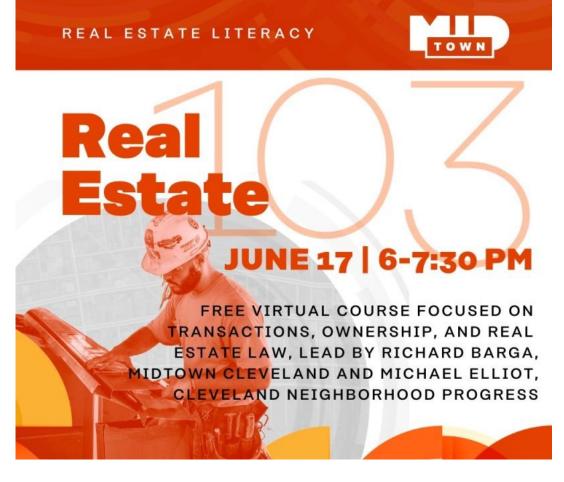


Cleveland Neighborhood Progress



REAL ESTATE 101
Session 3 Transactions, Ownership & the Law

# Real Estate 101

### 1. Intro

- Why Real Estate?
- Players
- How do we play a role?
- 2. The Development Process
  - Predevelopment
  - Construction
  - Operation

### 3. Transactions, Ownership and Law

- Parties
- Rights
- Zoning

### 4. Financing and Risk Assessment

- Leverage
- Private vs public financing
- Brownfields





# Recap Session 1 - Intro

### **What is Real Estate**

- Community development tool
- Financial asset

### The Key Players In Real Estate – Who Does What?









# Recap Session 2 - The Development Proces

### **STAGES OF DEVELOPMENT**

- **1. PREDEVELOPMENT** Resolve uncertainty!!!
  - Entitlements
  - Design
  - Cost effective construction
  - Market analysis
  - Financial resources
  - Public review process
  - Tenant negotiations

### 2. CONSTRUCTION

- 3. LEASEUP & OPERATION (Stabilization @ 80% for 1 year)
  - Ongoing marketing and leasing
  - Property management
  - Achieving stabilization



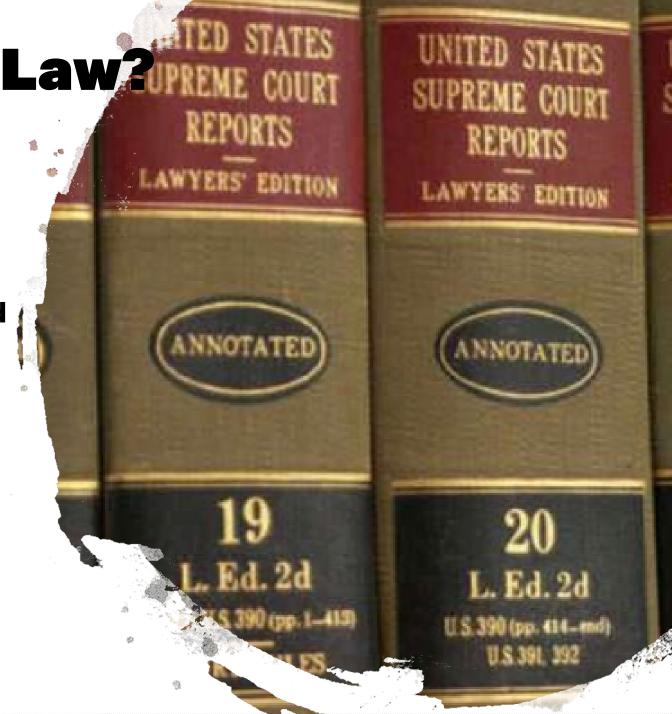


# Law, Ownership and Transactions

**Note:** The following presentation is being provided for educational purposes only. The content of this presentation is intended to convey general information about the subject of real estate and the resources available to assist individuals interested in real estate development within the Greater Cleveland area. No content shared in this presentation should be relied upon as legal advice. Attendance in this seminar is not an offer to represent you, nor is it intended to make legal recommendations on real estate transactions. All attendees are encouraged to seek independent legal counsel, to assist in providing specific legal advice regarding their individual business or real estate needs.

What is Real Estate Law?

- Involves rights to:
  - Buy/Sell
  - Use
  - Encumber
  - Transfer and/or acquire by sale or succession, any interest in land and building assets
- State law governs most real estate transactions, but Federal laws play a significant role as well, especially environmental and bankruptcy
- Construction law is a subset of real estate law concerned with the relationships between construction professionals and property owners.







# Real Property Bundle of rights

Real property = A bundle of property rights

Rights, privileges, and interests associated with land ownership (such as right to possess or sell) are also considered part of real property.

