

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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