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# **Property Jargon Explained**

**Your complete A-Z booklet,  
explaining all the property jargon.**

## **Adjustments**

Apportionment of rates, taxes, body corporate fees, rent, insurances...etc., up to the date of possession or settlement on sale or letting.

## **Agent**

Someone who is authorised to act on behalf of another person or organisation. For example, a real estate agent acts on behalf of a landlord or owner when leasing or selling a property.

## **Amortisation Period**

Also known as the loan term. It's the agreed length of time that a borrower has to repay a loan. It's set during the application and approval process.

## **Application Fees**

The fees a lender charges to set up the loan. It's generally to cover the lender's internal costs.

## **Appraised Value**

The estimated value of a property being used as security for a loan.

## **Appraisal**

This is a valuation. An opinion of the potential salability of a property by a licensed Real Estate Agent.

## **Appreciation**

The increase in the value of a property.

## **Arrears**

An outstanding or overdue amount.

## **Asking Price**

The listed price of the property. The owner may be willing to negotiate so this may not be the selling price.

## **Assets**

Money, property or goods owned.

## **Auction**

A process by which the property is sold, the property will be sold to the highest bidder.

## **Auction Agency Agreement**

An agreement that the vendor must sign when a property is listed for auction. Details the reserve price and the cost of the auction, including advertising and the agent's commission.

## **Auctioneer**

A person who is licensed to sell, or offer for sale, real estate where persons become purchasers by competition, being the highest bidder.

## **Balance of Deposit**

The balance of the deposit (generally 5% to 10%) must be paid by the buyer, at the time the contract becomes unconditional. This is usually at finance date and is often 14 to 21 days after the contracts are signed by you. The deposit is held by your agent in a Trust Account until settlement.

## **Basis Point**

One percent (1%) is the equivalent of 100 basis points.

## **Bid**

A verbal or written offer to purchase.

## **Body Corporate**

All the unit/apartment owners within a strata building. The owners elect a council responsible for the management of the building and its common areas.

**Borrowing Costs**

The fees charged by the bank when setting up your loan. These charged are tax deductible over five years.

**Breach of Contract**

Breaking the conditions of a contract.

**Break Costs**

Penalty charges for 'breaking' or ending a fixed term loan before agreed date.

**Bridging Finance/Loan**

A short-term loan used to cover the financial gap that can happen when a buyer purchases a new property before selling an old one. Higher interest rates are usually charged for this form of finance, and it is to be paid back after an agreed time.

**Building Code of Australia (BCA)**

Sets minimum community standards for buildings in terms of health, safety and amenity in buildings for regulatory purposes.

**Building Inspection**

A thorough inspection by a licensed builder that evaluates the structural and mechanical condition of a property. These are usually undertaken at the buyer's expense and contracts of sale can be made subject to the satisfactory building inspection.

**Building Society**

A financial institution owned by its customers or 'members'. It offers banking and other financial services, including mortgage lending.

**Buyers Agent**

Represents a property buyer in negotiations with a vendor or his/her agent. The buyer's agent is paid by the buyer. Buyer's agents should be licensed and certified to act as a buyer's agent.

**Buyer's Market**

When the demand for property is less than the supply of property, the advantage shifts to the buyer.

**Capital Gains**

The financial or monetary gain obtained when an asset is sold for more than its original price.

**Capital Gains Tax**

A federal tax on the monetary gain made on the sale of an asset bought after September 1985. The tax does not apply to the gains made on the sale of an owner-occupied residence, so it generally applies only to investment properties or holiday homes.

**Capital Growth**

The increase in the value of a property. The capital gain is the difference between the purchase price and the selling price for a property. It is used primarily in income tax calculations.

**Capital Expense**

These are costs that improve the value of the property and cannot be removed. An example might be a carport, a new kitchen or an extension.

**Capital Works Deduction**

The claim for depreciation of capital expenses, which is 2.5% per year or over 40 years.