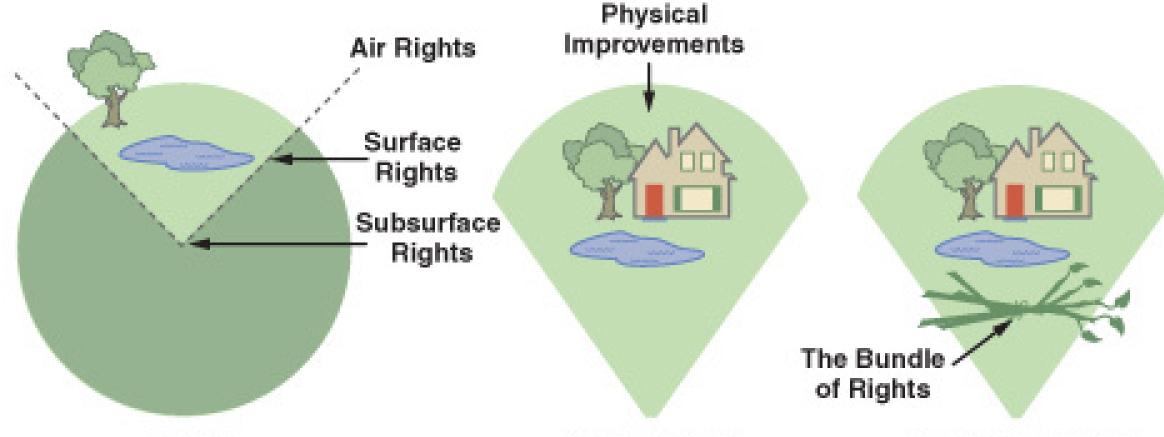


### Real Property Bundle of rights

Real property ownership includes a bundle of ownership rights, including the right to:

- Possess
- Use
- Enjoy
- Encumber
- Will
- Sell
- Do nothing at all





Land

Earth's surface to the center of the earth and the airspace above the land, including the trees and water Real Estate

Land plus permanent human-made additions Real Property

Real estate plus "bundle of legal rights"





# RELAW-CONTRACTS















# **Conveyance Deeds**

A conveyance deed is a contract in which, the seller transfers all rights to the legal owner. The purchase of a property is not complete without a valid conveyance deed.

- Conveyance' refers to the act of transferring the title, ownership, rights and interests in a property, from one entity to another.
- The term 'deed' refers to an instrument, like a written document that is signed by all the parties to a contract, in this case, the seller and buyer.





# Conveyances Deeds

### **Quick Claim**

- Is a legal document that transfers whatever interest someone has in a certain piece of real estate to someone else.
- The deed comes with no guarantee that the grantor owns the property or that there is clear title on the property.

### Warranty Deeds

- A warranty deed is a type of deed where the grantor (seller)
   guarantees that he or she holds clear title to a piece of real estate and has a right to sell it to the grantee (buyer).
- A general warranty deed protects the grantee against title defects arising at any point in time, extending back to the property's origins.

### Sheriff's Deed

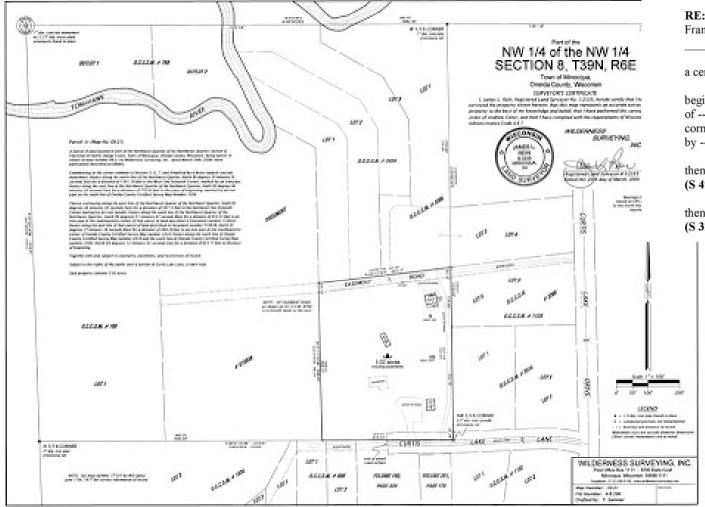
- A deed issued to the buyer of property that was sold under court order to pay off a debt at a sheriff's sale.
- The Sheriff does <u>not</u> <u>guarantee</u> clear title.
- Properties purchased at Sheriff Sale are not available for inspection



# Key Takeaways about Conveyance Deed

- The seller is required to certify that the property is free of any legal encumbrance.
- If a loan was taken against the property in question, the mortgage must be cleared before the deed is signed. Buyers have the option of having this checked at the local sub-registrar's office.
- The conveyance deed should state the exact date on which the property will be handed over to the buyer.
- Within four months of the execution of the deed, all the original documents related to the sale of the property, need to be produced for registration before the *local registrar*.
- The deed is required to be signed by at least two witnesses.





### York Hill Surveying

Creston Gaither, PLS 150 Davis Road, Vienna, Maine 04360 293-2909 • FAX (toll-free): 1-888-296-5947

www.yorkhillsurveying.com

e-mail: crestong@yahoo.com

September 3, 20--

### LEGAL DESCRIPTION

**RE:** proposed outconveyance of land n/f Tammy S. & Brandy J. ---- (portion of Book 1789 P. 147, Franklin County Registry of Deeds)

