

# Real Estate Terms

Like any profession, the real estate industry has a language of its own. Before you put your property on the market it's a good idea to brush up on the common terms and expressions you may come across.

## **Auction**

The ultimate in marketing options, where you list your property without a price, supported with very intense marketing, leading buyers to the auction day, where they must bid against each other to successfully purchase your home in an unconditional situation.

## **Auctioneer**

Person holding an Auctioneer's Licence and able to conduct and call auctions.

## **Chattels**

Items you sell with the property, i/e., carpets, light fittings, drapes, curtains etc. Any different chattels, such as glasshouses, dishwasher, etc are noted on the contract if they are included in the sale.

## **CMA**

Comparative Market Analysis, i.e., a written price comparison of your property with others that are for sale or were recently sold.

## **Conditional Contract**

A written contract that is signed by the seller and the buyer but where one or more conditions need to be met, usually within a specified time period. For example, subject to the purchaser raising finance within a few days or subject to the solicitors approval of the title.

## **Certificate of Title**

Each individual piece of land in New Zealand has a Certificate of Title which describes the type of title, its size, the name of the owner(s) and any encumbrances.

## **Fee**

The fee for selling the property – payable by the seller to the real estate sales consultant.

## **Freehold**

A freehold property has a clear title of ownership and is not subject to a lease.

## Real Estate Terms (continued)

### **Leasehold**

Sometimes land is subject to a lease. The owner of the land leases to the tenant for a fixed rental sum for a fixed period, e.g., 21, 99 or 999 years.

### **General Listing**

Any appointed real estate agent/company can quote or sell your property. General low level of marketing and feedback. With no particular person totally responsible for managing your sale.

### **Listing Authority**

An information summary and contract between the owner of the property and the real estate company selling the house. It details the length of the agency, commission rate, any additional costs and the type of listing, e.g., exclusive, tender, auction or general.

### **Marketing Contribution**

Money paid by a seller (in some cases to the real estate company) that goes directly to increase advertising spread to raise the profile of the property.

### **Marketing Programme**

A promotional package put together to give a home exposure to the market. It may include advertisements to be used, a calendar of advertisement dates, open days, flyers samples etc.

### **No Price Marketing**

Usually called auction, tender, or for sale by negotiation. Your price isn't revealed to buyers during the marketing promotion so there is no preconceived limit to what a buyer might be prepared to pay.

### **Offer**

A signed Sale and Purchase Agreement, which included the price, terms and conditions of sale, signed by the buyer then presented to the seller.

### **Reserve Price**

The reserve price is the minimum price (kept confidential between the seller and the auctioneer) the seller will accept for their property at the auction.

## Real Estate Terms (continued)

### **Requisitions**

The Sale and Purchase Agreement allows time for the buyer's solicitor to examine the property title. If there is a problem with the title, or if a local authority requires special works to be carried out, the buyer may ask (requisition) that these problems be fixed by the vendor or they may have cause to cancel the contract.

### **Settlement Date**

The date when the seller is paid the full purchase price and ownership passes to the purchaser.

### **Sole/Exclusive Listing**

One sales consultant and their company is appointed by the seller and is responsible for managing the marketing and sale of the property. All enquiries and negotiations must be conducted through the agent. Auction and tender are also forms of sole/exclusive agency. Detailed marketing programmes and buyer feedback are an essential part of sole/exclusive listings.

### **Tender**

A tender is a high profile marketing programme similar to auction, but without the auction day. Offers are submitted in writing on or before a specified date, to the seller for consideration. These offers cannot easily be withdrawn and the seller may accept, reject or negotiate with any tenderer.

### **Unconditional**

When the conditions written into the agreement to buy a property have been met, the offer becomes unconditional. The property is now sold and both the seller and buyer must complete their obligations under the contract.

### **Valuation – Registered**

A professional property valuations carried out by a registered public valuer.

### **Rating Valuation**

Also known as "RV". The valuation assessed by Valuation New Zealand on a three yearly basis. The assessment is used principally by local authorities to calculate rates.