**Capitalising Interest**

Where the interest on one loan is paid from another loan.

**Capped Loan**

A loan where the interest rate cannot exceed a set level for a period of time. However, unlike fixed rate loans, it has the ability for the interest rate to fall.

**Caveat**

A caveat lodged upon a land or property title indicates that a party, that is not the owner, claims some right over or interest in the property.

**Caveat Emptor**

'Buyer beware', that the risk in a property transaction lies with the purchaser.

**Certificate of Title**

A description of a property that includes the name of the registered owner and any encumbrances such as mortgages and easements. This will be included in the contract of sale prepared by the vendor's solicitor/conveyancer.

**Chattels**

Chattels are items of personal property, such as clothing, appliances and furniture. In real estate terms chattels are usually movable items which may be included in the sale, such as furniture.

**Client**

One who engages the services of his commission or fees, in return for services rendered.

**Commission**

A proportion of the sale price (generally a percentage) of a property paid to the real estate agent for negotiating the sale.

**Common Law Title**

A system of title based upon traditional English land laws which depends upon tracing the ownership of the subject land from the original Crown grant through all succeeding dealings.

**Common Listing**

Where a vendor grants selling or leasing rights over a property to any number of agents on a non-exclusive basis. The first agent to procure a buyer ready, willing and able to purchase or lease the property on terms acceptable to the vendor receives the commission. Also known as Open Listing, Simple Listing or Open Agency.

**Company Title**

A method of obtaining ownership of real estate (usually apartments and units) by way of company shares (which preceded strata title acts in many states). Under company title, land and buildings are owned by a private company. The company's shareholding structure is organised so that ownership of a certain number of shares entitles the shareholder to exclusive possession of part of the building.

**Compound Interest**

Where interest is calculated on a sum that includes previous interest payments.

**Conditions of Sale**

The conditions applicable to a sale contract made between a vendor and purchaser.

**Contract**

A legally binding agreement.

**Contract of Sale**

An agreement in writing that details the terms and conditions in regards to the sale/purchase of a property.

**Conveyance**

Traditional term for the legal work involved in the purchase and sale of a property.

**Cooling-off Period**

A short statutory period after the contract is made, during which the purchaser may cancel the contract unconditionally. Usually does not apply in the case of auctions. If you are selling by auction, there is no cooling-off period, a deposit is paid on the spot and contracts are unconditional immediately.

**Counter Offer**

A new offer as to price, terms and conditions, made in reply to a prior unacceptable offer. Normally the counter offer terminates the previous offer.

**Cover Note**

A guarantee of temporary property insurance before the implementation of a formal policy.

**Credit**

Borrowed money or other finance to be paid back under an arrangement with a lender.

**Credit Union**

A co-operative which operates similarly to a bank, but is owned and controlled by people who use its services.

**Creditor**

A person or organisation who is owed money.

**Cross-securitisation**

All mortgages need to be secured against a property. Cross-securitisation is where the loan is secured against more than one property.

**Date of Settlement**

The date on which a contract of sale is finalised and final payment is made.

**Debtor**

Someone who owes money to someone else.

**Deed**

Legal title documents proving ownership. The deeds will be held by the mortgage lender.

**Default**

Failure to abide by the terms of a mortgage or loan agreement – such as not making loan minimum required repayments. Defaulting on a loan may result in financial penalties and, in extreme cases, the mortgage holder taking legal action to repossess the mortgaged property.

**Deposit**

A percentage of the purchase price given at the time of exchange or winning bid at auction to bind the sale. It's usually around 5% to 20% of the purchase price.

**Deposit Bond**

A guarantee from a financial institution that a deposit will be paid to a seller. It's useful for buyers with savings in term deposits because it can be offered at the time of exchange – instead of a cash deposit. Which means the buyer doesn't have to break the term deposit and lose any interest accrued. The buyer must pay the full purchase price of the property, including the amount of the deposit at settlement. In the event that the buyer does not settle on the property, the seller will be paid the deposit amount by the financial institution.

