

Glossary of Terms

Western Australia operates under one of the most secure title systems in the world.

The Torrens Title system.

Quote: "The Torrens title system operates in many States of Australia and works on the principle of 'title by registration' (i.e. the indefeasibility of a registered interest) rather than 'registration of title. " Unquote. The Torrens system does away with the need for a chain of title (That is: Tracing a title through a series of documents) Each parcel of land is given a separate folio in the register and is identified by reference to a registered plan. The Transfer of Land is usually effected from one party to another party by a licenced settlement agent. The folio (Volume number and Folio number) records the dimensions of the land, its boundaries, the names of the registered proprietors, and any legal interests that may affect title to the land. The State Government guarantees title and is usually supported by a compensation scheme for those who lose their title due to the State's operation. (resumption of land etc)

Real estate terms can be boggling to new buyers or sellers. Here's a list of the most common real estate terms and conveyancing terms.

Body Corporate

On strata title properties the control and administration of common property is vested in a statutory Body Corporate, which comes into existence automatically on the registration of the strata plan. The registered proprietors of each of the units are the only members of the Body Corporate. The rights and obligations of the Body Corporate are fixed by scheduled by-laws. The term also applies to share holders in units under Company Title, but this is rare in Western Australia.

Caveat

A notification on a title that warns prospective purchasers, mortgagees and others who propose to deal in the land that a third person (normally the person lodging the caveat) has some right or interest in the land.

Certificate of Title

Duplicate deeds stating the fact and extent of the interest of a person (the registered proprietor) in land held under the Torrens title system. The deeds are individually designated with both a Volume and Folio number. One is kept in the Titles Office and the other is held by the registered proprietor. When the land is dealt with, a note of the dealing is made on both copies by the Titles Office.

Chattel

A chattel is any piece of property other than real estate, including above-ground pools, swingsets, barbecues, light fittings, and dishwashers.

Common Property

That part of a strata-titled property owned and used in common by all the unit owners or occupiers and which is maintained by the Body Corporate.

Disbursements

Expenses paid out of a trust account on behalf of a client as expenditures. Examples include advertising expenses, rates and taxes and agent's commission.

Easements

An easement is the right for a person or company to use part of a property that they don't own. Easements are often granted to local councils and utility corporations to allow for gas, water, sewerage, etc to flow through a property. Any easements attached to a property will be listed under 'Limitations, Interests, Encumbrances and Notifications' on that property's Certificate of Title.

Electronic Advice of Sale (EAS)

Settlement agents submit an EAS to advise the Water Corporation, Office of State Revenue and Local Government Authorities of an impending settlement and obtain information needed for the settlement. The EAS is submitted once a contract becomes unconditional.

Final Inspection

An inspection conducted shortly before settlement in which a buyer ensures the property is in the condition outlined in the Offer & Acceptance. This may include checking that all gas, electrical and plumbing appliances are in working order and that chattels have remained.

First Home Buyers Grant (FHOG)

The First Home Owner grant (FHOG) is a one-off payment from the Government of WA of \$7000. It's designed to help first home buyers purchase or build a principal place of residence. For information on eligibility and how to apply, see [finance.wa.gov.au's factsheet](http://finance.wa.gov.au)

Green Title

The common name given to title for land that is not a strata title. It's the most popular form of title in Western Australia.

Joint Tenants

Ownership of land in which the interest of each joint tenant is not separate or distinct from the other. Each is entitled to an undivided interest in the whole property – that is, they each own the whole. There can be more than 2 owners as joint tenants. All joint tenants are entitled to physical possession of the whole property. In dealing with third parties joint tenants must act as a single owner. Joint tenants must acquire the property at the same time from the same person. The most distinguishing feature of this form of co-ownership is the right of survivorship.

Landgate

Landgate is the statutory authority responsible for Western Australia's property and land information. All property transfers must be registered with Landgate.

Offer & Acceptance (O&A)

Usually an offer to buy property is made using both the Contract for Sale of Land or Strata Title by Offer and Acceptance form, commonly called the O&A; and the Joint Form of General Conditions for the Sale of Land, commonly referred to as the General Conditions. Together, the O&A and the General Conditions constitute the standard contract for the sale of real estate in Western Australia.

Penalty Interest

Penalty interest is a fee that a buyer or seller can charge another party for delaying settlement, as compensation.

Pre-Approval

Pre-approval is a written assessment of your worthiness for a loan. When you seek pre-approval, your lender will assess your ability to pay, as well as your credit history, to decide how much they are willing to lend you. It's a great idea to get pre-approval before you make an offer on a property.

Requisitions on a Title

A list of formal questions about the title submitted to the seller. Information revealed in requisitions on title include that which may not have been previously disclosed or discovered during inspection of the property (for example, disputes with neighbours relating to fences).

Settlement

The completion of the process of transferring property free of any encumbrances such as mortgages or caveats. The purchaser's settlement agent hands a cheque to the vendors bank to discharge the mortgage and the vendor nominates where the remaining balance should go. The purchaser then becomes the owner of the property once the transaction is registered at Landgate and their bank can now lodge their mortgage.

Survivorship

Upon the death of one joint tenant, the remaining interest in the land is transmitted to the surviving joint tenant. For example, if A and B own land as joint tenants and A dies, then B will become the sole registered proprietor.

Stamp Duty

Also called Transfer Duty, Stamp Duty is a significant tax payable by all home buyers. Eligible first home buyers can apply for this to be waived.

Strata Plan

A Strata Plan contains a detailed pictorial description of lots within a strata complex. It includes lot dimensions, building outlines, certificate of title numbers for each lot, details of unit entitlement and common property, and notifications of encumbrances affecting the strata plan.

Strata Title

Property title typically associated with duplexes, villas, townhouses and units. In a strata plan, individuals each own a small portion of a strata building such as a unit – which is identified as 'lot' on the title. On many strata plans owners share common property such as external walls, driveways and garden areas.

Survey Strata

Survey-strata plans define the lots in a survey-strata scheme, which are the areas in the scheme owned individually. Common property areas owned jointly by all lot owners may, or may not exist in survey-strata schemes and are defined as "common property lots". Survey-strata lots may be limited in height and depth but generally are not. No buildings are shown on Survey-Strata Plans.

Tenants in Common

Shared ownership of land in which each owner's share is separate and distinct from the other. There can be several owners as tenants in common all with different shares. Ownership can be shared in any proportion acceptable to all common owners. All tenants in common are entitled to physical possession of the whole property. Tenants in common can each deal with third parties as to their share as a separate owner, generally without the need for other co-owner's consent (unless they have a co-ownership agreement in place). Tenants in common can acquire their interests at different times and from different people. Each tenant in common is free to sell or otherwise deal with their interest in a property at anytime (subject to any agreements reached between tenants in common).

Transfer of Land

The document used to transfer the interests of a registered proprietor to a purchaser by means of registration at Landgate