



# Town & Country Real Estate

## GLOSSARY OF REAL ESTATE TERMS

**AGENT:** person authorized to act by and on behalf of another  
**AMORTIZE:** periodic installments to pay debt until total amount, along with interest, is paid or "satisfied"  
**A.P.R.** (annual percentage rate): true annual cost of borrowing... combines interest rate with other loan costs such as points and fees into one single figure  
**APPRECIATION:** increase in value or worth  
**APPURTENANCE:** annexed to land which will pass to buyers upon title transfer, such as garage or fence  
**AS IS:** condition of premises: no guarantees, warranties or representations  
**ASSESSED VALUE:** value placed on a property by government agency for taxation purposes  
**ASSUMPTION OF MORTGAGE:** taking all liability for payments of specified mortgage  
**BINDER:** pre-contract agreement formalizing Offer & Acceptance accompanied by a deposit usually subject to attorney's approval thus technically binding  
**BREACH OF CONTRACT:** one party fails to live up to the terms and conditions of a valid contract  
**BROKER:** licensed individual conducting real estate brokerage business  
**BUILDING CODES:** required minimum construction standards as set by state or local municipality for public health and safety  
**BY LAWS:** rules and regulations governing a homeowners association  
**CAVEAT EMPTOR:** Latin for "let the buyer beware", buyer assumes all and any risk in purchase  
**C&R:** Covenants & restrictions, usually used to maintain quality control in a sub-division  
**CLOSE:** real property formally changes ownership  
**CLOSING COSTS:** expenses associated with the transfer of real property  
**CLOUD ON TITLE:** defect in title rendering title unacceptable  
**COMMISSION:** brokerage fees for services rendered by licensed real estate professional  
**COMPARABLE:** properties of similar size and qualities used to estimate value  
**CMA:** Competitive Market Analysis using both sold comps and listed comps to establish market value  
**CONDOMINIUM:** type of housing where buyers purchase specific units with rights and share in common area, elements & expenses  
**CONSIDERATION:** something of value, usually money  
**CONTINGENCY:** Provisions to a contract that must be satisfied or met before closing  
**CONTRACT:** legal enforcement agreement between parties. A real estate contract must be dated, in writing, include consideration, legal descriptions, price, terms, conditions and closing date  
**CONVEY:** to transfer title for real property between parties  
**CO OP:** real property owned or leased by a corporation which in turn leases specified space to its shareholders or part owners  
**COUNTER OFFER:** responding offer  
**DEED:** written document which conveys title to real property upon execution and delivery  
**DEED RESTRICTIONS:** provisions to the deed which control future use  
**DEFAULT:** breach of contract or failure to meet legal obligation; non-payment of mortgage  
**DEPRECIATION:** decline in market value due to age, obsolescence, wear/tear, or economic conditions  
**DOWN PAYMENT:** initial cash investment, good for the deposit  
**EASEMENT:** limited rights to cross or use another's property  
**EMINENT DOMAIN:** government right or power to acquire private property for public use without owner's consent, yet fair compensation is provided  
**ENCROACHMENT:** improvement which intrudes upon the property of another  
**ENCUMBRANCE:** any impediment to clear title  
**EQUITY:** value less any debt  
**ESCHEAT:** title of property reverts to government when owner dies intestate (without will) without heirs  
**ESCROW:** money or document held by third party as per written agreement  
**EXCLUSIVE AGENCY LISTING:** sales listing agreement whereby owner may find a buyer with no obligation to broker, but other brokers must come through the exclusive listing broker, or commission is due  
**ERS:** Exclusive Right to Sell; broker hired by the seller has sole and exclusive right to list said property and if seller or any other broker finds a buyer, the seller must pay the Exclusive broker the commission  
**FEE SIMPLE:** ownership of real property used or sold at owner's discretion  
**FIDUCIARY:** person acting in position of trust, responsibility and confidence of another  
**FIRST MORTGAGE:** primary position lien, first to be paid  
**FIXTURES:** items permanently attached to real property and therefore included with transfer or sale  
**FORECLOSURE:** legal action by lenders to end ownership rights due to delinquency of mortgage payments  
**GRANTEE:** the buyer  
**GRANTOR:** the seller  
**HIGHEST & BEST USE:** use of real property with greatest yield  
**IMPROVEMENTS:** any form of development of land  
**LEASE:** contract