

ACCESS DEVICES

The Joint Form of General Conditions says that access devices must be delivered at settlement or possession. The term 'access device' refers to any key or security device which enables access to the property - including garage remotes and codes for security alarms.

At least one key should be provided to each lock on the premise. This includes any door locks, deadbolts, window locks, padlocks, meter box locks, garage and shed locks. If all access devices are 'keyed the same', only one key is required. In the case of automatic garage doors and gates, at least one remote must be provided for each device. In the case of a security system, the access code must be provided.

AGENT

The person or firm appointed in writing by you to act on your behalf with third parties, and thereby receive a commission.

AGENTS IN CONJUNCTION

You (as a vendor or landlord) may appoint more than one agent; or an appointed agent may act with another agent who introduces a purchaser or tenant, to your property.

ALLOTMENT

A small site for home building, sometimes called a block.

APARTMENT

Might also be a Suite or just a room, not necessarily self-contained. Usually found as part of a small or large development.

APPRECIATION

An increase in property value triggered by inflation, improvements or increased demand.

ARCADE

A covered walkway, usually with shops along both sides.

ARREARS

Usually considered a debt in rent, which have not been paid on time.

ASSETS

The sum of a person's real and personal property, including equities.

ASSIGNMENT

The transfer of a property, a lease, rights or an interest and sometimes a liability from one party to another.

AUCTION

Sale of a property in public to the highest bidder at a set time and date.

BODY CORPORATE

The legal administrative group of owners of offices, home units, flats, town houses, etc. for common property.

BOND

In rentals, a sum of money which is paid by the tenant to ensure against damages to the property.

BREACH OF CONTRACT

Breaking the terms of the contract.

BRIDGING FINANCE

A temporary loan to bridge the time-gap between paying for one property and receiving payment from a previous property.

BUILDING APPROVAL

This is the first stage of building a home on land where the approval has been made by the council that the land can be built on.

BUILDING LINE

The uniform distance, usually from a road, behind which buildings must be erected.

BUILDING REGULATIONS

Laws laying down standards in materials and construction methods which you must observe to maintain health, safety and certain design minimums in any building or alteration.

BUYING COMMISSION

The money you pay to an agent for helping you to acquire a specific type of building.

CAPITAL GAIN

The profitable difference between your buying price and selling price, now subject to Capital Gains Tax.

CAVEAT EMPTOR

Let the buyer beware.

CERTIFICATE OF TITLE

The paper that records property ownership, one copy lodged at the Titles Office, the other with the proprietor; when the property is sold, the Titles Office annotates both copies.

CHATTEL

An item of property other than freehold land, including tangible goods (chattels personal) and leasehold interests (chattels real).

CLIENT

A person who engages an agent or valuer, and who is obliged to pay that agent or valuer commission or fees.

COMMON PROPERTY

A thing or things held jointly (i.e. pool area in an apartment complex).

COMMERCIAL PROPERTY

For business purposes office buildings, shops, warehouses, hotels etc.

COMMISSION

A percentage payable to real estate agent for selling a property by the person authorising the sale. Usually a percentage of the sale price.

CONDITIONAL SALE

Subject to conditions such as finance, building inspections etc.

CONSTRUCTION COSTS

The sum of labour and material costs, plus contractors' overheads and profits in the erection of improvement of a property.

CONTEMPORARY HOME

New/21st century/modern. Very geometric, diverse and open planned.

CONTRACT OF SALE

Written agreement setting out the terms and conditions of a property sale.

CONVEYANCING

Legal process of transferring the ownership of a property from one person to another.

COSMOPOLITAN SETTING

An area in which is very upbeat. 'The place to be', there are a lot of cafes etc.

COUNTERPART

An identical copy of an original document.

COVENANT

An agreement between landlord and tenant, or vendor and purchaser, covering specific things which will be done or cannot be done to a property.

COVER NOTE

Immediate insurance cover, often issued by an insurance broker on the insurance company's behalf, for a property which has just been bought.

