

A PRACTICAL GUIDE FOR HEIRS

You Inherited a Home. Now What?

A Southern California homeowner’s guide to understanding ownership, evaluating your options, and moving forward with confidence.

You do not need to decide everything today.

Before you sell, rent, move in, or divide the property among family members, learn what you actually own, who has authority to act, and which decisions could affect taxes and timing.

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START HERE

First, give yourself room to make a plan

An inherited home can be a financial asset, a family memory, and a complicated responsibility - all at once.

Your first 48 hours: protect the property

Confirm the home is secure. Check insurance coverage for vacancy or a change in occupancy; keep utilities and mortgage payments from being overlooked. Locate keys, mail, tax bills, HOA notices, and urgent maintenance concerns.

Your first two weeks: find the paperwork

Collect the death certificate, deed, trust and amendments, will, mortgage statements, property tax bill, insurance policy, HOA information, and any existing loan or lien notices.

Before any major decision: confirm authority

Being an heir does not necessarily mean you can sign a deed, list the home, rent it out, or distribute sale proceeds. A successor trustee, authorized estate representative, surviving owner, or other legally entitled party may need to act.

Four choices worth considering

Keep and live in it • Keepit as a rental • Sell the property • Arrange a family buyout or shared ownership.

The right choice depends on legal authority, family agreement, property expenses, tax consequences, and personal goals.

A useful rule

Separate what must happen now (security, payments, deadlines, documents) from what can wait until you have reliable information (remodeling, listing, long-term ownership).

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UNDERSTANDING OWNERSHIP

How was the home titled when your parent died?

The deed is the starting point. Awill or family understanding does not, by itself, tell you who currently has authority to transfer real estate.

In an individual parent’s name

A court process or an available simplified transfer procedure may be needed. Do not assume a full probate is automatically necessary.

In a living trust

Read the trust, confirm the home is actually titled in the trust, and identify the successor trustee with authority to administer it.

Joint tenancy with right of survivorship

A surviving joint tenant may receive the interest by operation of law, subject to required death documentation and other title matters.

Community property with right of survivorship

A surviving spouse or registered domestic partner may acquire the deceased owner’s interest without formal probate; proper documentation is still needed.

Tenants in common

The deceased owner’s fractional interest generally passes through their estate or another valid transfer mechanism; the other co-owners retain their shares.

Entity ownership or transfer-on-death deed

An LLC or partnership requires review of governing records. A recorded transfer-on-death deed requires validation of statutory requirements and potential claims.

Important: Ownership outcomes depend on the actual recorded instruments, facts, and California law. Have the chain of title reviewed before acting.

WHEN THERE IS A TRUST

If the property is in a living trust

A trust can provide a path around full probate, but the trustee must still follow the trust and complete the right documentation.

- 1. Find the signed trust and amendments. Read who takes over after death, what powers they have, and whether beneficiaries receive the home or proceeds from its sale.
- 2. Identify the acting successor trustee. Confirm succession and acceptance where applicable, including any requirement for co-trustees to act together.
- 3. Obtain proof of death and trustee authority. A certified death certificate, appropriate affidavit, and certification of trust may be among the documents needed.
- 4. Check that the trust was funded. A trust document alone does not prove this property was transferred into it. Compare the recorded vesting to the trust's name.
- 5. Review title before transferring or selling. Look for liens, discrepancies, restrictions, and lender or HOA issues that need to be handled.

What if the house was never deeded into the trust?

An estate-planning attorney may consider a court petition (sometimes called a Heggstad petition) or another procedure depending on the evidence and circumstances. It is not something to fix by simply signing a new deed in the deceased owner's name.

What heirs should ask the trustee

What does the trust require? Who can approve a sale? How are expenses paid while the home is held? When will beneficiaries receive accounting and updates?

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COURT INVOLVEMENT

When might probate be necessary?

Probate is a court-supervised process for administering a deceased person’s estate, but it is not the only possible way a home transfers.

If there is a will - or there is not

With a will: the named executor still generally needs court appointment when formal probate is required. Without a will: California intestacy law generally controls inheritance and the court may appoint an administrator. A will alone does not transfer real estate title.

