

Home Seller Terminology



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Use this list of real estate definitions to help you understand common terms used during the home sales process.

Appraisal: A document of opinion of the property value at a specific point in time.

As-is: A contract or offer clause stating that the seller will not repair or correct any problems with the property. Also used in listings and marketing materials.

Backup offer: When an offer is accepted contingent on the fall through or voiding of an accepted first offer.

Buyer's agent: The agent who shows the buyer's property, negotiates the contract, or offer, and works the buyer to close the transaction.

Closing: The end of a transaction where documents are signed, and funds are dispersed.

Closing costs: The fees paid at the closing of a real estate transaction.

Comparative Market Analysis: A study done by real estate sales agents and brokers using active, pending, and sold comparable properties to estimate a price for a property.

Conventional sale: When the property is owned outright and has no mortgage.

Days on market (DOM): The # of days a home has been listed on the market.

Dual Agency: The representation of opposing principals (buyers & sellers) at the same time.

Due diligence: The process of gathering information about the condition and legal status of all the assets that will be sold.

Earnest money deposit: Money given to the seller at the time an offer is made as a sign of the buyer's good faith.

Equity: The number of dollars invested by a homeowner into their home.

Escrow: A bond, deed, or other document kept in the custody of a 3rd party and taking effect when specified conditions are met.

Home inspection: A home inspector examines your home for integrity (HVAC system, electrical, plumbing, attic, flooring, foundation, etc).

Listing agent: The agent that represents the home seller during a real estate transaction.

Listing price: The price of a property through a listing agreement.

Market value: The highest price in terms of money that a property will bring in a competitive and open market under all the conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus.

Multiple listing service (MLS): A compilation of available properties for sale by member brokers.

Natural hazards disclosure report: A report that states risks of natural hazards for the property.

Offer to purchase: When a buyer proposes certain terms and presents these terms to the seller.

Open house (public): A real estate contract that has been accepted on a property but the transaction has not closed.

Pending: A real estate contract that has been accepted on a property but the transaction has not closed.

Pre-approval: A higher level of buyer/borrower prequalification that is required by a mortgage lender. Some pre-approvals have certain conditions the borrower must meet.

Pre-qualification: The mortgage company tells a buyer in advance of the formal mortgage application how much money the borrower can afford to borrow – some have conditions that the borrower must meet.

Purchase and sale agreement: The written contract between the buyer and seller that outlines the terms of the sale.

REALTOR®: A registered trademark of the NATIONAL ASSOCIATION OF REALTORS – used only by its members.

Seller concession: Incentives to motivate buyers to purchase a home.

Seller disclosure: Information about the property like major renovations, water damage, pest, etc.

Short sale: The property is sold for less than the debt secured by the property.

Title search: Looks at public records of a property's history – sales, purchases, taxes, etc.

Under contract: A property that has an accepted real estate contract between seller and buyer.

You can find more terminology in our [FAQ section](#).