DATE OF SETTLEMENT

The day, under the terms and conditions of the contract, when a vendor is obliged to transfer a property to the purchaser.

DEPOSIT

Usually 5% - 10% of the purchase price of a property placed in trust as evidence of intention to buy. Non-refundable, after exchange of contract, it goes towards the purchase price when the sale goes through.

DEPRECIATION

Drop in a property's value due to passage of time, deterioration, or changes to neighbouring properties.

DEVELOPER

A person who buys property and by improving it through sub-division or construction for instance lifts its value.

DISBURSEMENTS

The act of paying out or disbursing money from an account or fund, especially one made by a solicitor to a third party and then claimed back from the client.

EASEMENT

The contractual right of one person to use a portion of another person's land, usually as a drive for access or as a run off for water.

ECONOMIC LIFE

The potential number of years a property could be profitable.

EFFECTIVE RATE

The real rate of return or repayment, as opposed to the nominal rate.

ENCROACHMENT

When a building overhangs someone else's property, or a fence is built over the dividing line between two properties.

ENCUMBRANCE

An easement, mortgage, or other liability on a property which impedes its use or transfer.

ENVIRONMENTAL IMPACT STUDY

An expert's assessment of long-term environmental effects of a particular land-use scheme.

ELECTRONIC ADVICE OF SALE (EAS)

Your conveyancer / solicitor will submit an Electronic Advice of Sale (EAS) to advise the Water Corporation, Office of State Revenue and Local Government Authorities of the impending settlement.

EQUITY

The percentage of a property an owner holds after outstanding loans have been deducted from the market value.

FACADE

The front face of a building.

FINAL INSPECTION

An inspection conducted shortly before settlement in which a buyer ensures the property is in the condition outlined in the Offer & Acceptance. This may include checking that all gas, electrical and plumbing appliances are in working order and that chattels have remained.

FIRST HOME OWNERS' GRANT (FHOG)

First Home Owners Grant Scheme - grants and incentives available to eligible people buying their first Australian property

FIRB

Foreign Investment Review Board - the federal government agency regulating ownership of Australian property by foreign nationals.

FIXTURES

Items that cannot be removed without being damaged. Refers to items in or around a property.

FREEHOLD

A property which is owned outright and for unlimited duration.

GENERAL LAW TITLE

Such a title pre-dates the Torrens Title System under which ownership is government-recorded by Certificates of Title; it is based on a comprehensive history of ownership.

GREEN TITLE

The common name given to title for land that is not a strata title. It's the most popular form of title in Western Australia.

HEAD ROOM

The distance from floor to ceiling.

HEAVY INDUSTRY

A zoning term covering noisy, smelly or otherwise unattractive industries.

HECTARE

The metric measurement of land area equal to 10,000 square metres, or 2.47 acres.

HEIGHT DENSITY

Another zoning regulation limiting the height of buildings in a particular area.

HIGH RISE

A building over three or four storeys, usually requiring a lift. It is an indefinite term. In offices, a building over 30 storeys.

HOLDING DEPOSIT

One weeks rent on the property applied for which secures the perspective tenants interest.

HOME UNITS

Individually-owned homes in a development of two or more homes.

INVESTMENT RETURN

The rate per month (or year) of return on investment produced by rental and resale.

IRREVOCABLE

Cannot be undone.

JOINT TENANTS

Joint tenants hold property in equal shares no matter how many joint tenants that are. Upon the death of a joint tenant the share passes to the other joint tenant/s (in equal shares if more than one) automatically without reference to any intention of the deceased person, as may be set out in a will (see also Tenants in Common).

JOINT VENTURE

Two or more people or companies combine to carry out a project or enterprise.

LAND USAGE

Determined by zoning regulations residential, industrial etc.

LANDGATE

Landgate is the statutory authority responsible for Western Australia's property and land information. All property transfers must be registered with Landgate.

LANDLORD

The owner of a property for leasing.

LEASE

The formal arrangements by which one party has use of another's property in return for rent.

