

Chapter 5



Property & Estates

Chapter 5 Goals:

- Learn about real property
- Learn about personal property
- Recognize the difference between real and personal property
- Understand what a fixture is
- Understand various property ownership types

Chapter 5: Property & Estates

This chapter will explore the subjects of property and estates. It will explain the difference between real and personal property, and the different types of estates.

Key Terms

annexation appurtenance chattels chattels real estate concurrent estate condition precedent condition subsequent contingent remainder emblems equitable estate estate	fee simple absolute freehold fee simple defeasible estate fixtures freehold estate fructus industriales leasehold estate life estate mineral, oil, and gas rights mobile home personal property public property	real property remainderman remainder interest restraint against alienation reversionary interest rule against perpetuities successive estate trade fixture vested remainder interest wasteful
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Property



Property is defined as anything that can be owned or possessed, either physically or intangibly. Property can be owned by an individual, a business, or a group of people. A property owner has the right to sell, transfer, lease, rent, consume, alter, or destroy his or her property at his or her discretion.

There are three main types of property: public, real, and personal.

Public Property

Public property is that which is dedicated to public use. Unlike real or personal property – which are privately owned – public property is owned by the state.

Real Property

Real property is defined as land, natural resources, or structures permanently attached to a piece of land. More simply, it is any “immovable” asset. Real property includes physical structures (i.e. houses, fences, gazebos, sheds), natural occurrences (i.e. trees, crops), and resources (i.e. gas, oil, coal, minerals). This includes any alterations by construction and renovation.

Real property ownership is recognized through a deed, lease, will, land grant, or sale. Owners have the right to determine land usage, transfer or sell the property, and/or exclude parties from using the property. Typically, the sale of a property includes the transfer of all real property.

Case Review: *United States v. Causby* (1946)

The case, *United States v. Causby* (1946) 328 U.S. 256., involved a dispute regarding airspace ownership above a farmer's property.

Causby, a farmer, had a chicken farming business situated near an airport. Unfortunately, the safest route for government planes to land and depart from that airport was directly over Causby's property. Typical flights passed only 83 feet above Causby's land, and 18 feet above the highest tree. Military aircraft flights barely cleared the top of the highest tree. The constant flight activity, bright lights, and roaring engine noise caused over 150 chicken deaths on Causby's farm and ultimately destroyed his business.

Causby sued the United States for damages and to establish legal domain over his property's airspace. The Superior Court ruled against him. However, the case made its way to the Supreme Court where the decision was overturned. The Supreme Court contended that the government's low-flying aircraft both interrupted Causby's normal use of his property and caused substantial losses to his business. It further ruled that land rights include domain over lower altitudes.

Personal Property

Personal property – or **chattels** – is any “movable” asset that is not attached to a piece of land. Examples include furniture, vehicles, livestock, clothing, jewelry, and household goods. A transfer in real property ownership does not include the transfer of personal property on that real property. **Chattels real estate** is a land or building. Chattels real estate is typically leased.

Determining Real vs. Personal Property

The following methodology can be used to determine whether an asset is personal or real property.

- *Method of attachment*: Is the asset in question a permanent fixture of the property, and/or was it attached (i.e. bolted, screwed, affixed, glued)? If so, the item is real property.
- *Intent*: What was the intent of the property owner when he or she purchased the asset in question and brought it to his or her property? If it can be proven that the intent was to make the asset a permanent fixture of the property, it is considered real property.
- *Adaptability*: If an asset is purchased and adapted specifically to the property, it is likely now considered real property. For example, flooring that is cut and shaped to the size and dimensions of a living room is considered real property, even if that flooring can be removed.
- *Relationship*: In the event of a dispute between the buyer and seller, the relationship of the parties is used in determining whether the property transfers with the sale. Typically, courts will favor tenants and buyers in landlord-tenant disputes and seller-buyer disputes.
- *Written Agreement*: A written agreement supersedes any standard interpretation of real vs. personal property law and, therefore, determines who is entitled to a specific asset. For example, if a seller of a property wishes to keep a specific item that would otherwise be considered real property in the sale, he or she could include this in the sales contract.

Examples of Real Property

Fixtures & Appurtenances

A **fixture** is a physical asset that was once considered personal property, but has since become real property. Personal property converts to real property when it is permanently, immovably attached to other real property.

