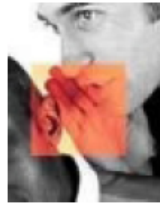


# Real Estate Jargon You Should Know

By Realty Times Staff



Like most industries, real estate has a peculiar language all its own. Learning the jargon isn't difficult, but there is a real risk of hearing and using words you don't fully understand. Even such basic terms as MLS, REALTOR® and the like are widely misunderstood and misused in everyday speech. In the interest of clear communication, here are ten basic real estate terms related to buying and/or selling a home and what they really mean:

**1. Listing:** An agreement between a real estate broker and a home owner that allows the broker to market and arrange for the sale of the owner's home. The word "listing" is also used to refer to the for-sale home itself. A home being sold by the owner without a real estate agent isn't a "listing".

**2. MLS:** Multiple Listing Service. An MLS is an organization that collects, compiles and distributes information about homes listed for sale by its members, who are real estate brokers. Membership isn't open to the general public, although selected MLS data may be sold to real estate listings Web sites. MLSs are local or regional. There is no one Multiple Listing Service covering the whole country.

**3. REALTOR®:** A real estate broker or sales associate who is a member of the National Association of REALTORS® headquartered in Chicago. It's possible to have a real estate license, but not be a REALTOR®.

**4. CMA:** Comparative market analysis or competitive market analysis. A CMA is a report that shows prices of homes that are comparable to a subject home and that were recently sold, are currently on the market or were on the market, but not sold within the listing period.

**5. 4B/2B:** Shorthand notation for "four bedrooms and two bathrooms." A "bedroom" usually means a sleeping

area with a window and a closet, but the definition varies in different places. A "full bathroom" is a room with a toilet, a sink and a bathtub. A "three-quarter bathroom" has a toilet, a sink and a shower, and a "half bathroom" has only a toilet and a sink.

**6. Closing costs:** The entire package of miscellaneous expenses paid by the buyer and seller when the real estate deal closes. These costs include the brokerage commission, mortgage-related fees, escrow or attorney's settlement charges, transfer taxes, recording fees, title insurance and so on. Closing costs generally are paid through escrow.

**7. Contingency:** A provision of an agreement that keeps the agreement from being fully legally binding until a certain condition is met. One example is a buyer's contractual right to obtain a professional home inspection before purchasing the home.

**8. Fixture:** Anything of value that is permanently attached to or a part of real property. (Real estate is legally called "real property," while movables are called "personal property.") Examples of fixtures include installed wall-to-wall carpeting, light fixtures, window coverings, landscaping and so on. Fixtures are a frequent subject of buyer and seller disputes. When in doubt, get it in writing.

**9. Title insurance:** An insurance policy that protects a lender's or owner's interest in real property from assorted types of unexpected or fraudulent claims of ownership. It's customary for the buyer to pay for the lender's title insurance policy.

**10. Lock box:** Locked key-holding device affixed to a for-sale home so real estate professionals can gain entry into the home after obtaining permission from the listing agent.