

# Town & Country

## REAL ESTATE

### GLOSSARY OF REAL ESTATE TERMS

**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

**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

**DOWN PAYMENT:** initial cash investment, good for the deposit

**ENCROACHMENT:** improvement which intrudes upon the property of another

**ENCUMBRANCE:** any impediment to clear title

**EQUITY:** value less any debt

**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 the 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

**FIXTURES:** items permanently attached to real property and therefore included with transfer or sale

**GRANTEE:** the buyer

**GRANTOR:** the seller

**IMPROVEMENTS:** any form of development of land

**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

**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

**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

**PROPERTY TAX:** assessment levied by local governments on real property

**REAL ESTATE BROKER:** person who has fulfilled the requirements of the state licensing division

**REAL ESTATE SALESPERSON:** individual who passed the state exam; works under licensed real estate broker

**REAL ESTATE TAX:** property tax as imposed by municipalities

**REALTOR:** licensed real estate broker or Salesperson who is a member of National Association of Realtors - a registered trademark

**REPORT OF TITLE (TITLE REPORT):** document stating ownership, legal description, liens and anything else that would affect marketable title

**SALES CONTRACT:** written instrument containing price, terms, conditions and closing date

**SETTLEMENT COSTS:** closing costs

**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

**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

**VALID CONTRACT:** meets all legal requirements

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