**Depreciation**

The way we claim a deduction for items at the property that cost more than \$300 and are not repairs. This may be items such as carpet, a hot water service or the stove.

**Development Approval**

Approval from the relevant planning authority to construct, add, amend or change the structure of a property.

**Direct Debit**

Regular electronic debiting of funds from a nominated cheque or savings account.

**Disbursements**

Miscellaneous fees and charges incurred during the conveyancing process, including search fees and charges paid to government authorities.

**Discharge of Mortgage**

A document signed by the lender and given to the borrower when a mortgage loan has been repaid in full.

**Disposable Income**

A person's remaining income after all known expenses, such as loan repayments and bills, have been met.

**Draw Down**

To access available loan funds. Draw down usually refers to a construction loan, or line of credit. That is a loan where the limit is set, but the amount is not accessed all at once. The borrower draws down or uses the funds as required, up to the set limit.

**Easement**

A right that someone has to use the land that belongs to another. An example is a water authority having a sewerage easement.

**Effective Age**

The age of an item, such as a building, as indicated by its physical condition and utility compared to its useful life, in contrast to its chronological age. A 5 year old building may have an effective age of 10 years due to poor maintenance of the building.

**Effective Cause of Sale**

Where the efforts of a particular real estate agent are considered to have been an essential element in a purchaser entering into a binding contract with a vendor for the sale of a property.

**Effective Date**

The date something commences or closes.

**Encumbrance**

An outstanding liability or charge on a property.

**Equity**

The amount of a property actually 'owned' by the owner. The current value of the property, less the amount still owed on its mortgage. Equity usually increases as the principal of the mortgage is paid off. Market values and improvements to the property can also affect equity.

**Establishment Fees**

Fees charged by a lender to cover the cost of setting up a loan.

**Exchange of Contracts**

A formal legal process that creates a binding contract for the sale of real property on agreed terms. The vendor and purchaser each sign a copy of the sale contract and then exchange these documents, after which time the contract becomes legally binding on the parties.

**Exit or Early Repayment Fees**

Penalties charged by some lenders when a loan is paid off before the end of its term.

**Exchange of Contracts**

The point at which signed contracts are physically exchanged, legally committing the buyer and seller to the purchase and sale of a property at an agreed price.

**Exclusive Agency Agreement**

The agreement between an agent and a vendor establishing an Exclusive Listing.

**Exclusive Listing**

Where a single agent only is appointed to sell or lease a property under an Exclusive Agency Agreement.

**Extra Repayments**

These are regular additional repayments on a home loan account, above the minimum required repayment, which can reduce the term of the loan and the interest payable.

**First Home Owners Grant**

A grant from the Federal and State Governments. It was introduced as compensation for the increased cost of housing after implementation of the Goods and Services Tax (GST) on 1 July 2000. It is only for buyers that have not previously bought a property in Australia and intend to live in the property for more than 12 months (they do check!).

**First Refusal (right of)**

The right granted to a person to have the first privilege to buy or lease real estate, or the right to meet any offer made by another.

**Fittings**

Objects that can be removed from a property without causing damage.

**Fixed Interest Rate**

An interest rate that applies to a loan for a set term. Both the interest rate and loan repayments are fixed for the agreed term, regardless of any interest rate variations in the home loan market. The agreed term is usually anywhere between 1 and 7 years.

**Fixtures**

Items such as built-in cupboards, stoves, dishwashers...etc, which are fixed to the property and cannot be removed without causing damage.

**Foreclose**

Removing the right, title and interest of the owner of a property or asset, usually due to a default of due payments.

**Freehold**

Complete ownership of a property and the land that it's built on.

**Gazumping**

This occurs when a seller accepts a buyer's offer and verbally agrees to sell the property to that buyer but later sells the property to another buyer offering a higher price.