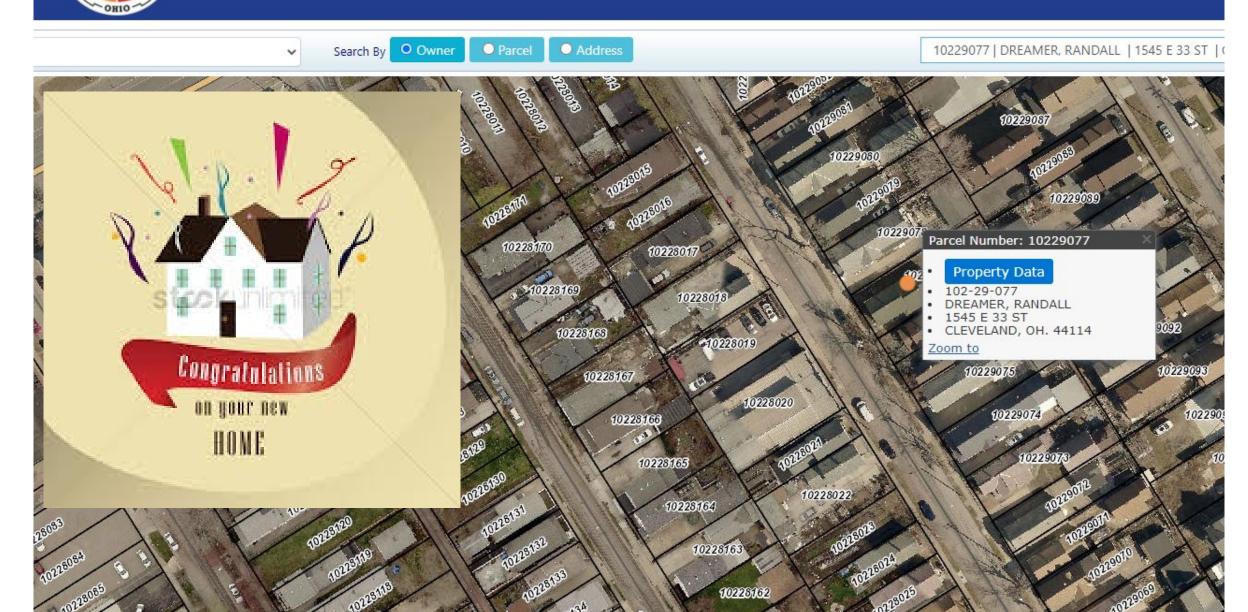
a certain lot or parcel of land situated in New Sharon, Maine and more particularly described as follows:

beginning at an iron rebar found flush with the ground at the intersection between the southwesterly sideline of ----- Road or its extension southeasterly and the centerline of ----- Lane, this corner being the southeasterly corner of "Parcel 2" and the northerly corner of "Parcel 3" as shown on a plan entitled "G. & B. Enterprises" by ---- Engineering & Design, Inc. dated March 13, 1991 and recorded as Plan No. **2545**;

thence South forty-nine degrees forty-two minutes East a distance of fifty and four tenths feet (S 49° 42' E 50.4') along the northeasterly sideline of said "Parcel 3" to a point;

thence South thirty-two degrees fifteen minutes East a distance of fifty-six and two tenths feet (S 32° 15' E 56.2') along said northeasterly sideline to a point;







# What is in a co

- OFFER A specific and definite proposition to the offeree, manifesting the offeror's clear intention to be bound.
- ACCEPTANCE An unequivocal agreement by the offeree to all the terms of the offer, made directly to the offeror or to his agent

State of Rev. 031P2017

### PURCHASE AGREEMENT

# Charles and other may be referred to usual Agreement municipality as a "Party" and

collectively as the "Parties."

WHEREAS, Seller owns certain items of Property, as defined below, and Seller desires to sell such Property under the terms and conditions set forth in this Agreement; and

WHEREAS, Buyer desires to purchase the Property offered for sale by Seller under the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual promises and for other good and valuable consideration exchanged by the Parties as set forth in this Agreement, the Parties, intending to be legally bound, hereby mutually agrees as follows:

1. Sale of Property. Seller agrees to sell, transfer and assign, and Buyer agrees to purchase, the

personal property described below (the "Property")

2. Purchase Price.	Buyer will pay to Seller	for the Property and for a	all obligations specified in thi
Agreement, if any, as th	e full and complete purc	hase price including any a	pplicable sales tax, the sum o
\$USD (t	he "Purchase Price").		
3. Payment. Paymer	t of the Purchase Price	will be made by Buyer to S	eller by cash, according to the
following schedule:			

b. equal installment payments of \$\_\_\_\_\_ payable on the 1<sup>st</sup> of each month until the Purchase Price is paid in full.
 4. Taxes. Buyer will be responsible for filing all required sales and use tax returns in connection with

upon the execution of this Agreement

- 4. Taxes. Buyer will be responsible for filing all required sales and use tax returns in connection with the transfer of the Property. Buyer will also pay all required sales and use taxes and any other transfer costs and expenses that arise as a result of the transfer of the Property. Seller will pay all personal property taxes associated with ownership of the Property and accrued for the period ending on the Effective Date and Buyer will pay all such personal property taxes that accrue thereafter.
- Delivery. Buyer will be entitled to take possession of the Property on the \_\_\_\_\_ day of \_\_\_\_\_\_.
   If delivery is to be made at a date after the Effective Date, it is Seller's duty to ensure the Property is delivered in the same condition as when last inspected by Buyer.

