

# COMMON TERMS USED IN PRELIMINARY REPORTS

**Access Right** -- A right to ingress and egress to and from one's property. May be express or implied.

**Assessment** -- (1) The estimating of value of property for tax purposes. (2) A levy against property in addition to general taxes. Usually for improvements such as streets, sewers, etc.

**Common Area** -- The area owned in common by the owners of condominiums or planned unit development homes in subdivision.

**Community Property** -- Property owned in common by a husband and wife, which was not required as a separate property. A classification of property peculiar to certain states.

**Condominium** -- A structure of two or more units, the interior space of which are individually owned; the balance of the property (both land and building) is owned in common by the owners of the individual units. The size of each unit is measured from the interior surfaces (exclusive of paint or other finishes) of the exterior walls, floors, and ceiling. The balance of property is called the common area.

**Covenants, Conditions, and Restrictions** -- often associated with condominium documents. Limitations sometimes put on the use and enjoyment of real property. This is done by agreements contained in deeds and other documents.

**Commercial Property** -- An area that is zoned for businesses.

**Deed of Trust** -- security for a property loan; deed the property to a third party (trustee) to hold until the loan is paid.

**Easement** -- a right of one person to make limited use of another's property, for example, the right to cross a property and maintain a road or right-of-way to install and maintain public utility services.

**Encroachment** -- Generally, construction onto the property of another, as of a wall, fence, building, etc.

**Encumbrance, Incumbrance** -- A claim, lien, charge or liability attached to and binding real property. Any right to, or interest in, land which may exist in one other than the owner, but which will not prevent the transfer of fee title.

**Federal Tax Lien** -- A lien attaching to property for nonpayment of a federal tax (estate, income, etc.). A federal tax lien differs from other liens in that it is not automatically wiped out by foreclosing on a mortgage or trust deed recorded before the tax lien (except by judicial foreclosure).

**Fee Simple** -- the greatest interest one may hold in real property; usually means ordinary ownership of real estate and is sometimes called fee title.

**Homeowner's Association (HOA)** -- (1) An association of people who own homes in a given area, formed for the purpose of improving or maintaining the quality of the area. (2) An association formed by the builder of condominiums or planned developments, and required by statute in some states. The builder's participation as well as the duties of the association is controlled by statute.



**Ingress and Egress** -- A right to enter upon and pass through land.

**Legal Description** -- A description of land recognized by law and based on government surveys, spelling out the boundaries of the entire piece of land; should identify a parcel that it cannot be confused with any other.

**Lien** -- A legal claim upon property for the payment of a debt; a money encumbrance; such as, a mortgage lien, a judgment lien, or a mechanic's lien.

**Lis Pendens** -- A legal notice recorded to show pending litigation relating to real property, and giving notice that anyone acquiring an interest in said property subsequent to the date of the notice may be bound by the outcome of the litigation.

**Mechanic's Lien** -- A lien created by statute for the purpose of securing priority of payment for the price or value of work performed and materials furnished in construction or repair of improvements to land, and which attaches to the land as well as the improvements.

**Mineral Rights** -- The ownership of the minerals (coal, gold, iron, etc.) under the ground, with or "without ownership of the surface of the land.

**Parcel Map** -- A map allowed in some states as a substitute for a subdivision map for 1 to 4 parcels (lots) with no common area. The procedure is much simpler and less costly than creating subdivision map.

**Public Records** -- Usually at a county level, the records of all documents, which are necessary to give, notice. The records are available to the public. All transactions for real estate sales should be recorded.

**Single Family House** -- A general term originally used to distinguish a house designed for use by one family from an apartment house. More recently, used to distinguish a house with no common area from a planned development or condominium.

**Vesting** -- the manner in which title to real property is held.