**Gearing (Leverage)**

A measure of indebtedness, ie. the extent of borrowings as against the equity held by a person or company in an asset. Usually expressed as a ratio. Positive gearing refers to the magnification of financial gain resulting from borrowing when the cost of capital (borrowed) is less than the return on capital and leads to magnification of returns to equity. Negative gearing refers to the same relationships but where the cost of capital exceeds the return on capital.

**General Law Title**

See Common Law Title.

**Goods & Services Tax (GST)**

A consumption tax imposed by the commonwealth levied on the provision of goods and services.

**Grace Period**

A period when a mortgage payment or other debt becomes pas due and before it goes into default.

**Guarantee**

A contract to pay someone else's debt if they do not pay it.

**Guarantor**

A person or organisation that agrees to be responsible for the repayment of a loan – if the actual borrower defaults or is unable to pay.

**Hammer Price**

The purchase price paid when land or goods are sold at auction.

**Holding Deposit**

An amount given by a buyer to the estate agent for the seller. It shows the buyer's serious commitment to the property and is commonly 10% of the purchase price.

**Home Equity**

The amount of a property actually 'owned' by the owner. It is the current value of a property less the amount still owed on its mortgage. Equity usually increases as the principal of the mortgage is paid off and when the property market values increase.

**Home Loan**

The funds borrowed to purchase a property. The property acts as security for the repayment of the loan. The lender holds the title or deed to the property. It is also known as a mortgage.

**Initial Deposit**

The buyer will put down a deposit at the time they sign the contract in order to secure the property as a sign of good will. This amount will vary, however it is generally \$500 to \$1000.

**Initial Repairs**

The repairs undertaken on a property within the first year of ownership. This is because the need for these costs is taken to have been accounted for in the purchase price.

**Installment**

Regular repayments that a borrower agrees to make to a lender.

**Interest**

The amount charged for the money borrowed from a lender.

**Interest Only Loan**

A loan where only the interest is paid for an agreed term, usually 1 to 5 years. The principal is then repaid over the remaining term of the loan by the conversion of repayments to principal and interest.

**Interest Rate**

The rate of return earned on an investment, or charged by a lender, expressed in the form of a percentage per annum.

**Investment Property**

A property purchased for the sole purpose of earning a return, either in the form of rent or capital gain. The owner does not live in the property.

**Investment Return**

The combination of capital growth and the net income derived from the ownership of a property investment.

**Joint Tenants**

A form of co-ownership that gives each tenant equal shares in the property.

**Land Tax**

A tax payable annually in respect of the beneficial ownership of land, the rate of which is determined by the assessed valuation. Usually based on unimproved value of land.

**Lease**

An agreement between a property owner and a tenant. It allows the tenant to occupy and use a property for a set period in exchange for a set rent.



**Lender's Mortgage Insurance (LMI)**

Insurance which covers the lender if a borrower defaults on a loan and the sale of the property doesn't cover the outstanding debt. It is usually required if the lender considers the loan a high risk. For example, when the amount borrowed is over 80% of the property value. Only the lender is covered by this insurance – it offers no protection to the borrower.

**Licensed Real Estate Agent**

A Licensed Real Estate Agent may perform the activities in the conduct of a real estate business. He/she is licensed to hold responsibility for an agency's legislative compliance activities.

**Line of Credit (LOC)**

A type of mortgage where interest is only charged on the balance at that time, so if you have a LOC for \$100,000 but you have only used \$10,000 you only pay interest on that balance.

**Listing**

A written contract between an owner and a real estate agent, authorising the agent to perform services for the sale of the owner's property.

**Local Authority Search**

Procedure whereby a buyer's solicitor/conveyancer makes an enquiring to the local council regarding any outstanding enforcement or future development issues which might affect the property or immediate area.

**Lump Sum Repayments**

Additional ad hoc repayments, made over and above the minimum loan repayment required.