Download and print your legal document in minutes





# **Contractual obligations**

Elements of a contract

1. Agreement



2. Consideration

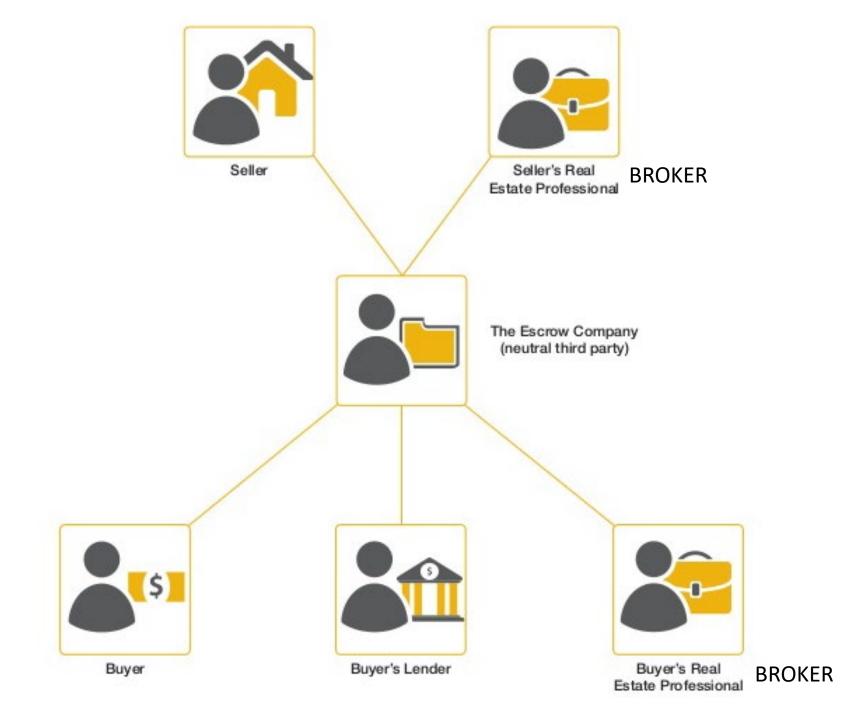


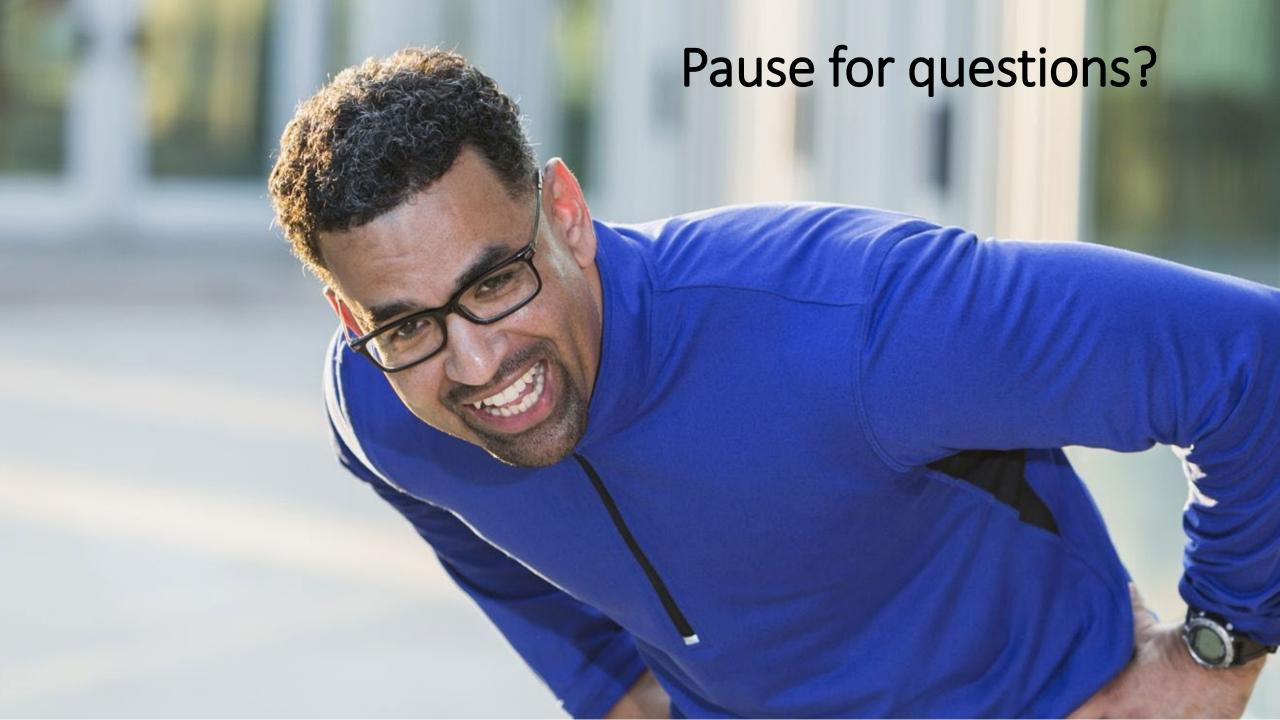
3. Intention to enter into legal relations





