

MARTINS REAL ESTATE GROUP

GUIDES

Real Estate Terms & Definitions Guide

A simple glossary to help you understand common terminology used throughout buying, selling, renting, and investing in real estate.

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Transaction Terms

- Agreement of Purchase and Sale: the binding contract governing the deal.
- Condition: an escape clause that must be satisfied or waived by a deadline.
- Deposit: funds held in trust and credited to the purchase price on closing.
- Adjustments: prorated taxes and utilities settled between parties on closing.

Financing Terms

- Pre-approval: a lender's conditional confirmation of borrowing capacity.
- Amortization: total years to fully repay the mortgage.
- Stress test: qualifying rate applied above your contract rate.
- LTV: loan amount as a percentage of property value.

Ownership Terms

- Freehold: you own the land and structure outright.
- Condominium: you own a unit plus a share of common elements.
- Status certificate: the condo corporation's financial and legal disclosure.
- Title insurance: coverage for defects, fraud and survey issues on title.

Questions about your next move?

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