

Real Estate Glossary

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| Auction: | Public sale of property to the highest bidder, providing the reserve price is met or exceeded. Bridging Finance: A short-term loan in most cases at a higher interest rate. |
| Chattels: | Personal property. There are two types. Real Chattels include buildings and fixtures. Personal Chattels include clothes, furniture etc. |
| Commission: | The fee payable to the agent in exchange for time and effort in selling property, paid by the person selling the property. |
| Contract Note: | Written agreement outlining terms and conditions of a property sale. |
| Contract of Sale: | A legal document that sets out all the terms and conditions the seller and the buyer have agreed on. |
| Conveyancing: | The legal process of transferring property ownership from seller to buyer. |
| Covenant: | Conditions affecting the use of property or land written into the title. |
| Deposit: | Normally 10% of the purchase price placed in trust as evidence of intention to buy. Non refundable after exchange of contract. |
| Exclusions: | Any item specified on the contract as not being part of the sale of the property. Eg: Dishwasher. |
| Exchange of Contracts: | When signed copies of the contract of sale are physically swapped between the seller and the purchaser. |
| Freehold: | An owner's interest in the land where the property and the land on which it stands both belong to their owner indefinitely. |
| Highest Bidder: | The person who posts the highest bid at an Auction will purchase the property provided the reserve price had been met or passed. |
| Market Appraisal: | Estimate of the value of the property compared to other properties of similar value, currently on the market or sold. Carried out by a licensed real estate professional. |
| Passed In: | A property will be passed in at Auction if it does not meet the Reserve Price. |
| Reserve Price: | The minimum price the seller has specified they will accept at Auction. |
| Settlement: | A date is set for the settlement of the sale. At this point the balance of the purchase price is paid and ownership of the property transfers from the seller to the buyer. |
| Transfer: | A document registered at the Land Title Office and noted on the Certificate of Title, which verifies change of ownership of a property. |
| Valuation: | Estimate of the value of a property normally obtained for the purpose of security for a home loan. Carried out by a registered valuer. |