Authority matters before the home is sold

Depending on the type of administration and authority granted, a court-appointed representative may be able to sell using independent administration procedures or may need additional court approval. Confirm the appointment and any limitations first.

A simplified route may be available

For deaths on or after April 1, 2025, California has a special court petition for succession to a deceased person’s primary residence valued up to $750,000, if statutory conditions are met. Other small-estate transfer tools also exist. An attorney should confirm eligibility; this is not an automatic transfer.

Plan for uncertainty in timing

A trust-administered transfer can sometimes be completed substantially faster than formal probate. Probate timing varies with the court, notice periods, claims, administration authority, disputes, and property issues. Avoid promising family members a fixed sale date or distribution date.

Questions to bring to an estate attorney

Is court administration required? Is there a simpler petition? Who may maintain or sell the home today? What notices and approvals apply? How will expenses and estate debts be handled?

ALTERNATIVE TRANSFERS

What about a transfer-on-death deed?

California’s revocable transfer-on-death (TOD)deed may transfer qualifying real property to named beneficiaries outside formal probate if it was validly created and remains effective.

What to verify

A valid TOD deed generally must have been properly signed, notarized, witnessed, and recorded within required periods. Confirm the precise deed, beneficiary designations, legal description, execution date, and any revocation or later conflicting instrument. California’s TOD rules have changed over time.

The deed does not remove every problem

Beneficiaries may still need to record death-related paperwork and address statutory notice, creditor, lien, or title requirements. Mortgage obligations, taxes, and disputes do not simply vanish.

Trust versus TOD deed

Trust: can coordinate several assets, management during incapacity, and instructions for distribution. TOD deed: is narrower and generally addresses transfer of specified real property at death. Neither replaces a review of the recorded title.

What if a family member says “the house was promised to me”?

Verbal wishes and informal understandings can conflict with the deed, trust, will, statutory inheritance rules, or the rights of other beneficiaries. Obtain the actual documents and seek legal advice before any heir signs away an interest.

Practical action

Ask for a title review before assuming the TOD deed, trust, or will provides a complete and sale-ready chain of ownership.

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PROPERTY TAXES

Proposition 19: will property taxes change?

Source: California State Board of Equalization, Proposition 19 guidance (boe.ca.gov/prop19). Confirm current rules and forms with the county assessor.

For many inherited homes, this is the question that can change the decision to move in, rent, or sell.

The basic rule

For transfers on or after February 16, 2021, California generally reassesses inherited property unless a valid exclusion applies. The parent-to-child exclusion for a family home generally requires it to have been the parent's principal residence and to become the eligible child's principal residence within one year. A family farm has different rules.

If you move into your parent's home

You may qualify to retain some or all of the parent's assessed value if the home and claimant meet the requirements. The exclusion has a value limit, so qualifying does not guarantee that the entire existing assessment will be preserved.

If you rent it out or leave it vacant

An inherited rental generally does not qualify for the family-home parent-child exclusion. If no eligible child occupies the home as a principal residence, the property is generally reassessed. A later move-out can also affect an existing exclusion.

Deadlines that matter

For an inherited family home, the child generally must move in within one year of the date of death. File the homeowners' exemption (BOE-266) or applicable disabled veterans' exemption within one year for relief from the date of transfer. File parent-child exclusion claim BOE-19-P generally within three years or before a third-party transfer, whichever comes first. Later filings may have different prospective effects.

Current exclusion amount: For transfers from February 16, 2025 through February 15, 2027, the indexed amount is $1,044,586 above the parent's factored base-year value. This is not a blanket $1 million exemption from the home's price.

FINANCIAL DECISION

Keep, rent, sell, or buy out a sibling?

Compare the actual numbers, not just the home’s emotional or estimated market value.

Option 1 • Move in
Consider your housing needs, affordability, commute, any sibling interests, maintenance costs, and whether you might qualify for Proposition 19 relief.

Option 2 • Rent the home
Estimate market rent, vacancies, property management, repairs, insurance, property tax reassessment, and landlord responsibilities. Confirm who may legally lease it.

Option 3 • Sell the home
Estimate realistic sale price, preparation work, closing costs, loan payoffs, tax issues, and the timing required by the trust or estate.