**Loan to Value Ratio (LVR)**

LVR is the percentage of the loan amount compared to the value of that property. For example, if a house is worth \$500,000 and the mortgage is \$358,000, then the LVR is 71.6% (*calculation:  $358,000 \div 500,000 \times 100 = 71.6$* ). Most lenders require a borrower to take out Lenders Mortgage Insurance if the LVR is 80% or more.

**Market Price**

The price actually paid, or agreed in a contract to be paid for an asset. It differs from market value in that it relates to an accomplished fact rather than an estimate.

**Market Value**

The price at which a seller is happy to sell and a buyer is willing to buy.

**Maturity**

The date when a debt must be paid in full.

**Maximum Loan Amount**

The maximum amount that can be borrowed. It's based on a borrower's disposable income, deposit, and the purchase price of the property.

**Median Price**

The mid-point of a range of property values that are ranked from the lowest to the highest sale price. For example, if there are five sales in a sample, which are ranked from lowest to the highest sale price, the median value is the third sale.

**Minimum Repayment Required**

The amount a borrower is contractually obliged to pay each month, in order to repay a loan within an agreed term.

**Mortgage**

The funds borrowed to purchase a property. The property acts as security for repayment of the loan. The lender holds the title or deed to the property. It is also known as a home loan.

**Mortgage Broker**

A person or organisation offering to organise or sell loans on behalf of a group of lenders.

**Mortgage Guarantee Insurance**

Paid by the borrower to protect the lender against failure by the borrower to keep up mortgage repayments or to pay back the loan in full when it is due.

**Mortgage Offset Account**

A savings account linked to a home loan. The interest earned by the money in the savings account offsets –or reduces – the interest due on the home loan. A 100% offset is where the interest rates earned and paid are the same. A partial offset account is where the interest earned on the offset account is only a portion of the rate paid on the home loan.

**Mortgage Protection Insurance**

This insurance covers loan repayments should a borrower become sick, injured or redundant and unable to work. It is also called income protection insurance. This insurance covers the borrower not the lender.

**Mortgagee**

The lender of home loan funds.

**Mortgagee Sale**

Sale of a property where, in the case of a default of payments by the mortgagee, the mortgagor can sell the property over which the mortgage has been held.

**Mortgagor**

The owner or owners of the property offered as security for a loan.

**Multiple Listing**

A method of exchanging exclusive entries for the sale of properties between real estate agents who are members of the same organisation.

**Negative Gearing**

See Gearing.

**Off the plan**

When you buy off the plan, you are buying a property before it is built, having only seen the plans. This is commonly used for apartments or units under construction or soon to be built.

**Offer**

The consideration offered to purchase or lease an asset.

**Open Agency Agreement**

The agreement between an agent and a vendor establishing an Open Listing.

**Open Listing**

Where a vendor grants selling or leasing rights over a property to any number of agents on a non-exclusive basis. The first agent to procure a buyer ready, willing and able to purchase or lease the property on terms acceptable to the vendor receives the commission. Also known as a Common Listing, Simple Listing or Open Agency.

**Outgoings**

The expenses incurred in generating income. In real estate, these expenses include, but are not necessarily limited to, property rates, insurance, repairs and maintenance and management fees.

**Owner**

In relation to land, the owner includes every person who jointly or severally whether at law or in equity (a) is entitled to the land of an estate in freehold possession; or (b) is entitled to receive rent or profits thereof, whether as beneficial owner, trustee, mortgagee in possession or otherwise.

**Owners Corporation**

The administrative body made of the owners of a group of units or apartments of a strata building. Also known as Body Corporate.

**Passed In**

When the highest bid at auction doesn't meet the reserve price set on the property. In effect, the property doesn't sell at the auction.