Players in a real estate transaction



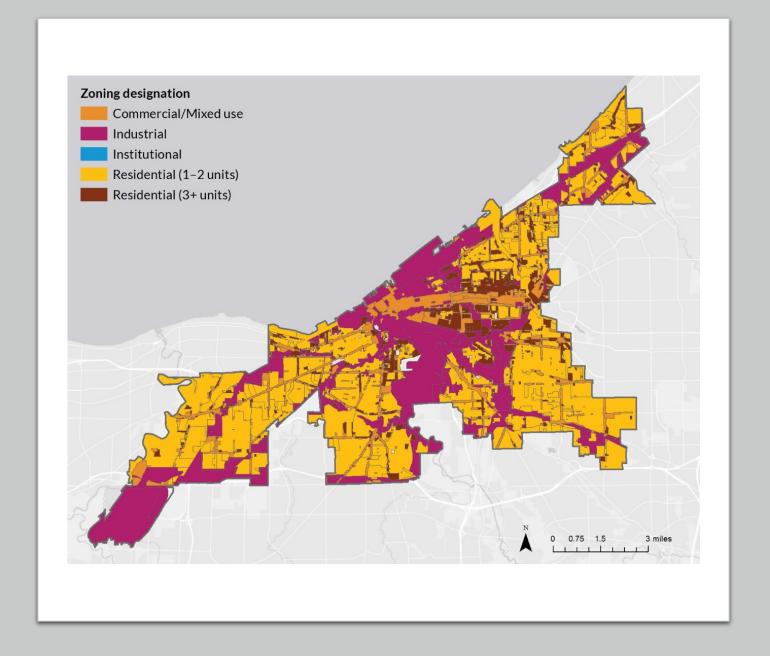


# Zoning



# Purpose of Zoning

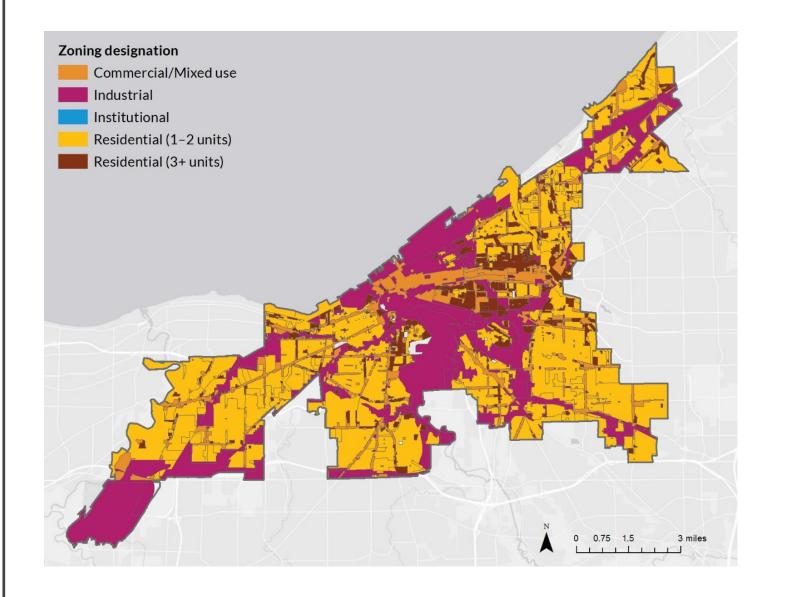
- Zoning protects public health and welfare and promotes community character by organizing land into clearly defined districts based on the type and intensity of use
  - Residential
  - Commercial
  - Industrial
  - Open space





# **Zoning Basics**

- The Zoning Codes consist of two basic parts
  - Zoning Map
  - Zoning Regulations
- Zoning Maps Districts
  - Residential
  - Commercial
  - Industrial
  - Institutional
  - Open Space





**Zoning - Regulations** 

In addition to uses, zoning codes also regulate site layout and design details:

- Lot size
- Density
- Building placement
- Height, and bulk setbacks
- Provision of adequate light and air
- Parking
- Landscaping
- Signage