The conversion from personal to real property is called **annexation**. Annexation occurs through installing, fastening, or drilling the item into the property.

For example, when a homeowner buys a bathtub at a store, it starts off as personal property. However, the bathtub becomes real property after it is installed in a property's bathroom and connected to the water piping system.

Other examples include: ceiling lights, doors, blinds, or windows.

A fixture becomes an appurtenance. An **appurtenance** refers to assets that belong to, and go with, a real property in the event that ownership of that real property is

transferred. Other examples of appurtenances include: swimming pools, garages, septic systems, or water tanks.

Case Review: *Larkin v. Cowert* (1968)

In the case, *Larkin v. Cowert* (1968) 263 Cal.2d 27., a debtor of real property brought legal action against the creditor who foreclosed on the debtor's property.

Real property debtor (Larkin) built two apartment buildings. He purchased and furnished the apartments with drapes and carpets to increase the value and rental income. When a creditor (Cowert) foreclosed on the property for Larkin's failure to make payments, he also took possession of the carpets and drapes. Larkin brought action against Cowert to collect for the value of the carpets and drapes (\$11,322).

The Superior Court denied Larkin's request for damages. It ruled that because the carpets and drapes had been "installed" on the property, they were now considered part of the building's real property. The Court of Appeals affirmed the lower court's ruling.

Case Review: *Allstate Ins. Co. v. County of Los Angeles and Security Pac. Nat'l Bank v. County of Los Angeles* (1984)

In the case, *Allstate Ins. Co. v. County of Los Angeles and Security Pac. Nat'l Bank v. County of Los Angeles* (1984) 161 Cal.3d 877, two companies sued the county over the wrongful taxation of real property.

An insurance company (Allstate) and a bank (Pacific National Bank) owned computer systems. These systems included advanced computer equipment installed on a raised floor resting on jacks held with various adhesives. The equipment was not bolted or permanently installed in any manner. To prevent their operating systems from overheating, Allstate and Pacific National Bank installed additional air conditioning units. The systems were connected by cables and could be relocated upon the company's request.

The Los Angeles municipal county imposed real property taxes on both companies for their computer systems. Allstate and Pacific National Bank sued, arguing that their computers were personal property. They sought refunds on the personal property taxes the state had required them to pay.

The Superior Court ruled in favor of Allstate and Pacific National Bank. It

argued that the off-the-shelf, general use computers could be moved and thus, they would be considered personal, not real property. It reasoned that the plaintiffs were entitled to a tax refund. The Court of Appeals affirmed the ruling.

Case Review: *Seatrain Terminal of California, Inc. v. County of Alameda* (1978)

In the case, *Seatrain Terminal of California, Inc. v. County of Alameda* (1978) 83 Cal.3d 69., a marine facility owner

A property owner (County of Alameda) sold a marina facility to Seatrains Terminal of California. After buying the facility, Seatrains discovered that it was responsible for taxes levied on two cranes attached to the property. The cranes in dispute weighed 750 tons and constituted a functioning component of the property. Seatrains sued the County of Alameda, claiming that it was the County that was liable to pay the taxes on the cranes.

The Superior Court ruled in favor of the County. It concluded that because the cranes were a significant functioning component of the property and permanently attached, they were considered a fixture. As a fixture is part of real property and Seatrains was now the owner of that property, the court ordered Seatrains to pay the taxes.

Examples of Personal Property

Chattels Real

Chattels real refers to personal property interests that concern real property. Examples include mortgages, trust deeds, livestock and leaseholds. Much like real property, the owner of chattels real can borrow against the asset and retain a loan. This is called a chattel mortgage.

Emblements

Emblements – also known as *fructus industriales* – are crops cultivated through labor. Emblements are considered personal property, though they may transfer with the sale of a property.

Tenants who grow crops on land are entitled to a portion, or all of the emblements. The

law of emblements ensures that tenants have the right to use, consume, sale, transfer, or otherwise do as they please with the “fruits of their labor”. A tenant and/or a tenant’s family are still entitled to emblements in the event that a tenant’s lease expires prior to the harvest of the crops; an estate is terminated; or the cultivator dies, resulting in forfeiture of the property.

Mineral, Oil, and Gas Rights

Mineral, oil, gas, and other naturally-occurring chemical rights are the property of the owner of the real property containing the raw material. Whether these rights are personal or real property is determined by the nature of the property’s ownership and whether there is a lease on the land.