conveying the right to use property for a specified time and for specified consideration  
**LEASE-PURCHASE OPTION:** a lease written with an opportunity to purchase said property  
**LESSEE:** the tenant  
**LESSOR:** the landlord  
**LIEN:** encumbrance on a property tied to a debt  
**LISTING AGREEMENT:** contract between broker and client (seller); the broker is hired to sell real property  
**MAINTENANCE FEES:** additional money above and beyond rent for use or common areas  
**MARKET VALUE:** highest price a ready, willing & able buyer will pay and lowest price seller will accept  
**MARKETABLE TITLE:** good and clear title  
**MORTGAGE:** legal document expressing repayment of loan  
**MORTGAGEE:** the lender  
**MORTGAGOR:** the borrower  
**TRIPLE NET LEASE:** lease whereby tenant is obligated to pay taxes, insurance and maintenance  
**NON-CONFORMING USE:** use of property contrary to zoning ordinance  
**OFFER:** oral or written proposal to purchase; should include price, terms, conditions and closing date  
**OPEN LISTING:** Listing giving a broker non-exclusive rights to find a buyer  
**O&A:** Offer & Acceptance, prior to written contract, a meeting of the minds on price, terms and conditions  
**PITI:** Principal, interest, taxes & insurance  
**PROPERTY TAX:** assessment levied by local governments on real property  
**QUICK-CLAIM DEED:** A conveyance without warranties or obligations by the grantor  
**REAL ESTATE:** land and all improvements to it  
**REAL ESTATE BROKER:** person who has fulfilled the requirements of the state licensing division  
**REIT:** real estate investment trust. Shareholders or equity investors purchase shares in the REIT that takes title of real estate investments  
**REAL ESTATE SALESPERSON:** individual who passed the state exam; works under licensed real estate broker  
**REAL ESTATE TAX:** property tax as imposed by municipalities  
**REAL PROPERTY:** land and improvement of same  
**REALTOR:** licensed real estate broker or Salesperson who is a member of National Association of Realtors - a registered trademark  
**RECORDING:** the submission of recording of documents affecting or conveying interest in real estate within the country record office  
**REPORT OF TITLE (TITLE REPORT):** document stating ownership, legal description, liens and anything else that would effect marketable title  
**RESTRICTIVE COVENANTS:** deed restriction controlling future owners use and/or improvements  
**RIGHT OF FIRST REFUSAL:** A written agreement granting a signee the 1st opportunity to lease/purchase real property  
**RIGHT OF SURVIVORSHIP:** joint tenancy rights which grants the title and interests of a deceased joint tenant to go directly to the remaining joint tenant.  
**SALES CONTRACT:** written instrument containing price, terms, conditions and closing date  
**SECOND MORTGAGE:** a subordinate loan or lien in 2nd place, would be satisfied after primary or 1st mortgage  
**SETTLEMENT COSTS:** closing costs  
**STEERING:** the illegal act of directing a potential buyer to or away from certain neighborhoods with the intent to maintain or change the character of the area  
**SUB-DIVISION:** land sub-divided into individual lots  
**SUBLETTING:** when a tenant leases to a third party for the remainder of the term of the lease  
**SURVEY:** plot plan with exact measurements of a parcel by licensed surveyors or civil engineers  
**TAX RATE:** the rate at which real property is taxed in a specific district/county/village  
**TENANT BY THE ENTIRETY:** ownership with rights of survivorship  
**TENANTS IN COMMON:** ownership where 2 or more persons purchase property jointly with separately interests  
**TITLE:** actual ownership as indicated by deed or bill of sale  
**TITLE INSURANCE:** insurance policy that protects against loss due to defects in the title not listed in report Title REPORT: Statement of existing status of title for particular property  
**TITLE SEARCH:** professional examination for all public records which determines chain of ownership, liens, encumbrances, easements and restrictions  
**URBAN RENEWAL:** redevelopment of areas for betterment  
**VALID CONTRACT:** meets all legal requirement  
**VARIANCE:** permit granted as an exception to current zoning ordinances  
**YIELD:** return on investment; profit; or income  
**ZONING:** classification of real property by a use in accordance with a master plan

## 1TownandCountry.com

**EAST HAMPTON**  
324-8080  
52 Main Street

**BRIDGEHAMPTON**  
537-3200  
2415 Main Street

**SOUTHAMPTON**  
283-5800  
50 Hampton Road

**NORTH SEA HARBOR**  
283-0505  
570 Noyac Road

**WESTHAMPTON BEACH**  
288-3030  
132 Main Street

**MATTITUCK**  
298-0600  
6920 Main Road

**SOUTHOLD**  
765-0500  
57125 Main Road