### Low Density Non-contextual Residence District

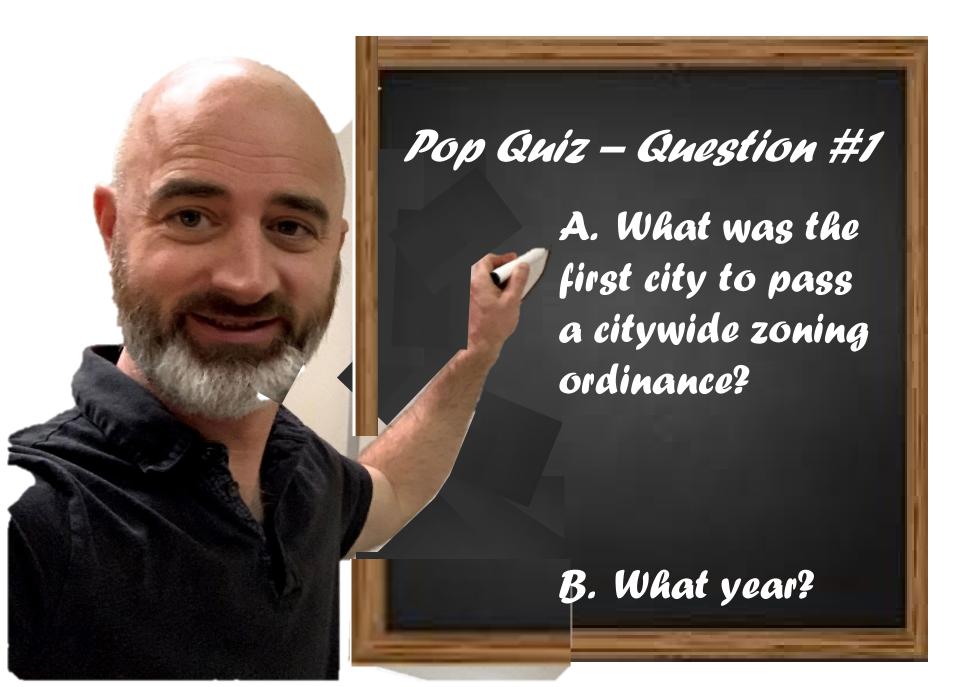
New construction under

contextual envelope

R5 regulations

RS		Lot	Lot	Front	Rear	Side Yards	Lot	FAR	Street Wall/	DU	Required Parking
		Area	Width	Yard	Yard	# Each Total	Coverage		<b>Building Height</b>	Factor	Standard IRHU
		min.	min.	min.	min.	min.	max.	max.	mex.		min.
Single- and Two-family	Detached	3,800 af	40 ft		10 ft 30 ft	2 5ft 13ft	55%	1.25	30/40 ft	780	
	Semi-detached			40.0		1 8ft 8ft					85% of 42.5% of
	Attached	1,700 af	00 of 18 ft	2011		n/a					DU IRHU
Multi-family	All					2 8ft 18ft					
				1							



