a Trust Today, real estate ownership remains a desire of many individuals. Even though, this is an inner desire that pushes them towards success, many people continue talking about how to safeguard their real estate property from exposure to lawsuits, improper tricksters, and unnecessary asset searches. This process gets complicated for huge real-estate investments including personal property and real estate, and such situations make it imperative to secure a trust.

For a multimillion real estate consisting of personal and real estate property, it is advisable to secure a family trust and a land trust (Glencoe/McGraw-Hill, 2003). A land trust enables an owner to transfer their real-estate property to a trust, but maintain their ownership while a family trust would ensure the owner separates his personal property from the real property and ease transfer to the next generation (Glencoe/McGraw-Hill, 2003).

However, the owner faces a dilemma in securing appropriate and requisite contracts in both trusts to ensure ownership when alive and safe transfer to her next generation when she dies. A severalty ownership of both trusts ensures she remains the sole owner of her property in order to eliminate any problems and challenges the property may encounter (Evans & Evans, 2007). A bailment will ensure the transfer of ownership to another party (trustee), but retain ownership because trusts are revocable.

Since property consists of land, both tangible and intangible property, bailment is appropriate for intangible property not limited to, title deeds, meeting rules, bank documents, written orders and endorsements (Evans & Evans, 2007). It is necessary to give a gift for transfer of property to the next generation. However, an inter vivos gift ensures transfer of property when both parties are alive while a gift in causa mortis ensure transfer of property

<https://assignbuster.com/establishing-a-trust-or-will/>

to beneficiaries in case of her demise (Evans & Evans, 2007).

References

Evans, D. L., & Evans, O. W. (2007). The complete real estate encyclopedia:

From AAA tenant

to zoning variance and everything in between. New York: McGraw-Hill.

Glencoe/McGraw-Hill. (2003). Glencoe understanding business & personal

law. New York,

NY: Glencoe/McGraw-Hill.