



THE REAL ESTATE DICTIONARY

Every term you need to know to
become a real estate expert!

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accretion

the gradual increase of the actual land on a stream, lake or sea by the action of water which deposits soil upon the shoreline

air rights

right to control, occupy, or use the vertical space (air space) above a property, subject to necessary and reasonable use by neighbor(s) and others; can be bought, leased, sold, and transferred

annexation

actual annexation is every movement by which a chattel can be joined or united to the freehold; constructive annexation is the union of such things as have been considered part of the realty, but which are not actually annexed, fixed, or fastened to the freehold

appraisal

is a valuation of property, such as real estate, a business or an antique, by the estimate of an authorized person

appurtenance

a right, privilege, or improvement belonging to and passing with a principal property

avulsion

refers to a sudden loss or addition to land, which results from the action of water

blockbusting

illegal/discriminatory practice of helping ethnic or minority individuals into predominantly non-ethnic or minority-dominated areas, and then using scare tactics to force current neighborhood residents to sell their homes at depressed prices

broker

an individual or firm that charges a fee or commission for executing buy and sell orders submitted by an investor

brokerage

a financial institution that facilitates the buying and selling of financial securities between a buyer and a seller

bundle of legal rights

set of legal rights afforded to the real estate title holder. It can include the right of possession, the right of control, the right of exclusion, the right of enjoyment and the right of disposition

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client

a customer that is in a binding contractual relationship with a realtor or broker

condo

single, individually-owned housing unit in a multi-unit building

co-op

a legal entity, usually a cooperative or a corporation, which owns real estate, consisting of one or more residential buildings

co-ownership

conglomerate of property rights in one asset, generally in real property, in which there are more owners such as tenants in common or joint tenants or statutory co-ownership regimes

community property

all property accumulated by a husband and wife during their marriage becomes joint property even if it was originally acquired in the name of only one partner

counseling

act of providing advice or guidance which significantly affects real estate decisions, without personal bias and/or conflict of interest

easement

legal right to use another's land for a specific limited purpose

easement appurtenant

a right to use adjoining property that transfers with the land

easement in gross

a legal right to use another person's land for as long as the owner owns that land or the holder of the easement dies

easement of necessity

easement that is created when the owner of a landlocked parcel has no access to a public right of way such as a street or highway

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easement by prescription

an easement upon another's real property acquired by continued use without permission of the owner for a period provided by state law to establish the easement

emblems

annual crops cultivated by a tenant which are treated as the tenant's property rather than the landowner's

eminent domain

the power to take private property for public use by a state, municipality, or private person or corporation authorized to exercise functions of public character, following the payment of just compensation to the owner of that property

encumbrance

a claim against a property by a party that is not the owner

encroachment

a property owner violates the property rights of his neighbor by building something on the neighbor's land or by allowing something to hang over onto the neighbor's property

erosion

eating away of a coastline or land by the action of water, ice, and/or wind, or wearing away of a surface by corrosion or traffic

escheat

transfer of title of property or an estate to the state when an individual dies without a will and legal heirs

estate in land

the degree, quantity, nature, or extent of interest which a person has in land or in real property

fee simple

absolute title to land, free of any other claims against the title, which one can sell or pass to another by will or inheritance

fee simple defeasible

when the rights of ownership in real estate are dependent on the occurrence or non-occurrence of a certain event, it is known as a defeasible fee estate

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fiduciary relationship

one person places complete confidence in another in regard to a particular transaction or one's general affairs or business

financing

the act of providing funds for business activities, making purchases or investing

freehold estate

exclusive right to enjoy the possession and use of a parcel of land or other asset for an indefinite period

home inspector

someone who examines a real estate property's condition, usually performed in connection with the property's sale

homestead

a house and adjoining land designated by the owner as his fixed residence and exempt under the homestead laws from seizure and forced sale for debts

inverse condemnation

the taking of property by a government agency which so greatly damages the use of a parcel of real property that it is the equivalent of condemnation of the entire property

land

real property, real estate (and all that grows thereon), and the right to minerals underneath and the airspace over it. It may include improvements like buildings, but not necessarily

land trust

legal agreement where a trustee is appointed to maintain ownership of a piece of real property for the benefit of another party: namely, the beneficiary of the trust

lead

a prospective consumer of a product or service, created when an individual or business shows interest and provides contact information

legal life estate

the right to use or occupy real property for one's life. Often this is given to a person (such as a family member) by deed or as a gift under a will with the idea that a younger person would then take the property upon the death of the one who receives the life estate

