

REAL ESTATE News

Know jargon to ease buying, selling

REAL ESTATE LISTINGS

Listings features news and notes about Oakland County real estate. To list an announcement, write: Listings, Real Estate Editor, Observer & Eclectic Newspapers, 805 E. Maple, Birmingham 48009. Our fax number is (810) 644-1314.

QUICK MORTGAGE

Americor Mortgage, 1700 W. Big Beaver, Troy, says its new ZapLoan program can pre-approve mortgage applicants in less than four minutes. Speedy processing is made possible by video teleconferencing, says Americor. For information, call (810) 643-0800.

SPONSOR HUNGER WALK

The Women's Council of Realtors, which has members throughout Wayne and Oakland counties, is co-sponsoring the 13th annual Hunger Walk '95, 10 a.m. Saturday, May 20, in the municipal parking lot in downtown Pontiac, between Segunaw and Wide Track, south of Pike. Registration will be 9-10 a.m. Participants should bring their list of sponsors to the sign-up.

Money raised from the four-mile walk through Pontiac to Unity Park will go to Lighthouse of Oakland County, a non-profit agency that provides food and emergency service to Oakland County families.

GROUP MORTGAGE

First came warehouses and buying clubs that discount office supplies, travel, food and other goods, and now a lender with group mortgage rates.

Source One, a full-service mortgage firm based in Farmington Hills, says its Gold Key Mortgage program designed for employee groups and association members saves clients about \$500 to \$1,000 in closing costs.

Besides reduced fees, Gold Key members get a home appraisal in five days and loan approval in two weeks, says Andrew Chuba, Source One affiliate marketing manager. Source One has about 50 corporate clients, including Federal Express, Digital Equipment, Northwest and Delta Airlines, that offer Source One mortgages as part of an employee benefit package.

Group mortgage rates also apply to refinances. Source One was founded in 1946 and has 80 offices nationwide. It recently was rated Best Mortgage Lender in the Country by Dalbar Inc., a Boston-based market research firm.

—Janice Tigor-Kramer, special writer

BY BECKY BURNS

SPECIAL WRITER

Anyone who has ever so much as looked into buying a house knows that sifting through what seems like bottomless barrels of real-estate jargon is all part of the process.

It's like Realtors have their own language, or at least their own dialect. Keying into even a few phrases can make the difference between happy house hunting and a home-buying nightmare. So, never fear. Your guide to the jargon is here.

Jim Reeves of Century 21 Country Hills in Bloomfield Hills and Ted Martin of Red Carpet Keim of Westland have generously provided their services to help unscramble some real-estate shop talk.

"When you're dealing with a first-time home buyer or someone who is selling their house for the first time,

people ask questions," Reeves said. Martin gets his share of inquiries, too.

"That usually isn't the reason (people will) call, but it'll come up in conversation and they'll need to know," he said.

Definitions:

■ Cost: what it costs to build a house.

■ Price: what someone is willing to pay for a house.

■ Market: the specific geographical location a house is in. "It could be your subdivision. It could be your city," Reeves said.

■ Market value: what people are paying for homes in that particular area.

■ Arm's-length transaction: where both parties are informed and neither is coerced. "With no duress on the part of either the buyer or the seller," Martin said.

■ Variable rate: a mortgage interest

rate that varies during the term of the mortgage. It's also known as an adjustable rate mortgage. "It's good for someone who's going to be on a piece of property for only a couple of years," Reeves said.

■ Contributory value: how much an improvement adds to a property as opposed to the actual cost of the improvement. For example, if a seller remodels her kitchen and it costs \$10,000, it may add \$10,000 or more to the value of the house, or it may add less, Martin said.

■ Home warranty: a contract, starting on the date a buyer closes on a house, that covers the major mechanical components of the house, like plumbing and heating. The warranty generally is good for one year.

And there are some fairly new definitions people ask about. These went into effect in early 1994:

■ Mandatory seller's disclosure: the seller must provide written documentation disclosing the condition of the property he is selling. For example, if he is going to leave the washer and dryer, he must tell what condition it is in. Or, if the basement leaks, that has to be disclosed.

■ Seller's agent: works for the seller and gets paid by the seller.

■ Buyer's agent: works for the buyer and gets paid by the buyer. In the past, real estate agents only represented sellers, Martin said.

Well, there you have it. A handy-dandy guide to scratching the surface of understanding the real estate industry.

If you have any questions, don't hesitate to call your local real estate agency. The Realtors there will be able to tell you what you need to know — and they're nice, too.

Study up on leasing bylaws, Windy City prices

CONDO QUERIES

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REALTOR

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