**PAYG Variation (form 15/15)**

A PAYG Variation can be used if you are entitled to a large tax refund due to a negatively geared investment property. Submitting a PAYG Variation to the ATO can allow you to access the funds that would normally be held by the ATO in your weekly pay rather than waiting until your annual tax return is completed and lodged.

**Planning Approval**

Approval from the relevant authority to use property for a specified use.

**Portability**

Allows a different property to be substituted as security for an existing loan. Useful if you are buying a new home but don't want to set up a new mortgage.

**Preferred Listings**

Entrusting a property sale/lease to a predetermined preferred agent.

**Premises**

A house, building or other structure together with the surrounding grounds that form part of the title. Also, the real estate forming the subject of a conveyance or license.

**Principal**

The amount owing on a loan, on which interest must be paid.

**Principal and Interest Loan**

A loan in which both the principal and interest are repaid, during the agreed term of the loan.

**Private Sale**

Where an owner offers a property for sale without engaging an agent.

**Private Treaty Sale**

A sale of a property at an advertised price that can be negotiated.

**Property**

At law, property consists of the private rights of ownership. To distinguish between real estate (realty), a physical entity, and its ownership, a legal concept, ownership of land is known as real property.

**Quantity Surveyor**

A Quantity Surveyor is a building industry professional who specialises in estimating the value of construction works.

**Rates**

Periodic property taxes levied by Local and State Governments (eg. water rates).

**Real Property**

All the rights, interests, and benefits related to the ownership of real estate. Real property is a legal concept distinct from real estate, which is a physical asset. There may also be potential limitations upon ownership rights to real property.

**Re-amortise**

To recalculate the minimum repayment required to repay the outstanding balance of a loan over the remaining period. This generally happens when either the loan term is extended or the loan amount has significantly increased or decreased compared to the original loan amount.

**Redraw Facility**

A component of a variable rate loan which enables a borrower to make extra repayments on the loan but later redraw this money if needed.

**Refinance**

To switch mortgage providers and arrange a new loan for the same property.

**Rent**

The rent derived from leasing a property to a tenant.

**Rental Income**

The rent derived from leasing a property to a tenant. The net income is the rent derived from a rental property less any expenses incurred in owning the property such as taxes and maintenance.

**Rescind**

To terminate a contract of sale.

**Reserve Price**

The minimum price which a seller will accept at auction.

**Reverse Mortgage**

A mortgage over a residential property owned by a person (usually over 55 years of age), where repayments are not required until the property is sold or the last homeowner dies.

**Security**

An asset that a borrower gives a lender the rights to – so the lender can be confident of getting the money back, one way or another if the debt is not repaid as per the loan agreement.

**Seller's Market**

The condition which exists when, under competitive conditions, the pressures of supply and demand are such that market prices are at a relatively high level, giving the seller an advantage. An under-supply causing prices to increase.

**Semi-detached**

A property which is joined to another house.

**Settlement**

This is the final stage of the sale when the purchaser completes the payment of the contract price to the vendor and takes legal possession of the property.

**Settlement Day**

The sale of a property is finalised by the legal representatives of the vendor and the purchaser and the new owner takes possession of the property.

**Settlement Period**

Once contracts are unconditional, the settlement period begins.

**Simple Interest**

Interest that is calculated on a sum that does not include previous interest charges.

**Simple Listing**

See Open Listing.

**Sole Agency**

See Exclusive Listing.

**Speculator**

One who speculates; that is, one who buys any commodity, including real estate, in the expectancy of selling in a higher market.

**Split Loan**

Generally a loan that is part variable and part fixed, but it can also be a loan with multiple variable parts.

**Stamp Duty**

A state tax on conveyance or transfer of property calculated on the total value of the property.

**Standard Lease**

A lease in commonly used form into which specific clauses or provisions may be written.

**Strata Plan**

The registered plan of a strata title property showing the boundaries of lots and unit entitlements. Pursuant to legislation on strata or unit titles.

