Common Real Estate Terms

Appraisal: A report required to gather the estimated value of a piece of real estate. This is necessary with any bank lended mortgage.
As Is: A property marketed “as is” condition usually indicates that the seller is unwilling to perform most, if not all, repairs. They are look to sell the property as it is seen.
Closing Costs: These closing costs are typically paid at the time of closing a real estate transaction. They include fees charged by: a lender, the title company, attorneys, insurance companies, and other closing settlement related costs.
Contingency: A clause in a purchase agreement that specifies conditions that must be met before the contract becomes legally binding and the sale is finalized. The term "contingent" means "upon certain conditions being met" or "depending on certain circumstances".
DOM: (Days on Market) Defined as the number of days from the date on which the property is listed for sale on the local real estate brokers’ multiple listing service.
Due Diligence: A due diligence period of time might be available in the purchase agreement, which is a time frame provided to a buyer to fully examine a property, often by hiring experts to inspect the property, perform tests, etc., so that a buyer may decide on how to proceed.
Earnest Money Deposit: The initial funds that a buyer is asked to put down once a seller accepts the buyer’s offer.
Escrow: A legal arrangement that involves a neutral third party holding funds or property until certain conditions are met.
Mortgage Pre Approval Letter: A mortgage pre-approval letter is issued by the lender and identifies the terms, loan type and loan amount the buyer qualifies for after checking the buyer’s debt-to-income ratios along with cash on hand and credit history.
MLS: (Multiple Listing Service) A database that allows real estate agent and broker members to access and add information about properties for sale in an area

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Pre-Approval: Getting pre-approved requires home buyers to fill out an application that allows a lender to determine their financial situation, including their debt-to-income ratio, ability to repay and credit-worthiness.

Pre-Qualification: A pre-qualification is a lender' estimate of the amount a home buyer can expect to be approved for during the loan process. Getting pre-qualified is a quick assessment by a lender of the buyer's financial situation based solely off of what a buyer tells a lender, and not based with any proof or verifications.

Probate: When a person who owns property dies, the Probate Courts oversee division of the property. Most often the division is carried out according to the person's wishes as set forth in a will. If no will exists, the property is divided according to Connecticut law.

Proof of Funds: If you're paying all cash, your proof of funds shows you actually have the money.

Seller Concessions: Sellers may offer concessions to incentivize buyers to purchase the home, or sweeten the deal. Concessions are most readily seen as a contribution towards the buyer's closing costs.

Short Sale: The property is being sold for less than the amount owed on the home by the seller.