

Homebuying Glossary

Modern Living. Exceptional Value—Starts with Understanding.



Term	Definition
Appraisal	An expert estimate of a home's value, often required by lenders before approval.
Closing Costs	Fees paid at the end of a real estate transaction, including taxes, title, and lender charges.
Contingency	A condition that must be met for a contract to be binding (e.g., financing or inspection).
Custom Build	A home designed and constructed to a buyer's specifications, often on a chosen lot.
Down Payment	The upfront cash paid toward the purchase price, typically a percentage of the total cost.
Equity	The difference between your home's market value and the amount you owe on it.
Escrow	A neutral third party holds funds or documents until conditions of the sale are met.
Fixed-Rate Mortgage	A loan with a consistent interest rate and monthly payment over its term.
Homeowners Association (HOA)	An organization that manages shared amenities and enforces community rules (if applicable).
Inspection	A professional evaluation of a home's condition before purchase or closing.
Interest Rate	The cost of borrowing money, expressed as a percentage of the loan amount.
Loan Pre-Approval	A lender's conditional agreement to lend a specific amount based on your financial profile.
Mortgage	A loan used to purchase a home, paid back over time with interest.
Permit	Official approval from local authorities to begin construction or renovation.
Principal	The original amount borrowed in a mortgage, not including interest.

Term	Definition
Punch List	A final checklist of items to be completed or corrected before closing on a new build.
Title	Legal ownership of a property, verified during the closing process.
Walkthrough	A final tour of the home before closing to ensure everything is complete and satisfactory.
Warranty	A builder's guarantee covering certain repairs or defects for a set period after move-in.
Zoning	Local regulations that determine how land can be used (residential, commercial, etc.).

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