A property owner is entitled to extract oil from his or her property, and to sell his or her mineral, oil, or gas rights. However, ownership cannot be claimed over non-extracted oil; it only applies after oil is removed from the ground. Once removed, oil is considered personal property.

However, this changes if the property is being leased.

If a tenant leases a property for oil drilling for an undefined period of time, the oil findings are considered the real property of the property owner. If, however, the tenant leases a property on a short-term basis with a definitive beginning and end date, the oil findings are the tenant’s personal property.

In the event that a lessee extracts minerals from a lessor’s property, he or she may pay a royalty fee to the property owner based on the extracted value of the oil and its ensuing sales.

Case Review: *Geothermal Kinetics Inc. v. Union Oil Co.* (1977)

In the case, *Geothermal Kinetics Inc. v. Union Oil Co.* (1977) 77 Cal.3d 56., a mineral owner (Geothermal Kinetics) had a lease on a portion of land owned by Union Oil. Geothermal Kinetics brought action to quiet title on the geothermal steam and geothermal resources under the property.

The Superior Court ruled in favor of Geothermal Kinetics. Union Oil appealed, but the Court of Appeals upheld the lower court’s ruling. It ruled that the absence of showing specific intent, the intent of the parties of the lease created a geothermal interest for Geothermal Kinetics.

Trade Fixtures

A **trade fixture** is an item used by a lessee on a landlord's property for the purpose of a trade or business. The trade fixture is the personal property of the tenant, and can be moved or removed at his or her discretion as long as the removal does not damage the property. (In the case that the equipment does definitively damage the property, the tenant is responsible for repairing the damage.)

The term trade fixture is often confused with fixture. Although both start out as personal property, a fixture becomes real property, whereas a trade fixture remains personal property.

Generally, trade fixtures are items relating to the production of a manufacturing, trade, or agricultural business. Examples of trade fixtures include: counters, shelves, attached furniture, machinery, signs, telephone lines, and others. As a vital component of a tenant's business, trade fixtures cannot be removed from the property without cause.

Civil Code Section 1019 does restrict a tenant's right to trade fixtures, however, when such fixtures become an essential component of the property.

Unless otherwise agreed to by the landlord and tenant, a trade fixture must be removed by the expiration date of the lease. In the event that the tenant does not remove the trade fixture, the property owner has the right to possess it. For example, a landlord may repossess a trade fixture if a tenant's business goes bankrupt and he or she doesn't have the money to remove the trade fixture from the landlord's property.

However, courts have determined that a tenant must be allowed a reasonable period of time to complete the removal, particularly as some removals require third party servicers. Typically, courts will side with tenants unless the removal of a trade fixture negatively affects the subject property.

Case Review: *Yokohama Specie Bank Ltd. Vs. Hagashi (1943)*

The case, *Yokohama Specie Bank Ltd. v. Hagashi* (1943) 56 Cal.2d 709., involved a tenant who installed a refrigeration plant into the building they leased.

The tenant (Hagashi) installed a \$10,000 refrigeration plant that required the removal of certain column and structural components. The refrigerator also had attachments into the building that could not be removed without damage, or safety concerns. When Hagashi moved, he wished to take his refrigeration system with him. Yokohama Specie Bank, Ltd. sued.

The Superior Court ruled that the refrigerator's permanent fixture attachment – and the fact that it would cause damage upon its removal – made it part of the

building's real property. Hagashi was prevented from taking it with him.

Mobile Homes

Mobile homes are factory-constructed residences that are attached to a permanent chassis, or foundation. A mobile home is transported to a property site – typically a mobile home park – by either a trailer or by a third party service. Typically, mobile homes are left in one place for a sustained period of time; however the home can be moved and transported from one location to another.



The 1970s saw a rise in housing costs, an ever-growing population, and a diminishing average income. This contributed to a dramatic rise in the number of mobile home owners. The low cost of ownership – coupled with the benefit of home ownership – made mobile homes the preferred choice for many consumers. This spike in mobile home purchases also occurred after the housing market crash in 2008.

Real or Personal Property?

A mobile home is considered real property when:

- The mobile home is affixed to a permanent foundation
- The owner has a certificate of occupancy to inhabit the property
- The owner has a building permit for the mobile home

If the above conditions are not met, a mobile home may be considered personal property. However, as personal property is taxed at a higher rate than real property, it is advantageous for mobile home owners to ensure their homes meet the qualifications for real property.

