
A Handy Home-Buying Vocabulary List

Ray White Castle Hill



We all know how the lingo used in real estate can be very confusing, with terms we've never encountered and acronyms we've never heard. Here's a simple guide on a couple of terms, that'll get rid of your confusion.



Appraisal: A structured and professional valuation of a home, performed by a licensed agent. This is to inform individual's the value of their home in comparison to other homes in the area.

Buyer's market: The condition of the market in regards to number of properties for sale versus the number of buyers.

Comparative market analysis (CMA): An extensive analysis that compares properties to those located in the same area, which then determines the value of the home.

Days on market (DOM): The time measured in days of a property listing that is recognised active.

Down payment: A specific percentage of the total home purchase price that needs to be paid by the owner.

Earnest money: A deposit placed from the buyer to guarantee the seller of their intention to purchase the property.

Equity: A portion of the property's value that is owned by the owner.

Home equity loan: A single loan that authorises an owner to use equity as collateral

Home inspection: A visual check of the physical condition of the property.

Homeowners insurance: A policy that is put into place to ensure that protection is guaranteed should damages to the physical property, the contents inside and living expenses occur.

Listing price: The listed price that is determined by the seller.

Mortgage broker: A licensed professional who performs representing the buyer to obtain a loan.

Pre-approval: An extensive assessment that covers the borrower's income and assets to dictate how much they are able to borrow.

Walk through: The final inspection the buyer does of the property before closing the deal.