

MODULE 18 : Vocab & Key Terms

Buying Your First Home

Real Estate

refers to land, properties, and assets, including buildings and natural resources, that have tangible value and can be bought, sold, or leased for various purposes

Real Estate Agent

Licensed professional representing buyers or sellers in transactions.

Mortgage

A loan used to finance property purchases, with the property acting as collateral for the repayment.

Amortization

Gradual mortgage repayment through regular installments.

Appraisal

Property value assessment by a licensed professional to determine its market worth for sale, purchase, or loan purposes.

Equity

Difference between property's market value and mortgage, representing ownership stake.

Title

Legal ownership of a property, evidenced by a deed or title certificate.

Down payment

Initial payment made by the buyer towards the property's purchase price.

Lease

Rental agreement between landlord and tenant.

Deed

Legal document transferring property ownership from seller to buyer.

Condo

Individual ownership within a shared property complex, with common areas and amenities.

Closing

Final stage of real estate transaction where ownership transfers, and funds and documents exchange.

Homeowners Association (HOA)

Governing body managing common areas and enforcing rules in a community.

Escrow:

Neutral third-party holding funds and documents during real estate transactions until all conditions are met.

MLS (Multiple Listing Service)

Database used by agents to list and access properties for sale. Popular listing services include Zillow, Realtor and Trulia.

Capitalization rate

Rate estimating investment property's potential return based on income and value.

Foreclosure Legal

process where the lender takes possession due to the borrower's default on mortgage payments.

Comparative Market Analysis (CMA)

Evaluation of property's value based on recent sales of similar properties.

Interest Rate Percentage

charged by a lender on a loan amount, influencing monthly mortgage payments.

Assessed Value

assigned to a property by a tax assessor for taxation purposes.

Buyer's Market

condition favoring buyers due to high inventory and low demand.

Seller's Market

condition favoring sellers due to low inventory and high demand.