Mobile Home Regulation

Initially, the government was not prepared to manage the massive influx of mobile homes and all of their related issues (i.e. how to dispose of sewage, where owners would “park”). The government originally viewed mobile homes as vehicles and tasked the Department of Motor Vehicles (DMV) with regulating the industry.

After 1976, however, the government made major overhauls to the safety requirements and regulations of mobile homes. By the 1980s, the government recognized the

majority of mobile homes as real property for tax purposes.

Today, all mobile home sales, transfers, and other related activity are conducted through the Department of Urban and Housing Development (HUD). HUD regulates aspects such as when and where a mobile home can be built, mobile home size, the density of mobile homes in any given area, and foundational and coding permits. Mobile homes built before 1976 do not meet HUD's safety standards.

HUD also mandates that a mobile home must remain in a registered location. Should a mobile home owner vacate that location, he or she must inform HUD.

Mobile Home Fire Safety

Fire safety restrictions laid out by HUD that are specific to mobile homes include:

- Requires a flame spread of 25" or less in water heater and furnace components
- Requires a flame spread of 75" or less on the ceilings
- Requires a flame spread of 50" or less behind the range
- Requires a flame spread of 25" or less to protect the bottoms and sides of kitchen cabinets around the range.
- Requires a trim larger than 6"
- Requires smoke detectors in the general living areas of the home
- Requires two exterior doors
- All bedroom doors must be within 35" of one of the two exterior doors

Licensee Restrictions

Business and Professions Code 10131.6 states the following about mobile home sales:

"...a person licensed as a real estate broker may sell or offer to sell, buy or offer to buy, solicit prospective purchasers of, solicit or obtain listings of, or negotiate the purchase, sale, or exchange of any manufactured home or mobile home only if the manufactured home or mobile home has been registered under Part 2 (commencing with Section 18000) of Division 13 of the Health and Safety Code."

Mobile home licensees must adhere to various rules and regulations, including:

- A licensee may only advertise one mobile home at his or her physical place of business. Selling more than one mobile home at a time requires a licensed mobile home dealer, such as a broker or real estate agent.
- A licensed broker, real estate agent, or licensee must prove to prospective mobile home buyers that a mobile home meets all the requirements for that home's transportation. If the home is not in the proper condition to be properly

transported using California's highways, a prospective buyer must be informed of the requirements to make such a move possible.

- If secondary financing is required for the purchase of a mobile home, it is unlawful for a licensee to advertise that the home requires no down payment.
- Licensees may not impose any fees beyond state costs or commission fees on a buyer or seller of a mobile home.
- Once the sale of a mobile home is finalized, the broker, real estate agent, or official mobile home licensee must remove all advertising related to the sale of the mobile home.
- A licensee must inform HUD within ten days of the sale or transfer of a used mobile home.

Estates

An **estate** is all of the personal and real property owned by an individual or entity.

Freehold Estate

A **freehold estate** grants a property owner the exclusive right to possess and enjoy the use of the property without public interruption for an undisclosed period of time. There are three types of freehold estates:

- fee simple absolute
- fee simple defeasible
- life estate

Fee Simple Absolute

A **fee simple absolute** grants a property owner exclusive rights to a property. It is the highest level of ownership and is the most typical form of ownership. To possess exclusive rights means that a property owner can:

- Inhabit the property indefinitely
- Transfer the property's title at his or her discretion
- Sell the property without limitations

Although a property may be under the exclusive ownership of one person or group of people, standard real estate laws – such as eminent domain and police power – still apply. The government also has the ability to impose taxation and warrants on the

property.

Fee simple absolute cannot be overturned or removed by previous owners, heirs, or assignees.

Fee Simple Defeasible

Fee simple defeasible is a fee simple absolute with certain conditions imposed upon the property owner. The agreement transfers property from a seller to a buyer, but with the stipulation that the buyer must uphold certain condition laid forth in the deed. If all conditions are met, the buyer possesses full ownership over the property. If the buyer violates the conditions, his or her ownership may be terminated.

A **condition precedent** is a provision that prevents something from occurring on the property.

A **condition subsequent** is an event that terminates an estate.

For example, a property owner may agree to sell his property on the condition that the buyer does not convert the property into a strip club (a condition precedent). If the buyer agrees, and signs a deed explicitly stating this condition, a fee simple defeasible is formed. If the buyer were to later violate that provision by building a strip club (condition subsequent), the property may be transferred back to the seller.

