



Real Estate Jargon: Let's remove the confusion

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Real Estate Jargon Part 1.

Buying property doesn't have to be stressful or confusing!

Understand the key pieces of jargon to buy and sell like a professional:

- Abstract of Title - A chronological summary providing conveyances, mortgages, names of the parties and the description of the land.
- Conditions of sale - The conditions applicable to a sale contract made between a vendor and purchaser. Conditions may include:
 - purchase conditional on a loan approval
 - purchase conditional on the sale of an existing property
 - purchase conditional on a satisfactory property inspection
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a longer settlement period.

- Contract of sale - An agreement relating to the sale of property, which expresses the terms and conditions of sale.
- Conveyance - The action and deed which transfers ownership of from one person to another.
- Easement - It's a right to use the land of another or a right to prevent the owner of land from using the land in a particular manner. Commonly used by Government authorities for electrical mains or drainage.
- Exchange of Contracts - The vendor and purchaser each sign copies of the sale contract and then legally 'exchange' these documents, after which time the contract becomes legally binding on the parties.
- Finance Clause - included in a contract when an offer is made on a property that is 'subject to securing finance'.
- Gazumping - Where the vendor agrees to sell a property, but then sells it to another party on more favourable terms. This can occur if contracts are not signed by the vendor. Until the vendor signs the contract of sale, they can still negotiate with others.
- Lien - A charge, security or encumbrance on a property for the payment of debt.
- Pest inspection - is undertaken by a licenced inspector and is a visual pest and termite inspection of all accessible and available areas of a property, for the presence of active termites and termite damage. Highly recommended in suburbs known to have termites.
- Property Valuation - A written assessment of how much a property is worth, undertaken by a registered valuer.
- Rent back option - property transaction involving the sale of an owner occupier's residence to a landlord or property company and renting it back from the new owner.
- Settlement Date - The date on which a contract of sale is finalised and final payment is made.
- STCA - Means "Subject To Council Approval". This is just a selling tool. Seek advice from the local Council.
- Seller - The plain term for the person(s) or entity selling the property. Also known as the vendor.
- Vendor - In real estate transactions, the person(s) or entity selling the property is the vendor.
- Vendor statement - Is provided to prospective buyers before a property is sold. It is prepared by the seller's lawyer, conveyancer or done with a 'do-it-yourself' conveyancing kit. Contains the property's title information, including zoning, caveats, covenants, easements and expenses such as rates. An easy-to-use, do-it-yourself guide to conveyancing is available from the Information Victoria Bookshop.

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