LEASE WITH OPTION TO PURCHASE

A lease embodying the right of the lessee to buy the property at an agreed price within an agreed time.

LESSOR

The party who grants a lease.

LISTING

A property available for sale or rent.

MAINTENANCE

The expenditure required to keep a property in an efficient operating condition.

MANAGING AGENT

A real estate agent authorised by you to manage your property.

MARKET PRICE

The price paid for a property it is real, whereas "market value" is only an estimate.

MEZZANINE

An intermediary floor, usually between the ground and first floors.

MORTGAGE

A document pledging a property as security for the repayment of the money you borrow on the property.

MORTGAGEE

The lender on the mortgage.

MORTGAGOR

The borrower.

MULTIPLE LISTING

System of selling the property through many agents. The buyer pays only one commission. This goes to the agent who lists the property on an official multiple listing form and is shared between the first agent and the agent who actually finds the buyer.

NET LEASE

Where your lessee is responsible for all building outgoings on top of the agreed rent.

NOTICE TO QUIT

Enables, under strict conditions, a landlord or tenant to terminate a tenancy without the agreement of the other.

OFFERS & ACCEPTANCE (O&A)

Usually an offer to buy property is made using both the Contract for Sale of Land or Strata Title by Offer and Acceptance form, commonly called the O&A; and the Joint Form of General Conditions for the Sale of Land. Commonly referred to as the General Conditions. Together, the O&A and the General Conditions constitute the standard contract for the sale of real estate.

OFFER TO PURCHASE

A formal legal agreement which offers a specified price for a specified property. The offer may be firm (no conditions attached) or conditional (certain conditions apply).

OPEN PLAN LIVING

One room flows into the next. There are no walls to divide the rooms up. This is seen in very modern houses as it is a modern concept.

OPTION

In selling, the right (secured by a payment) to purchase a property at an agreed price on or before an agreed date. In leases, the right to renew at a mutually agreed rent.

OUTGOINGS

All expenses on a property.

PASSED IN

When a property fails at auction to reach the vendors reserve price. (The highest bidder has the right to meet the reserve price or try to negotiate an acceptable price).

PENALTY INTEREST

Penalty interest is a fee that a buyer or seller can charge another party for delaying settlement, as compensation.

PLOT RATIO

The ratio of building area to site area

POST WAR HOME

Style of home produced after the war which spans from 1945 - 1960's. It is stereotypically a 'box' shape.

POWER OF ATTORNEY

Power of Attorneys, or POAs, are an agreement enabling a person (or people) to act on behalf of another person.

PRE-APPROVAL

Pre-approval is a written assessment of your worthiness for a loan. When you seek pre-approval, your lender will assess your ability to pay, as well as your credit history, to decide how much they are willing to lend you. It's a great idea to get pre-approval before you make an offer on a property.

PRESENTATION

Refers to an agent presenting themselves and the company they represent in a good light to a perspective buyer.

PRESTIGE

A perception. Up market. High quality of living. Refers to area's and housing.

PRIVATE SALE

The sale of a property without the assistance of a Real Estate Agency.

PROPERTY MANAGEMENT

A real estate agent manages properties for landlords ensuring the property complies with legislation and regulations at all times, selecting tenants, collecting rents, arranging maintenance and so on.

PROPERTY WEALTH

The difference between the market value of your properties and the amount of money you owe on them.

PUBLIC LIABILITY

The insurance taken by companies and private individuals to protect themselves against claims made by members of the public, who might be injured in some way on the property.

QUANTITY SURVEYOR

A professional who calculates the materials required for a construction. Also helps you to compile your depreciation schedule.

RATEABLE VALUE

The estimated value of a property on which rates are assessed.

REAL PROPERTY

The ownership of physical real estate land and buildings.

REDEVELOPMENT

The updating of urban property, usually by demolition and rebuilding.

REGIONAL SHOPPING CENTRE

A drive-in development with department stores, supermarkets and specialty shops which are replacing the ribbons of shops along both sides of busy streets.

