



GLOSSARY OF TERMS

AGENT

A person authorized to act on behalf of another person in the sale, purchase, letting or management of property. A real estate agent must be licensed by the Department of Fair Trading.

AMENITY

Denotes a characteristic or feature of a neighbourhood.

ALLOTMENT

When a larger area of land is subdivided into smaller pieces, these smaller parcels of land are known as allotments - Can also be referred to as "lot", "building block" or "block of land".

APARTMENT

See home unit.

APPRECIATION

The increase in the value of property caused by economic factors such as inflation, supply and demand, etc.

AUCTION

A public sale in which a property (or an article) is sold to the highest bidder.

ARCHITRAVE

A moulding surrounding a door or window opening.

BEAM

A horizontal load bearing structural member.

BEARER

A sub-floor timber supporting the floor joists.

BOUNDARY

A line separating adjoining properties.

BREACH OF CONTRACT

Breaking the conditions of a contract.

BRICK VENEER CONSTRUCTION

In housing, a system in which a structural timber frame is tied to a single brick external wall.

BRIDGING FINANCE

Finance obtained over a short period as a prelude to long term funding. Higher interest rates are usually charged for this form of finance.

**BUILDING REGULATIONS**

Rules of a legal or statutory nature by which local councils control the manner and quality of the building. They are designed to ensure public safety, health and minimum acceptable standards of construction.

CAVEAT

If a caveat is lodged upon a title to land, it indicates a person buying the property that a third person (the person who lodged the caveat) has some right or interest in the property.

CAVEAT EMPTOR

'Let the buyer beware'. This principle of law puts onus onto the buyer to be satisfied with the item before buying.

CERTIFICATE OF TITLE

A document identifying the ownership of land; it shows who owns the land and whether there are any mortgages or other encumbrances on it, etc. This document is usually held by the lender as security for a loan. Details can be obtained through a search of records at the Land and Property Information NSW.

CHATTELS

Property other than real estate, movable possessions which may be included in a sale, i.e. furniture etc.

CLEAR TITLE

A seller has a clear title when there are no restrictions (such as an outstanding mortgage) preventing a sale, and title of the seller is established.

CLUSTER HOUSING

Detached group of houses that shares open space.

COMMISSION

The fee or payment made to a real estate agent for services rendered, for example someone who engages an agent to sell their home pays the agent a commission.

COMMON LAW TITLE

Also known as **Old System Title**, consisting of a series of title documents called 'a chain of title'.

COMMON PROPERTY

An area which is available for the use by more than one person (e.g. home units have common areas such as stairs, driveways, storerooms, etc).

COMMUNITY TITLE

Community Title is a form of subdivision which allows common property areas to be incorporated into a land subdivision.

COMPANY TITLE

Company Title is where unit owners are actually shareholders in a private company.

**COMPULSORY ACQUISITION** (resumption)

The power of a government authority to purchase property from an owner who does not wish to sell.

CONTRACT OF SALE

(referred to as the 'Contract'): A legal document which sets out the terms and conditions the seller and the seller enter into when a sale is to take place - the contract contains a description of the property.

CONVEYANCE

The transfer of ownership of property from the seller name to the buyer's name.

COOLING OFF

The period of five business days allowed after exchange of contracts during which time the contract may be cancelled or rescinded.

COVENANT

An agreement by one party to adhere to certain terms, conditions or restrictions regarding a property. A covenant is not usually valid unless noted on the title to the land. The nature of the covenant should always be established and the question asked: What effect will this covenant have upon the future plans for the property?

DEPOSIT

A deposit is normally paid by the buyer at the time of exchanging contracts; normally 10% of the total purchase price. Any amount paid earlier as an initial or part deposit will usually form part of the 10%.

DEPOSIT GUARANTEE BOND

A written guarantee from an insurance company to the seller for payment of all or part of the deposit.

DISBURSEMENTS

Miscellaneous fees and charges incurred during the conveyancing process, including search fees charges by Government authorities.

DUTY

A state government tax on financial transactions. For the sale of real estate, it is calculated according to the sale value. It also applies to the mortgage.

FITTINGS

Goods or articles that can be removed from a property without causing damage to it.

FIXTURES

Items such as built-in cupboards, bath, toilet, stove, etc. That cannot be removed from a property without causing damage.

FREE STANDING

A dwelling which stands independently of others.

**HOME UNIT**

A residential dwelling grouped with others, sharing common property and registered under Strata Title or Company Title.

INTEREST ONLY LOAN

See 'Mortgage (fixed)'

INVENTORY

A list of items included with a property, usually furniture, furnishings, movable items, etc.

JOINT TENANTS

Joint tenancy is the holding of property by two or more persons in equal shares. If one person dies, his/her share passes to the survivor.

MORTGAGE

A legal document which expresses the terms and conditions applying to the lending of money secured over real estate.

MORTGAGE

(fixed): or interest only loan: The amount borrowed is not repaid until the end of the term of the loan. Repayments made are only payments of interest.

MORTGAGE

(amortising or reducing): The principal and interest type loan which is the most common form of housing loan. The repayments through the term of the loan include both interest and principal.

MORTGAGEE

The person(s) who lends the money.

MORTGAGOR

The person(s) who borrow the money.

OLD SYSTEM TITLE

See Common Law Title.

OPTION TO BUY

A legal document giving a person the right to buy. In the document the price and period are specified. A fee is paid and if the person proceeds to buy the property the amount comes off the purchase price. When the person does not proceed to buy the property the fee is forfeited.

OWNERS CORPORATION

All the owners collectively of a block of units. The executive committee of the owners corporation, which is elected by the members, meets regularly to discuss various matters relating to the administration of the building (e.g. upkeep of common property).

PRINCIPAL

The amount of money owed to a lending authority.

**PRIVATE SALE**

The seller does not engage an estate agent but acts for himself or herself. The seller deals directly with the buyer.

PRIVATE TREATY SALE

Sale of property through an estate agent by private negotiation and contract.

REAL PROPERTY

Land with or without improvements thereon.

RESERVE PRICE

The minimum a seller has specified he/she will accept at auction.

RIGHT OF WAY

A right which gives a person access across certain land.

SEARCH (TITLE)

The process of investigating or examining title to land to ascertain if the vendor has the right to transfer ownership. A title search reveals the names of the owners and the other precise details of the property such as the existence of any restrictive covenant, mortgage or caveat on the title.

SEMI-DETACHED

Two houses joined together with a common wall or walls; usually registered under Torrens Title.

STRATA TITLE

The subdivision of the airspace above the surface of the land, and the issue of a Certificate of Title to part or parts of a building.

TENANTS IN COMMON

This is the holding of property by two or more persons in equal or unequal shares. If one person dies, his/her share passes to the person named in his/her will.

TERRACE

One row of houses joined together with common walls, usually registered under Torrens Title.

TOWNHOUSE

Two storey attached dwellings registered under Strata Title.

TRANSFER

A document registered in the Land and Property Information NSW acknowledging the change of ownership of a property, to be noted on the Certificate of Title.

UNENCUMBERED

Describes a property free of mortgages, covenants, restrictions, etc.

VENDOR

A person who offers a property for sale.



VILLA

Single storey attached dwelling.

ZONING

Statutory description of the allowable uses of land as set out by local councils or planning authorities.