A fee simple defeasible estate is common when individuals or a group donate or sell a property for a specific purpose, such as the construction of a school or a hospital. If the property is not used for that specific purpose, the grantor of the property is entitled to the return of that property.

If a property owner fails to meet the imposed conditions, the original estate grantor may bring legal action against them. The statute of limitations is five years after the violation occurs. Although a buyer's failure to uphold the conditions may result in the property's forfeiture, courts typically will not require the violating party to forfeit the property. Rather, the courts will determine they pay a fine to the original estate grantor.

Case Review: *Alamo School District v. Jones* (1960)

The case, *Alamo School District v. Jones* (1960) 182 Cal.2d 180., involved a grantor who conveyed land by quit claim to the government for the purpose of developing a school.

The grantor (Jones) conveyed land to the Alamo School District for the purpose of developing a school. The transaction contained a provision that granted Jones

the right to repurchase the property at the same price, should the Alamo School District choose not to develop a school. When Jones died, his heir (also Jones) claimed interest in the property. The heir filed a declaratory judgment to determine the property rights regarding the land.

The Superior Court ruled in favor of the Alamo School District, stating that the deed created a fee simple estate, which meant the presence of a reversion was not possible. The court further concluded that the language in the deed was personal in nature and therefore, could not be assigned by the deceased Jones to his heir. This meant that even if the Alamo School District did not choose to develop a school, Jones' successor was not entitled to repurchase the land.

Case Review: *Springmeyer v. City of South Lake Tahoe* (1982)

The case, *Springmeyer v. City of South Lake Tahoe* (1982) 132 Cal.3d 375., involved a grantor who brought action against the city for attempting to quiet title of real property.

The property in question had a deed to the city by Springmeyer. The deed included a virtue of reversion provision, which stated that the land would be used for government purposes. The two conditions of reversion were: the city's failure to build and occupy the buildings for city purposes and second was if the property failed to occupy one or more buildings. The plaintiff brought action to quiet title claiming the defendant had failed to use the property for city purposes.

The court ruled the plaintiff did not state a valid cause of action. The court concluded that claiming reversion was a drastic remedy and that if the plaintiff did not want to claim reversion it had to be stated clearly in the contract, which the court believed was not clear. Ultimately, the defendant's objection was granted by the court and the plaintiff's lawsuit was thrown out of court.

Life Estates

A **life estate** grants a property owner the exclusive right to possess a lifetime financial interest in real property. This means that the owner has the right to use and enjoy the property for the duration of his or her lifetime.

The rights of a life estate holder include:

- The right to occupy, possess, and use the property
- The right to renovate the property

- The right to initiate and manage a rental property and collect rental income
- The right to sell, transfer, or rent interest in the life estate
- The ability to use the estate as a charitable tax deduction

A life estate holder also has the right to use the property as collateral in order to obtain a mortgage. A lender's primary loan approval guidelines typically require that a borrower have equity, something almost all life estate holders have. Consequently, using a life estate as collateral increases a life estate holder's chances of being approved for the loan.

However, life estate ownership also comes with responsibilities. Life estate holders have a duty to maintain the property, pay taxes, and keep current with H.O.A fees.

A life estate holder may not be negligent, or alter a property in a manner that damages the environment or health of the property. For example, an estate holder may not prevent the natural flow of water. An estate holder may also not be **wasteful** with the property and its resources. For example, a property owner may not remove or burn valuable fruit, vegetable trees, and/or bushes.

Failure to adhere to basic ownership responsibilities may result in court action.

Life Estate Agreements

Life estates are also used as a tool to protect a family's financial future. Life estate agreements may dictate the terms of an estate's transfer and/or division in the event of a life estate holder's death. It may also provide alternate scenarios for transfer or division based on whether certain conditions occur.

There is no such thing as a standard life estate agreement. The life estate creator has the ability to create any condition, provision, or requirement he or she chooses. Consequently, each life estate is unique.

If a life estate has multiple owners, the duties of each party must be indicated in the estate agreement. The absence of clear provisions in this regard will likely result in a court dividing a life estate's material expenses between parties. Divisions may be made based on the proportionality of an estate holder's stake, the age of an estate holder, and an estate holder's ability to afford such expenses.

