

ARTICLES FROM THE BEAR'S DEN - COMPLIMENTS OF PETER LINDSAY



GLOSSARY OF TERMS

For many first time buyers some of the terms that are used when discussing matters that relate to the buying and selling of real estate can be unfamiliar to them. While this list is by no means definitive, nor is each term, or topic entirely descriptive in nature, the following may be helpful to some individuals.

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COMMON REAL ESTATE TERMS

For a complete understanding of their obligations under any of the following terms buyers and sellers are urged to consult with a qualified professional of their choosing.

AMORTIZATION: - this refers to the overall length of time which a borrower will take to repay a mortgage. This fixed term is often between 20 years to 35 years.

APPRAISAL: - is the end product of a study done by a qualified, independent appraiser, to estimate the present market value of a specific property based on similar listings and recent sales in the same general area.

CHATTLES: - refers to items of a personal nature that are not affixed to the property, but are moveable and usually removed from the property by a seller such as appliances and furniture.

COUNTER OFFER: - refers to a seller or buyers response to an offer that had been presented to them and to which they have elected to make a change of some nature to the terms of that offer.

DEPOSIT:- refers to the amount of money that a buyer is willing to place in-Trust, usually with the selling agents Brokerage, that is then forwarded to the buyers solicitor at the time of completion to form part of the purchase price.

DOWNPAYMENT:- unlike a deposit the this term refers to that portion of the overall purchase price that a buyer will provide from their own resources at the time of completion.

EASEMENT:- refers to a restriction of some nature that is placed on a property. For example, a sewer easement by a municipality, the easement will usually be registered in the appropriate Land Title Office and runs with the land from owner to owner.

GROSS DEBT SERVICE RATIO:- refers to the total portion of a borrowers income that is required to service the mortgage principal, mortgage interest, property taxes, heating cost, and/or other similarly related costs.

PROVINCIAL PROPERTY TRANSFER TAX:- a tax that is levied by the Provincial Government on all real estate sactions in the Province of British Columbia that is usually paid by the Buyer. The tax is 1% of the first \$200,000. and 2% on the balance of the fair market value unless the Buyer qualifies for an exemption.

SURVEY CERTIFICATE:- refers to a legal document that shows a drawing of how the home is situated on the property in proportion to the property boundaries.

TITLE:- is proof of ownership of a specific property that is registered in the appropriate Land Titles office. Title will also show any registered charges, for example any mortgages, easements, or restrictive covenant that may be placed against the property.