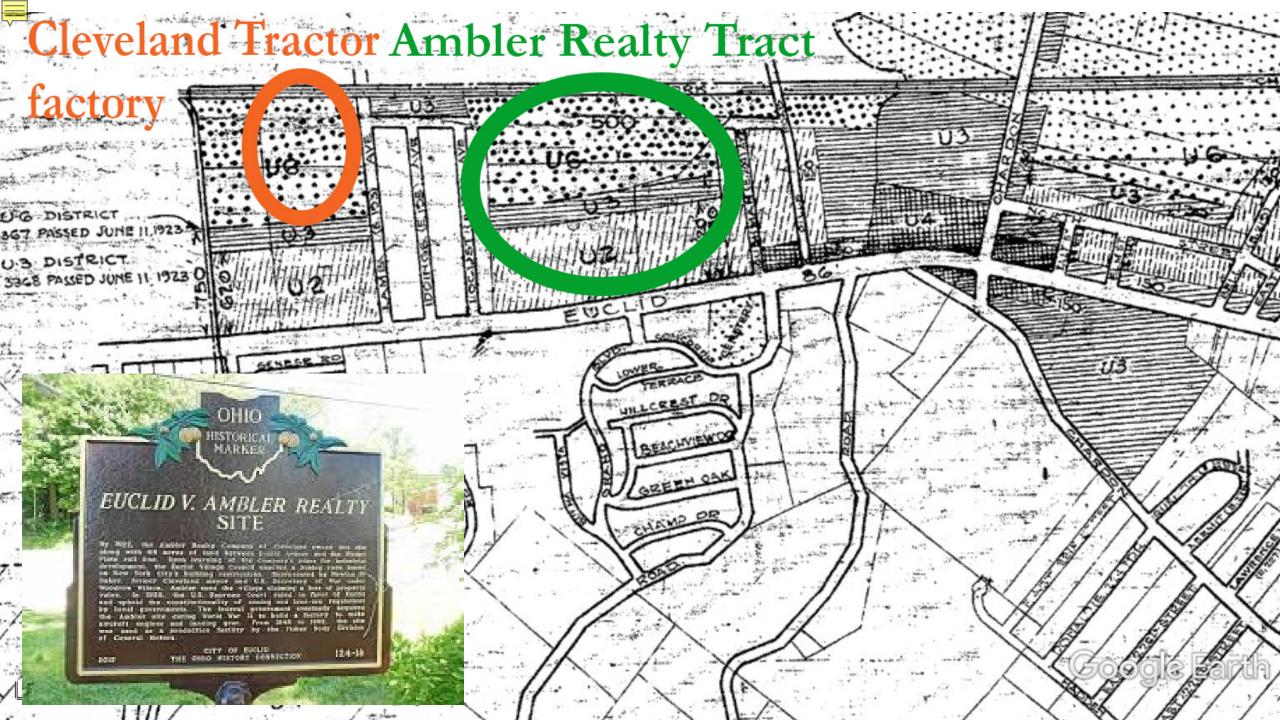


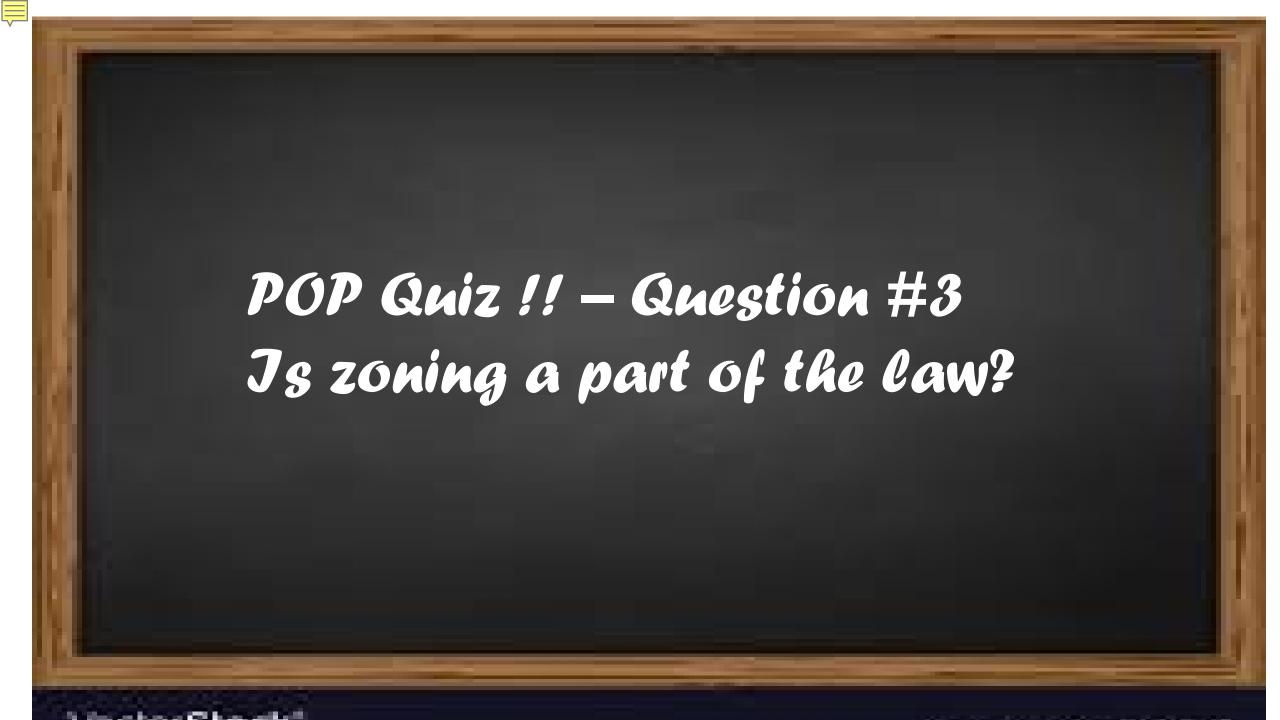






POP Quiz!! — Question #2
Where was zoning first challenged
and upheld by the US Supreme Court?







# **Answer-YES!**

- Zoning text is the ordinance or code that lays out the exact regulations that the zoning is created to implement. It is adopted as law by a local governing body, such as a city council or county commissioners.
- Zoning codes typically establish several applicable zone districts in the community, the uses allowable in each zone (e.g. residential, commercial, industrial), requirements for setbacks, parking, and other site layout elements.
- Zoning codes also include information on procedures for zoning applications, appeals, and variances





Search

**Q** <u>Login</u>







OH > Cleveland > Cleveland, OH Code... > § 344.04 Permitted Uses











§ 344.01 Definitions

§ 344.02 Purpose

§ 344.03 Establishment of a Midtown Mixed-Use District

§ 344.04 Permitted Uses

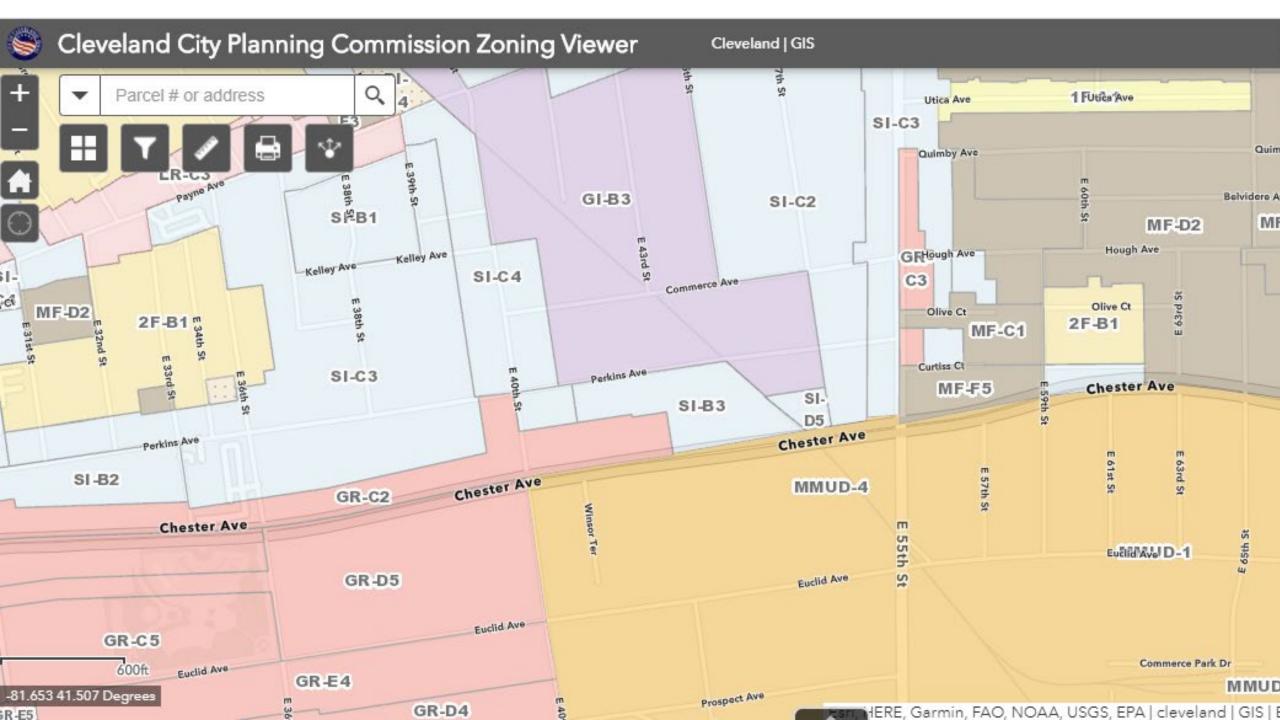
§ 344.05 Building and Parking Setback Requirements

