



## B

### **Balloon Mortgage Payment**

A large payment of a mortgage loan, larger than the regular required payment, often at the end of the loan term.

## C

### **Cancellation Clause**

Proviso in contract or lease that confers the right to terminate obligations upon occurrence of the condition or contingency set forth in clause.

### **Capital Improvement**

Any major structural improvement to real estate, which normally extends the life and value of the property.

### **Caveat Emptor**

Latin phrase for Let the buyer beware.

### **Certificate of Occupancy**

In NYC each building is required to have a CO which means it is in compliance with health and building codes and permits the structure to be occupied by members of the public

### **Co-Broke**

The term used when a broker sends out their listings to other brokers and firms and agrees to split the commission between the firm that represents the seller and the firm that represents the buyer

### **Commission**

Payment to broker for services rendered; usually a percentage of the selling price.

### **Condominium**

An apartment or other unit, held in fee ownership, in which owners pay common charges for the maintenance of common areas.

### **Condop**

A mixed use building subdivided into two or more condominium units, one of which is a co-operative.

### **Contract**

A legally binding agreement between two or more parties. In real estate a valid contract has an offer, an acceptance, competent parties, consideration, legal purpose, written documentation, description of the property and signatures of all principals.

### **Co-operative**

A Co-operative is a corporation that owns a building. Purchasers receive shares of stock in the corporation, and a Proprietary Lease for their apartment.

## D

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### **Deed**

A written document by which title of property is expressed from one party to another

### **Developer**

One who improves land with buildings, usually on a large scale, and sells to homeowners and/or investors.

## E

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### **Escrow**

Written agreement between two or more parties providing that property be placed with a third party to be delivered to a designated person upon fulfillment or performance of some act or condition.

### **Exclusive agency listing**

Listing contract under which the owner appoints a real estate broker as his or her exclusive agent for a designated period of time to sell the property, on the owner's stated terms, for a commission. The owner reserves the right to sell without paying anyone a commission.

### **Exclusive right to sell**

A listing contract under which the owner appoints a real estate broker as his or her exclusive agent for a designated period of time to sell the property, on the owner's stated terms, and agrees to pay the broker a commission when the property is sold, whether by the broker, the owner or another broker.

### **Executor**

Person or corporate entity designated in a will to carry out its provisions.

## F

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### **Fixtures**

Personal property attached to the land or improvements that become part of the real property.

### **Flip Tax**

An amount of money paid by either buyer or seller at closing of co-operative apartment. Often it is a percentage of sale or it can be based on a per share basis.

### **Foreclosure**

A procedure whereby property pledged as security for a debt is sold to pay the debt in the event of default in payment or terms.

## G

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### **Grandfather Clause**

If a new law is passed or an old one is changed those people whose activity was legal under the

previous law are allowed to continue because of this condition. It is frequently used in regards to pets, or washer/dryers.

### **Ground/Land Lease**

A lease of land only, on which the tenant usually owns a building or constructs a building as specified in the lease.



### **Land/Ground Lease**

A lease of land only, on which the tenant usually owns a building or constructs a building as specified in the lease

### **Lessee**

Tenant

### **Lessor**

Landlord

### **Lien**

Right given by law to certain creditors to have their debt paid out of the property of a defaulting debtor.

### **Listing**

A contract between principal and agent, authorizing the agent to perform services for the principal within a given time, for which the principal agrees to pay a commission.



### **Maintenance**

Monthly charges paid by the owner or tenant of a coop building for that person's share of costs for maintaining the building, including real estate taxes, upkeep, and employee salaries.

### **Managing Agent**

An independent company that is hired to manage a property

### **Market Value**

The probable price a ready, willing, able, and informed buyer would pay and a ready, willing, able, and informed seller would accept, neither being under any pressure to act.

### **Meeting of the Minds**

Whenever all parties to a contract agree to the exact terms thereof.

### **Mortgage**

A conditional transfer or pledge of real estate as security for the payment of a debt. Also, the document creating a mortgage lien.

### **Mortgage Commitment**

A formal indication, by a lending institution that it will grant a mortgage loan on property, in a certain specified amount and on certain specified terms.

# N

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## **Net Worth**

One's assets, less one's liabilities. Liquid net worth (that which is cash or can be immediately converted to cash) is what cooperatives focus on.

# O

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## **Offer and Acceptance**

Two essential components of a valid contract; a meeting of the minds when all parties agree to the exact terms.

## **Open Listing**

A listing given to any number of brokers without liability to compensate any except the one who first secures a buyer ready, willing and able to meet the terms of the listing, or secures the acceptance by the seller of a satisfactory offer; the sale of the property automatically terminates the listing.

# P

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## **Pied a Terre**

A term that refers to a property that is not the primary residence of the owner.

## **Points**

Discount charges imposed by lenders to raise the yields on their loans. One point equals one percent of the amount of the loan.

## **Post War**

A building built after WWII

## **Pre War**

A building built before WWII

## **Power of Attorney**

A written instrument duly signed and executed by an owner of property, which authorizes an agent to act on behalf of the owner to the extent indicated in the instrument.

## **Prepayment Clause**

A clause in a mortgage which gives a mortgagor the privilege of paying the mortgage indebtedness before it becomes due.

## **Principal**

The employer of an agent or broker; the broker's or agent's client.

## **Proprietary Lease**

A written lease in a cooperative apartment building, held by the tenant/shareholder, giving the right to occupy a particular unit.

## Q

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### **Quiet Enjoyment**

The right of an owner or a person legally in possession to the permitted use of property without interference of possession.

## R

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### **Real Property**

Land, and generally whatever is erected upon it or affixed thereto.

### **Recognition Agreement**

The agreement between the co-operative building and the bank lending money for purchase of shares of stock in the co-operative.

### **Right of First Refusal**

A condition found in many condominium by-laws which permits the board to review any party seeking to purchase or rent an apartment. It gives the board permission to refuse the applicant. If the applicant is refused, the condominium must purchase or rent the apartment under the terms and conditions stipulated in the contract or lease.

### **Rooms**

Real Estate agents generally refer to the size of an apartment based on the following specifications. According to the New York City Rent Guidelines Board, a "room" in Manhattan, except for a kitchen, must be at least 65 square feet and include a window. Baths are not counted as "rooms."

## S

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### **Shares**

When you purchase an apartment in a coop you are actually purchasing shares in the building. The number of shares for each apartment represents the proportion of the building owned by the unit owner

### **Special Assessment**

An assessment made against a property to pay for a general improvement by which the assessed property is supposed to be especially benefited.

### **Sponsor**

The developer or owner organizing and offering for sale a condominium or cooperative development.

### **Subletting**

A leasing by a tenant to another for part of the lessee's remaining term.

## T

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### **Time is of the essence**

A phrase in a contract that requires the performance of a certain act within a stated period of time,

terminating irrevocably on a certain date.

**Title**

Evidence that owner of land is in lawful possession thereof; evidence of ownership.

**Title Search**

An examination of the public records to determine the ownership and encumbrances affecting real property.

**Transfer Tax**

A tax charged under certain conditions on the transfer of property. Both New York State and New York City impose transfer taxes.

**Z** \_\_\_\_\_

**Zoning Ordinance**

A statement setting forth the type of use permitted under each zoning classification and specific requirements for compliance