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license

authorizations issued by state governments, give agents and brokers the legal ability to represent a home seller or buyer in the process of buying or selling real estate

lien

legal claim on a tract of real estate granting the holder a specified amount of money upon the sale of the property

life estate

type of estate that only lasts for the lifetime of the beneficiary. A life estate is a very restrictive type of estate that prevents the beneficiary from selling the property that produces the income before the beneficiary's death

lis pendens

a notice filed in the office of public records that the ownership of real property is the subject of a legal controversy and that anyone who purchases it takes it subject to any claims asserted in the action and thereby its value might be diminished

littoral rights

rights concerning properties that abut an ocean, bay, delta, sea or lake, rather than a river or stream

ownership in severalty

real estate is owned by a single person or legal entity, providing the owner with the most complete control of the land

partition

term used in the law of real property to describe an act, by a court order or otherwise, to divide up a concurrent estate into separate portions representing the proportionate interests of the tenants

personal property

everything that is the subject of ownership that does not come under the denomination of real property; any right or interest that an individual has in movable things

personal chattels

an item of movable personal property, such as furniture, domestic animals, etc.

police power

police power is the state's inherent right to regulate an individual's conduct or property to protect the health, safety, welfare, and morals of the community

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prior appropriation

the legal doctrine that the first person to take a quantity of water from a water source for "beneficial use" (agricultural, industrial or household) has the right to continue to use that quantity of water for that purpose

prospect

organization or potential client who resembles the sellers' ideal customer profile but has not yet expressed interest in their products or services

property manager

person or firm charged with operating a real estate property for a fee, when the owner is unable to personally attend to such details, or is not interested in doing so

pur autre vie

a duration of a property interest While it is similar to a life estate, it differs in that a person's life interest will last for the life of another person instead of their own

real estate

property comprised of land and the buildings on it as well as the natural resources of the land. Although media often refers to the "real estate market" from the perspective of residential living, real estate can be grouped into three broad categories based on its use: residential, commercial and industrial

real property

any property attached directly to land as well as the land itself. It is any subset of land that has been improved through legal human actions. Real properties include buildings, ponds, canals, roads and machinery, among other things

redlining

discriminatory practice in real estate, typically involving lenders that refuse to lend money or extend credit to borrowers in certain areas of town

riparian rights

awarded to landowners whose property is located along a river, stream or lake. Typically, landowners have the right to use the water as long as such use does not harm upstream or downstream neighbor

separate property

any property, real or personal, acquired before marriage, after divorce (or in some states by separation of the spouses before divorce), by gift or inheritance during marriage, or during marriage with separate property funds

severance

act of severing a piece of land from a larger tract of land. The severed parcel of land becomes a separate lot

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steering

process whereby builders, brokers, and rental property managers induce purchasers or lessees of real property to buy land or rent premises in neighborhoods composed of persons of the same race

surface rights

landowner's rights to the exterior or upper boundary of the land (except those restricted by the mineral owner's rights) and water and other substances (except those defined as minerals) below it

subsurface rights

landowner's rights to the water and other substances below the surface of land.

tenancy in common

allows two or more people ownership interests in a property joint tenancy

tenancy by entirety

type of concurrent estate in real property that is unique in that it occurs where the owners of property are husband and wife

trade fixtures

a piece of equipment on or attached to the real estate which is used in a trade or business. Trade fixtures differ from other fixtures in that they may be removed from the real estate (even if attached) at the end of the tenancy of the business, while ordinary fixtures attached to the real estate become part of the real estate

trust

a relationship created at the direction of an individual, in which one or more persons hold the individual's property subject to certain duties to use and protect it for the benefit of others

water rights

a group of rights designed to protect the use and enjoyment of water that travels in streams, rivers, lakes, and ponds, gathers on the surface of the earth, or collects underground