



1 - Legal Concepts - ch. 1

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Supplemental

- ▼ Statute of Frauds
 - ▼ dictate all real property agreements/transactions are in writing
- ▼ fee simple
 - ▼ right to own, use, possess

Resources

https://s3-us-west-2.amazonaws.com/secure.notion-static.com/c97a5afb-9c2b-49b4-83b6-aea4ed001de0/BASIC_LEGAL_CONCEPTS_-_Chapter_1.pdf

Big Ideas

- ▼ Estates: Land, Real Estate, Personal Property

- ▼ Real Estate
 - ▼ land and things “permanently” attached
- ▼ Real property
 - ▼ ownership rights for real estate (possession)
- ▼ fixtures
 - ▼ personal property that becomes “permanently attached” to the estate → becomes real property
- ▼ Life Estate
 - ▼ lasts for the life of the named person
- ▼ Future Estate
 - ▼ a Remainder interest - lasts for remainder of time or life and is conveyed by 3rd party
 - ▼ or Reversion interest - last for specified time or life then is reverted to specified party

▼ Property Rights: Own, Possess, Use

- ▼ Easement
 - ▼ right to use (no possession or ownership)
 - ▼ e.g. shared driveway - property line dictates ownership/possession)

▼ Lease (Leasehold Estate)

▼ property can be leased by a landlord to a tenant - gives right to possess (for time being) and use

▼ > 1 yr - must be in writing by statute of frauds

▼ Freehold Estate

▼ Indefinite lease

▼ Title

▼ determine ownership of real property (as stated in the deed)

▼ Deed

▼ grants title from a Grantor to Grantee - only needs grantors/sellers signature

▼ General Warranty Deed (strongest)

▼ protects the buyer and ensures the seller has “free and clear” title to the property

▼ protects the buyer from future claims against the title of the property

▼ i.e. makes sure seller has good claim to the title of the property

▼ Grant Deed

- ▼ gives buyer more protection than a quitclaim
- ▼ only needs grantors signature, but requires both parties' names and conditions/covenants
- ▼ Quitclaim Deed (weakest)
 - ▼ releases a person's interest in a property without stating warranties of that person's (owners) interests or rights in the property
 - ▼ the grantor (owner) gives up all ownership rights on the property stated in the deed
 - ▼ BUT it makes no guarantees that the seller actually has title to the property
 - ▼ usually used for non-sale transfers e.g. between family
- ▼ Security Interests (Mortgages)
 - ▼ Mortgage - a Deed of Trust between borrower (trustor, mortgagor) and a lender (beneficiary, mortgagee)
 - ▼ pledges Real Estate owned by the Borrower to secure repayment of a Loan

▼ Recording Act

- ▼ statutory rules to resolve
Priority of claims relating to real
property → gives the public
constructive Notice of recorded
items (claims and property)

▼ Abstract of Title

- ▼ a historical summary of the
publicly recorded documents
that affect a Title to aa Real
Property

▼ Title insurance

- ▼ assures title to real property
- ▼ owner's policy
- ▼ lender's policy (CLTA or ALTA)

▼ Mechanic's Lien

- ▼ recorded by unpaid
contractors - to secure payment
for work done to a real estate



SUMMARY