James and Suzanne engaged in the grocery business as partners. In one year, they earned considerable money, and at the end of the year, they invested a part of the profits in oil land, taking title to the land in their names as tenants in common. The investment was fortunate, for oil was discovered near the land, and its value increased many times. Is the oil land partnership property? Why or why not

Step 1:

A partnership is a legally binding arrangement between two or more parties that requires them to split ownership of a specific asset or company. In a partnership, as long as the agreement is in effect, both parties split profits and losses equally. To have a successful partnership, the parties must also share the same interests.

Step 2:

The oil and land partnership is it real estate?

Yes, James and Suzanne's partnership (property) includes the oil plot.

When James and Suzanne bought the oil acreage, they were already partners, and they also acquired the tenants under the common ownership deed. They continue to be partners in the oil land property regardless of whether it is profitable or not. A legal agreement between two individuals or parties to equally divide the ownership rights of a specific piece of property is known as tenants in common. The oil land belongs to each tenant under the common title deed equally, and each tenant has the same duties and obligations for the oil land. In the event that their partnership is broken, the land will be distributed among them equally. By sharing the same percentage of the land's revenues, losses, interests, and rights, you and your partner become its owners. None of the tenants can sell the property without the other's permission according to the tenants in common ownership deed.