

Introduction to Real Estate Law

Introduction to Real Estate Law – Study Notes

1. What Is Real Estate Law?

- **Definition:** The body of statutes, regulations, and case law governing the ownership, use, and transfer of land and improvements (buildings, fixtures, etc.).
 - **Purpose:** Protect property rights, promote orderly development, and resolve disputes over land.
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2. Key Concepts & Terminology

Term	Meaning
Real Property	Land plus anything permanently attached to it (e.g., buildings, trees).
Personal Property	Movable items not attached to land (e.g., furniture, vehicles).
Estate	The legal interest a person has in real property (e.g., fee simple, life estate).
Fee Simple Absolute	The most complete ownership interest; unlimited duration and transferability.
Life Estate	Ownership that lasts for the life of a designated person; reverts to another party (remainder) after death.
Leasehold Estate	A tenant's right to occupy land for a fixed term under a lease.
Easement	A non-possessory right to use another's land (e.g., right-of-way, utility easement).
Lien	A security interest that gives a creditor a claim against property (e.g., mortgage lien, tax lien).
Title	Legal proof of ownership; the bundle of rights associated with the property.
Recording	The act of filing a document (deed, mortgage, lien) in the public land records to provide notice to third parties.

3. Sources of Real Estate Law

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Source	Description
Statutes	State legislatures enact statutes (e.g., landlord-tenant acts, zoning codes).
Regulations	Administrative agencies (e.g., local planning departments) issue rules that interpret statutes.
Case Law	Courts interpret statutes and develop common-law doctrines (e.g., adverse possession).
Common Law	Traditional principles inherited from English law (e.g., covenants, warranties).
Local Ordinances	Municipal laws governing land use, building standards, and property taxes.

4. The Transaction Process

1. Pre-Contract Phase

- **Due Diligence:** Title search, surveys, environmental assessments, zoning checks.
- **Financing:** Mortgage application, appraisal, loan commitment.

2. Contract Formation

- **Purchase Agreement:** Offers, counter-offers, contingencies (inspection, financing, appraisal).
- **Earnest Money Deposit:** Shows buyer's good faith; held in escrow.

3. Closing

- **Title Transfer:** Deed preparation (usually a warranty or quit-claim deed).
- **Recording:** Deed filed at the county recorder's office; mortgage recorded as a lien.
- **Settlement Statement:** Itemized list of costs (prorated taxes, fees, commissions).

4. Post-Closing

- **Possession:** Transfer of physical control.
 - **Title Insurance:** Protects buyer/lender against undiscovered defects.
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5. Major Areas of Real Estate Law

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Area

Core Issues

Landlord & Tenant Law	Lease formation, security deposits, habitability standards, eviction procedures.
Zoning & Land Use	Permitted uses, setbacks, density limits, vari