



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
- SUN-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

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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

MATTTUCK
298-0600
6920 Main Road

SOUTHOLD
765-0500
57125 Main Road