

**HOW TO BUY AND SELL REAL  
ESTATE AT A PROFIT: A  
HANDBOOK FOR EVERYONE  
INTERESTED IN THE SUBJECT OF  
REAL ESTATE**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649608218

How to Buy and Sell Real Estate at a Profit: A Handbook for Everyone Interested in the Subject of Real Estate by W. A. Carney

Except for use in any review, the reproduction or utilisation of this work in whole or in part in any form by any electronic, mechanical or other means, now known or hereafter invented, including xerography, photocopying and recording, or in any information storage or retrieval system, is forbidden without the permission of the publisher, Trieste Publishing Pty Ltd, PO Box 1576 Collingwood, Victoria 3066 Australia.

All rights reserved.

Edited by Trieste Publishing Pty Ltd.  
Cover @ 2017

This book is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, re-sold, hired out, or otherwise circulated without the publisher's prior consent in any form or binding or cover other than that in which it is published and without a similar condition including this condition being imposed on the subsequent purchaser.

[www.triestepublishing.com](http://www.triestepublishing.com)

**W. A. CARNEY**

**HOW TO BUY AND SELL REAL  
ESTATE AT A PROFIT: A  
HANDBOOK FOR EVERYONE  
INTERESTED IN THE  
SUBJECT OF REAL ESTATE**



# How to Buy and Sell Real Estate at a Profit

---

A Handbook  
for Everyone Interested in the  
Subject of Real Estate

---

By

**W. A. CARNEY**

Author of "New Secretary's Manual"

UNIVERSITY OF  
CALIFORNIA

Published by the Author  
at Los Angeles, California  
1905

Copyright, 1905, by W. A. Carney

Printed and bound by Out West Co., Los Angeles

*Class of 1900*

20 ynd  
LUBSON 103

## PREFACE

In this book the author has endeavored to collect, classify and arrange in an orderly manner information and practical forms relating to the acquisition, ownership and disposition of real estate. So far as the author is aware, no book covering precisely the same ground has been published, and he believes that the information contained within the compass of these covers will serve a definite purpose and be of determinate value to the public at large.

THE AUTHOR.

Los Angeles, Cal., April, 1905.

342112

## CONTENTS

CHAPTER I	
Of Real Estate in General . . . . .	PAGE 5
CHAPTER II	
Thrift; or How to Accumulate Capital . . . . .	11
CHAPTER III	
How and Where to Buy . . . . .	15
CHAPTER IV	
Options and Purchase Agreements . . . . .	31
CHAPTER V	
Of Deeds . . . . .	48
CHAPTER VI	
How to Make a Loan, Including Execution of Mortgages and Trust Deeds . . . . .	75
CHAPTER VII	
Transfer of Title in Escrow; Taxes and Insurance	96
CHAPTER VIII	
Homes and Homesteads . . . . .	115
CHAPTER IX	
Miscellaneous Matters Affecting Real Estate . . . . .	133
CHAPTER X	
Subdivisions . . . . .	181
CHAPTER XI	
How and When to Sell . . . . .	190
CHAPTER XII	
Booms and Panics . . . . .	202



# HOW TO BUY AND SELL REAL ESTATE AT A PROFIT

## CHAPTER I.

### OF REAL ESTATE IN GENERAL.

Property Defined—Lands, Tenements and Hereditaments—Fixtures, Appurtenances and Estates—Ownership—Title—Sources of Title—Acquisition of Land—Limitations of the Subject.

Section 1. Property is anything of which there may be ownership. Land, buildings, clothing, domestic animals, copy-rights, and the good will of a business, are examples of property. There are two kinds of property—real and personal.

Sec. 2. Real Property is divided into two classes—corporeal and incorporeal.

Sec. 3. Corporeal Real Property includes all things which are visible and capable of possession, such as lands, mines, rights of way, water courses, etc.