§ 344.06 Building Width

### Schedule 344.04

Midtown Mixed Use District Permitted Uses

USES PERMITTED USES	Euclid MMUD-1	Chester MMUD-2	Carnegie MMUD-3	Chester West MMUD-4			
Residential							
Apartment House or Multiple Dwelling Units (1)	P	P	P	P			
Townhouse Unit, Row House or Dwelling, Single- Family Attached <sup>(1)</sup>	С	P					
Residential above First Floor Retail	P		P				
Live-Work Residential Dwellings (as defined in Chapter 346)	P	P	P	P			
Retail and Professional Services							
Retail	p (2)	A	P	С			





## **ZONING – Other terms to know.....**

A **permitted use** in a zoning district is allowable by right;

A **nonconforming use** is a property use that existed prior to current zoning regulations and is allowed to continue under a grandfather clause;

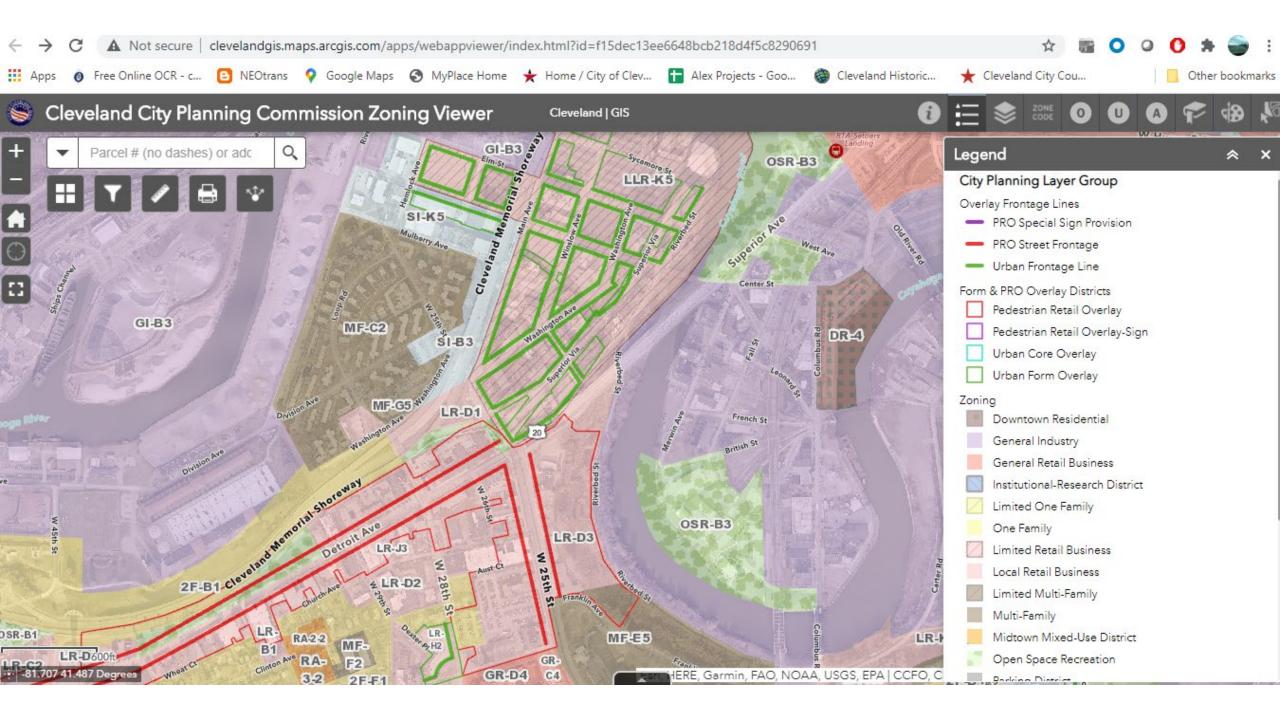
A **variance** is a change in the terms of a zoning regulation due to economic or physical hardship.



# **How Does Zoning Protect Land Values?**

- <u>Predictable Use of Adjacent Properties</u> Zoning districts prevent commercial businesses or industrial buildings from being scattered between residential homes. Since homeowners have some assurance that a large office building or nightclub won't be built right next door, this adds to each property's value.
- <u>Uniformity in lot development</u> Zoning ordinances establish building heights, setbacks and prevent lots from being irregular sizes. Property values benefit when similar structures are built near each other and in an orderly fashion, so this type of zoning may protect property values.
- <u>Prevents Adverse Built Conditions on Adjacent Properties</u> Zoning establishes height limitations, lot coverage, setbacks, and fence heights. These standards keep buildings from being built too close to a neighbor's property and prevent fences so tall that they overshadow your yard.
- Requires Compatible Land Uses Zoning regulations protect property values by adding predictability to residential neighborhoods ensuring that properties are used in a compatible way with the zoned area. This reduces the risk that your property will lose value if your neighbor wanted to run a tattoo parlor out of their home and attracts increased traffic, causes problems, or makes your street into an otherwise undesirable location.
- <u>Appearance</u> Zoning regulations aim to improve the appearance of certain areas, thereby increasing overall property values because the area looks nicer. For example, zoning may require street landscaping, off-street parking, and dictate where signs may be placed.









### 1. Intro

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# Instagram





- June 19<sup>th</sup>, 2021
- 12-3pm
- Dunham Tavern
- Dancers, drummers, poetry, and open mic





# Thank you!