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Buying a Home Together Before Saying 'I Do'? Some Reasons to Say 'I Don't'

Things could get ugly, so prepare for worst-case scenarios when you're purchasing property together.



About 7.5 million unmarried, opposite-sex couples were living together as of 2010, according to the census.

By [Geoff Williams](#) | March 27, 2015 | 3:08 p.m. EDT



[Moving in together](#) is a big step in an adult relationship, but it's child's play compared to buying a house with an unmarried partner.

Precise numbers on how many unmarried couples purchase homes together every year are hard to come by, but unmarried cohabitation is growing, according to the U.S. Census Bureau. Per the 2010 census, approximately 7.5 million unmarried, opposite-sex couples were cohabiting, compared to 5.5 million in 2000 and 3.2 million in 1990. Meanwhile, a survey conducted late last year by the real estate brokerage Redfin found that 38 percent of 2,021 [American millennials](#) have postponed or would postpone a wedding or honeymoon to buy a home.

Thinking of buying a home with your sweetheart before saying “I do”? You have several plans of attack:

You can just hope for the best. That is, you can buy a house with your girlfriend or boyfriend, put both your names on the deed and hope that if you do break up some day, you'll devise a fair way to sell the house and split the profits. You know your relationship and each other, right? It might be a reasonable approach.

Unless you actually don't know your relationship. Plus, people change. Your spellbinding partner may not be so amazing in three years. No matter how much in love you are now, buying a house together – without a plan for selling it if your relationship goes south – is a big risk.

"Assuming there is no agreement and the parties co-own a residence together, if they cannot agree on the use, sale or possession of their home, they may have to resort to court to resolve the matter in what is known as a partition action," says Corri Fetman, a divorce attorney who owns Corri Fetman & Associates in Chicago. "In a partition action, the co-owner may request that the court split the property in a fair and just manner – whatever that might mean."

And that's only if you both agree to [sell the house](#). You could have one half of your team walk out and want nothing to do with the home, not caring that his or her credit score will crash, or that you don't have the money to make mortgage payments on your own. And if only your partner's name is on the deed, say, because you had [bad credit](#) upon purchase, you could be out on the streets if you break up, with no legal stake in the house even if you've been making payments.

What's more, Fetman says, your partner could sell his or her interest in the house to someone else. It sounds crazy, someone buying half of a house, but it could happen.

But assuming your names are both on the deed, and you both want to sell but [can't agree how to](#), odds are the court will "order that the property be sold and proceeds from the sale distributed to the co-owners in relation to the percentage of their interests and an accounting of their respective contributions," Fetman says.

Which sounds fair, and is, but you'll have to spend a lot of money in lawyer fees to get to fair.

Plan for the end at the beginning. You don't have to hope for the best and risk getting the worst. [Similar to a prenup](#), you can make preparations with a no-nuptial, often called a no-nup, which covers what would happen to your shared assets if your relationship fails.

Keith Baker, a mortgage banking professor at North Lake College in Irving, Texas, and someone who spent 30 years in the specialty finance business, says anyone thinking about buying a house with an unmarried partner should talk to a skilled real estate attorney. That attorney should be located in the state in which your property exists, Baker adds, since state laws governing real estate can vary.

The most typical agreements your real estate attorney will suggest, Baker says, are either a property agreement or a cohabitation agreement. The property agreement covers "the other property related to the home," be it furniture, computers or big-screen TVs, Baker explains. A cohabitation agreement decides how your real estate would be sold and who would live where in the event of a split.



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