

Experts Explain Real Estate Lingo, Part 2

Our last report addressed some terms you might hear in regards to buildings, but there are a lot of other terms that can confuse a buyer during the process as well.

One example of confusing terminology is the difference between an exclusive and an open listing.

"An exclusive means that a particular broker has the exclusive right to market that home," says Kristin Hurd, of Heddings Property Group. "In an open listing any broker has the right to market that listing."

With an open listing, the seller pays whichever broker makes the sale.

There are also apartment that are listed as a convertible 1 or a junior 4, but many buyers are unsure of what the difference really is.

"Both of those terms refer to a flexible floor-plan," says Brian Cushman from Rutenberg Realty. "An apartment could be a junior 1 or a convertible 1 bedroom and really what that is stating is that it is an alcove studio that you can convert the alcove portion into an extra one bedroom."

"A junior 4 is going to have a dining alcove again that you can convert into an extra bedroom."

When looking at apartments for sale, many buyers ask the difference between maintenance fees and common charges.

"In a condominium, you are charged separately for your common charges - what it takes to run the building and the staff, then separately for your real estate taxes" says Cushman. "In a cooperative, those two are included into one number and that's called your maintenance charge."

For those seeking a mortgage, the difference between pre-approved and pre-qualified is an important one to understand.

"Pre-qualification is when you give a bank a rough estimate of what you make and they are giving you an estimate of what they think they can give you as a mortgage," says Hurd. "In a pre-approval, the bank does its due diligence - they will run your credit, they will look at your assets, they will look at the money you have and they will say this is realistically what kind of mortgage we will give you."

A pre-approval is necessary either way in order to actually make an offer, so plan ahead.