Remainderman

Life estates terminate upon the death of the life estate holder. Life estate agreements typically designate an heir, power of attorney, or third party to whom the life estate's financial interests will pass. This individual is known as a **remainderman**.

The most common types of heirs are children. In the event that an estate holder does not designate instructions for transfer prior to his or her death, a court generally transfers an estate's financial interests to his or her children and splits those interests among them.

In the event that no heir is designated, the life estate creator has the ability to create a contingent remainder. A **contingent remainder** is a provision that alters the transfer of the estate based on certain conditions.

For example, say a life estate was intended to transfer interests to Pam after the death of her mom, Jill, however, Pam dies before Jill. In this case, the life estate creator (Jill) can designate an alternate party.

Life estate creators may create certain conditions for a remainderman.

A **restraint against alienation** is a restriction on the ability of a remainderman to sell or transfer his or her interest in the property.

A **remainder interest** refers to an individual with an interest in an estate in the future. Such interest may be held in a trust that can only be accessed after a certain time period has passed, or an age has been reached. This is also referred to as **vested remainder interest** because the interested is vested to a party in the future.

A **reversionary interest** is the interest that an individual has in a property when a preceding estate no longer exists. In this case, interest is held by the original property owner and will revert back to that owner should a certain event occur. For example, assume a property owner wants his or her land to be used for the specific purpose of developing a public park; the owner can donate land to the local government or to an existing park. The transfer of the land would be conditioned on the fact that the land transfer only be used for a public park. If the city decides not to use the land for the designated purpose of developing a public park the transferring party has the right to recoup his or her transferred land.

The **rule against perpetuities** is a legal principle that an interest in a property is not valid if it is granted after a 21-year period.

Case Review: *King v. Hawley* (1952)

The case, *King v. Hawley* (1952) 113 Cal.2d 534., involved a dispute over a life estate.

A brother died and administrated his estate to his surviving sister, Ida Graves. His will gave Ida the right to sell some, or all, of the estate's real and personal property at her discretion for her "comfort and support". However, he stipulated

that whatever was left of the estate at the time of Ida's death should go to a James Woodward King and his heirs.

Ida died less than four years after her brother. Before she did, however, Ida sold all of the estate's property and disbursed the proceeds. These transactions resulted in the acquisition by defendants Evelyn M. Hawley and G. W. Graves of the estate's properties. King sued.

King contended that the brother's initial will had entitled him to the remainder of the estate upon Ida's death, but that Ida had fraudulently diverted his inheritance to Hawley and Graves. The court agreed that Ida had transferred property without consideration to the wishes of her brother's will. It ruled in favor of King.

Case Review: *Osborne v. Osborne* (1954)

The case, *Osborne v. Osborne* (1954) 42 Cal.2d 358., involved the son of a deceased father bringing legal action to quiet title to real property.

Merinoeth Osborne and his father, Thomas, drew up a deed provision that stated that Merinoeth would receive the real property called Lot 97 upon Thomas' death. However, when Thomas died, Merinoeth's stepmother, Louise Osborne, claimed the property belonged to her. Both Merinoeth and Louise filed for a quiet title on Lot 97.

The trial court initially denied both parties' requests to quiet title. However, the appellate court contended that because the deed for Lot 97 stipulated that it would transfer to Merinoeth upon Thomas' death, Merinoeth had a remainder interest in the property. The court ruled in favor of Merinoeth.

Nonfreehold Estates

A **leasehold estate** – also known as a “nonfreehold estate” – is an interest in real property that is less than a freehold estate. Such an estate makes an individual the leasehold owner of a property for a temporary period of time. This ownership is held in an uninheritable lease agreement. Following the termination of the lease, the individual may no longer use the property.

A tenant who signs a lease agreement with a landlord to live in an apartment unit is an example of a leasehold estate.

The types of leaseholds will be discussed further in Chapter 15.

Concurrent Estate

A **concurrent estate** refers to a type of estate that is owned by multiple parties at the same time. These property owners are referred to as co-owners, co-tenants, or co-borrowers.

Concurrent estates will be discussed further in Chapter 14.

Equitable Estate

Equitable estate refers to an owner's rights to have an estate recognized in court.

Successive Estates

A **successive estate** is an estate that is transferred to an heir following the death of an estate creator or owner. Successive estates may transfer all or partial interest to one or more people at the discretion of the estate creator.