Option 4 • One heir buys out the others
Get a neutral valuation, confirm transfer and financing mechanics, and document the terms. Discuss tax consequences with qualified advisers.

Do not forget income taxes

Inherited real estate often receives a new federal income-tax basis tied to fair market value at the date of death, but exceptions and special rules apply. This is separate from Proposition 19 property tax reassessment. Ask a CPA or tax adviser before relying on a capital-gains estimate.

A simple comparison exercise
Write down: expected market value; loan balance; annual property taxes after any reassessment; insurance; HOA; necessary repairs; monthly rental income; likely selling expenses; and each heir’s objectives.

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FAMILY COORDINATION

When multiple heirs are involved

Even a home with clear title can become difficult when family members have different goals, budgets, or expectations.

Start with a shared fact sheet

Identify each heir or beneficiary, the person legally authorized to act, the current occupancy status, the property's estimated value, outstanding loans, bills, and immediate decisions. Keep written records of decisions and payments.

Three common points of friction

One sibling wants to sell; another wants to keep it. Explore buyouts and the governing documents.
One sibling has been living in the property. Confirm rights, insurance, expenses, and any agreement on occupancy.
Someone paid taxes or made repairs. Keep receipts and discuss reimbursement or accounting with the trustee or attorney.

Be careful with work done before an agreement

Before spending heavily on renovations, ask who is authorizing the cost, whether the expense benefits all beneficiaries, and whether the expected return is realistic. A cleaning, safety, and maintenance plan may be more sensible than an expensive remodel.

Questions to answer together

Who is the decision-maker? What does each person want? How long can the property be carried? Which expenses are urgent? What would trigger a decision to sell? Who will communicate updates?

When to call in professionals

An estate attorney can address rights and authority; an accountant can model tax consequences; a Realtor can provide market and sale options; a title professional can help uncover recorded ownership or lien issues.

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AVOID SURPRISES

Common title and property issues to investigate

A nearly review can reveal obstacles long before anyone signs a purchase agreement or initiates a transfer.

- The property is still in the deceased owner’s name. The proper succession or transfer procedure may not yet be completed.
- A trust exists, but the deed never transferred into it. Further documentation or court action may be needed.
- Unknown heirs, conflicting beneficiaries, or incomplete documents. Interests and authority may need clarification before action.
- Unrecorded or incorrectly prepared deeds. The recorded title may not reflect what the family believes.
- Mortgages, judgments, tax liens, unpaid HOA assessments. Outstanding obligations can change carrying costs or affect a sale.
- Easements, legal-description errors, boundary concerns. Survey or recorded-document issues may impact use or insurability.
- Bankruptcy, divorce orders, code violations, permit concerns. Outside legal or municipal matters may require specialized review.

What a pre-listing title review can help with

Identify current vesting, recorded liens, relevant documents, and potential transfer or insurability obstacles. It is not a substitute for probate advice, a title commitment, a survey, or a full legal review.

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YOUR TAKE-HOME CHECKLIST

A clear next-step checklist

Use this page at the family meeting or when speaking to your attorney, CPA, Realtor, or title professional.

- [ ] Secure the house and confirm appropriate insurance coverage.
- [ ] Obtain certified death certificates and the current recorded deed.
- [ ] Collect the trust, amendments, will, and any TOD deed.
- [ ] Identify the trustee, personal representative, or surviving owner.
- [ ] Check mortgage, property taxes, HOA, utilities, and liens.
- [ ] Ask whether probate or a simplified transfer process applies.
- [ ] Review Proposition 19 eligibility and date-of-death deadlines.
- [ ] Discuss income-tax basis with a qualified tax professional.
- [ ] Document each heir’s objectives and any interim expense plan.
- [ ] Compare the costs and consequences of living in, renting, or selling.
- [ ] Request an early title review before signing or listing.

Need help identifying the recorded ownership?
I can help you start with the title questions and point you toward the right professionals when legal, tax, or estate-specific advice is needed. Adrian Crandall • 714-767-4493 • Adrian@CorinthianTitle.com

Educational information only; not legal, tax, estate-planning, or financial advice. Every property and estate is different. Confirm current requirements with the county assessor and qualified advisers. Prepared November 2026.