

LEASEHOLD vs. FEE SIMPLE



LEASEHOLD PROPERTY DESCRIPTION:

An estate or interest in real property held under a rental agreement by which the owner gives another the right to occupy or use land for a period of time.

- The Lease is both a contract and conveyance whereby the owner, aka Lessor, conveys or lets the land to the Lessee for a specified period of time in consideration for a return of rent or other periodic compensation.
- Both the interest of the Lessor and Lessee may be transferred and conveyed.
- Lessee purchases improvements or structures to property but not the land.
- Lessee is not the owner of land beneath improvement, but is purchasing the right to occupy and use the land and must pay rent on it.
- When the lease term expires, lessee returns land to owner.

FEE SIMPLE PROPERTY DESCRIPTION:

A fee simple interest is the most absolute interest one can have in the land, limited only by zoning laws, deed or subdivision restrictions or covenants.

- The duration of ownership of property is indefinite and is freely transferable and inheritable.

This information is presented for informational purposes only and is deemed reliable but is not guaranteed. It is not our intention to provide any legal financial or business advice. For specific information, please consult a qualified advisor.

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