REQUISITIONS ON TITLE

A list of formal questions about the title submitted to the seller. Information revealed in requisitions on title include that which may not have been previously disclosed or discovered during inspection of the property (for example, disputes with neighbours relating to fences).

RESERVE PRICE

Price below which an owner is not prepared to accept at auction.

RESTRICTIVE COVENANT

Land is sold with perhaps, the covenant that only one home can be built upon it or that the home must be built at a specified cost or height.

REZONING

A planning term in which the local authority can alter a planning scheme to allow, say commercial rather than residential building.

SALE AND LEASE BACK

An investor buys a property and leases it back to the seller – a practice which is on the increase.

SECTION 66W STATEMENT

A certificate issued by a solicitor or conveyancer confirming that they have advised their client as to the terms of a Contract for Sale and as such are waiving the buyers right to a cooling-off period.

SETTLEMENT

Completion of sale when balance of contract price is paid to the vendor and the buyer is legally entitled to take possession of the property.

SITE VALUE

The amount an unencumbered piece of land, less any improvements, is likely to realise at the time of a municipal valuation; the land component of a developed property.

SOLE AGENCY

One agent or agency has the sole rights to sell a property.

SPECULATOR

A punter who buys property in the expectation of selling it later for a higher price.

STAMP DUTY

A State Government Tax imposed on the sale of real estate. It is determined by the sale value, and it varies between states.

S.T.C.A

Subject to council approval

STRATA PLAN

A strata plan contains a detailed pictorial description of lots within a strata complex. It includes lot dimensions, building outlines, certificate of title numbers for each lot, details of unit entitlement and common property, and notifications of encumbrances affecting the strata plan.

STRATA TITLE

The title for a segment of a property, flat, unit, office in which there are several owners. (Nowadays, a separate Torrens Title is issued).

SUB-DIVISION

The division of a piece of property into building lots; inevitably required several official approvals.

SUB-LEASE

A property which is already leased is leased again, but not for a longer period than the unexpired part of the original lease.

SURVEY-STRATA

Survey-strata plans define the lots in a survey-strata scheme, which are the areas in the scheme owned individually. Common property areas owned jointly by all lot owners may, or may not exist in survey-strata schemes and are defined as "common property lots". Survey-strata lots may be limited in height and depth but generally are not. No buildings are shown on survey-strata plans.

SURVEY

The accurate measurement and description of a piece of land, usually showing structures and contours.

SURVIVORSHIP

Upon the death of one joint tenant, the remaining interest in the land is transmitted to the surviving joint tenant. For example, if A and B own land as joint tenants and A dies, then B will become the sole registered proprietor.

TENANCY AT WILL

The tenancy can be closed at will by either landlord or tenant.

TENANT

Occupant of a property whether it be a house, unit or apartment.

TENANTS IN COMMON

This is where two or more individuals hold property as tenants in common in any shares they choose. Upon the death of a tenant the share in the property is dealt with in accordance with the deceased's will.

TITLE DEEDS

The documents proving ownership of property.

TRANSFER OF LAND

The document used to transfer the interests of a registered proprietor to a purchaser by means of registration at Landgate.

UNCONDITIONAL

Once you have signed a sales contract, and the conditions have been removed, the sale becomes 'unconditional' and you are bound to proceed with the deal on the agreed date at the agreed price, no matter what.

UN-RENOVATED

Still obtains the original materials and features.

VALUATION

An estimated value of a property based on features and renovations etc.

VENDOR

Person offering a dwelling for sale.

VENDOR STATEMENT

Statement setting out particulars of the property, made by the vendor.

VENDOR TERMS CONTRACT

When a property is paid for over time usually a deposit and then regular payments of the balance, plus interest over several years.

WITHOUT PREJUDICE

These words, used during negotiation, mean that any suggestion or plan put forward cannot be used as evidence later if the negotiations fall down.

YIELD

The money you derive by way of income or profit from a property deal.