

Should I Buy A House With My Friend In Washington State?

By Washington State Business and Real Estate Lawyer [William O. Kessler](#)

Real estate prices are continuing to climb in Seattle and many other parts of Washington. As a result, we are seeing buyers increasingly partner with friends and extended family to buy property together. Some are buying investment property, and some are even sharing a residence with their friends / co-buyers. Such arrangements can be very beneficial for all parties, both financially and from a personal-relationship standpoint. But unless the friends go into the purchase with a clear written agreement, co-ownership often causes strained or broken relationships, and even litigation.

Therefore, it is absolutely critical for these buyers to address certain important issues in a well-drafted and personalized contract before buying real estate together. For example:

1. What percentages will each buyer own?
2. Who will pay the mortgage, taxes, insurance and maintenance? And in what amounts?
3. What if one owner doesn't pay his or her fair share?
4. Who will make decisions regarding the property? Will the owners require unanimity? Or can a majority rule?
5. What will happen if everyone can't agree? For example, what if only one owner wants to sell the property, refinance, build a new fence or get another roommate?
6. Can one owner sell his or her interest in the property without the permission of the others? If so, will this new co-owner have some lesser degree of decision-making power than the original/selling partner?
7. Who will owe what taxes?

A good real estate attorney will work through these questions with you. He or she will raise and help you answer potential questions you probably hadn't thought about. Most importantly, that attorney will then create effective and practical solutions to these questions in the form of a contract like an LLC Agreement (aka Operating Agreement), a "Tenancy In Common Agreement" (TIC) or other such contract. Because each co-ownership situation is very different, each contract must be tailored specifically for each group of co-owners.

So the short answer to the question “should I buy real estate with my friend” is... maybe. But only do it after talking to a real estate attorney and signing a contract written just for you.

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