**Strata Title**

The most common title associated with townhouses and apartments. Individuals each own a portion of the title, known as a "lot" and share common property.

**Studio**

A flat consisting of one main room or open-plan living area incorporating cooking and sleeping facilities and a separate bathroom/shower room.

**Sub-Agent**

A person employed by an agent as their sales representative to provide assistance in transacting the affairs of the principal. In some States a sub-agent is referred to as a sales representative.

**Subdivision**

Divisions by a land owner, of all or part of a parcel of land, into separate allotments (or sections), each with a separate title, in accordance with a 'plan of subdivision' approved by the planning authority.

**Survey**

The measurement and depiction on paper of the boundaries of real estate and the location of the improvements on the land, or measurement of a part of a building, usually undertaken by a registered surveyor.

**Tax Depreciation Schedule**

A Tax Depreciation Schedule is a professionally produced document highlighting items of plant, equipment and capital costs that may be depreciated. It incorporates the value of each depreciable item, including delivery costs, installation costs and the cost associated with bringing the plant into full operation.

**Tenants in Common**

A form of agreement often used when friends or family purchase a property together. It details the equal or unequal holding of property by two or more people. If one person dies, their share passes according to their Will or the law, rather than to the owner of the other share.

**Tender**

The sale of an asset through the seeking of written bids.

**Term**

The duration of a loan, or a specific period within that loan. This is usually written in months for example, 360 months equals 30 years.

**Title**

The form of ownership of real estate (ie. Torrens, strata or company title).

**Title Deeds**

Documents disclosing the legal description and ownership of a property.

**Torrens Title**

The title to land by registration. Originating in South Australia under the stewardship of RR Torrens (later Sir Robert Torrens) and enacted in 1858. The Torrens titles have superseded the 'Common Law Title' system through Australia. Under the Torrens system dealings and ownership of land are managed by registration with the Titles Office.

**Transfer**

A document registered with the Titles Office that confirms the change of ownership or a property.

**Trust Account**

A legislative required bank account where monies are held by an agent for or on behalf of another person, eg. deposits, rental...etc.

**Unconditional Contracts**

Once you sign and date the contract, any conditions on the contract will need to be met before it is accepted that the sale is definite. These conditions can involve finance, building and pest inspections or any special conditions added to the contract. Once the contracts are unconditional, if either party backs out of the deal proposed, they may be liable for costs.

**Unencumbered Property**

Property free and clear of mortgages, restrictive covenants, leases and assessments of any kind.

**Vacancy Rate**

The proportion of rental properties that are unoccupied. When the vacancy rate is high, it means that tenants have a large number of rental properties to choose from. The vacancy rate is also used to indicate if supply of housing is meeting demand from homebuyers in the broader housing market.

**Vacant Possession**

In real estate this refers to the right to possession of land or built-up property in respect of which there is no current occupant.

**Valuation**

A written analysis of the estimated value of the property prepared by a qualified valuer.

**Valuation Report**

A document that records the instructions for the assignment, the purpose and basis of the valuation, and the results of the analysis that led to the opinion of value. The terms, Valuation Certificate and Valuation Report, are sometimes used interchangeably.

**Valuer**

A person who is either registered/licensed/approved to carry out property or plant and machinery valuations under any State, Territory or Commonwealth legislation; and/or a member of the Australian Property Institute who is accredited as a Certified Practicing Valuer.

**Variable Rate**

A rate that goes up or down depending on money market interest rates.

**Variation**

An addition to, omission from or alteration to a contract or to the contract conditions.

**Vendor**

The seller.

**Voidable**

An agreement which can be made void at the option of one or both of the parties.

**Without Reserve**

An auction term signifying that a reserve price has not been set, such that the highest bid will prevail.

**Yield**

The derived percentage return of a property assessed from the net income and the market value or price. It is calculated by dividing the net income by the opening market value or price.

**Zoning**

Local authority guidelines for the permitted use of the land.

**Disclaimer**

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