Sec. 4. Incorporeal Real Property consists of rights and profits issuing out of and annexed to corporeal real property, such as rents, etc.

Sec. 5. Land comprises the solid material of the earth, including that which is visible, as well as that which lies under lakes and rivers, and it extends from the center of the earth to an indefinite distance upward. All things growing upon or built on land, as well as all metals and mines beneath the surface, are considered a part of the land. Buildings upon land are so generally understood to be a part of the land that they will pass with the land in a deed of conveyance without being named.

Sec. 6. Lands, Tenements and Hereditaments. The phrase, "lands, tenements and hereditaments" includes:

- (1.) The land itself.
- (2.) Anything, either lands or buildings, which may be held by a tenant.
- (3.) Everything which passes from the ancestor to the heir.

Sec. 7. A Fixture is an article which may be either real or personal according to circumstances. A thing is said to be affixed to land when it is attached to it by means of roots, as in the case of trees, vines and shrubs; or imbedded in it, as in the case of walls; or permanently resting upon it, as in the case of buildings, or permanently attached to that which is so permanent, as by means of cement, plaster, nails, bolts or screws.

Sec. 8. An Appurtenance is that which is incidental to or by right used with the land for its benefit, as in the case of a fence, gate or windmill.

Sec. 9. An Estate is the degree, nature, quantity or interest which one has in real property. In respect to the duration of their enjoyment, there are four estates in real property, namely:

(1.) Estates of Inheritance, or perpetual estates. Every such estate is a fee—that is, an estate which may continue forever, and is the largest possible estate,—and every such estate which is not defeasible or on condition, is a fee simple or absolute fee.

(2.) Estates for Life. A person, that is to say, Smith, owning a parcel of land, may grant it to Jones, to be held by Jones as long as Jones lives. In such case, Jones' interest in the land would be termed a life estate, and Jones would be a tenant for life. The duty of the life tenant is to so care for the property as to prevent deterioration or waste from neglect or decay. He may make reasonable use of wood on the premises for fuel, fences or repairs. The tenant for life may lease the property or occupy it himself. He cannot sell or mortgage the property, nor dispose of it at his death, but he may sell or mortgage his life-ownership or interest.

(3.) Estates for Years, or Leasehold Estates, are contracts for the possession and profits of real estate for a fixed period with reservation of rents.

(4.) Estates at Will, are the letting of land by one person to another, to be held at the will of the party so letting it. Estates at will have been found to be so uncertain that they have become well nigh obsolete as the tendency of the courts is to construe them to be tenancies from year to year.

Sec. 10. A Reversion is the residue of an estate left, by operation of law, in the grantor or his successors. The fee simple of all lands must abide in some one, and if he who before possessed the whole estate, carved a smaller estate out of it and granted it away, whatever was not so granted, remained in him.

Sec. 11. A Remainder is a future estate, other than a reversion, and is dependent on some estate which preceded it. Thus, in the case above, where Smith granted a life estate to Jones, the interest which Smith still had in the land would be an estate in reversion, as the land would revert to Smith, or his successors, upon the death of Jones. Again, if Smith were to grant a life estate to Jones, the land to become the property of Brown upon the death of Jones, the interest which Brown had in the land while Jones was in possession, would be called an estate in remainder. A remainder is limited to a third person; a reversion belongs to the grantor.

Sec. 12. Ownership. The ownership of a thing is defined to be the right of one or more persons to use and possess it to the exclusion of others. The right of ownership in land was recognized as far back as the days of the patriarch Abraham. Persons are natural or artificial. A natural person is a living human being. An artificial person, or a corporation, as it is called, is a creature of the law and has certain powers and duties of a natural person. The owner of the land in fee is entitled to the surface and to everything permanently situated above or below it. He may grant the minerals and remain the owner of the surface of the land; or he may grant the use of the surface of the land and remain the owner of the minerals by specifically excepting the minerals in the grant. All property has an owner. Public property is owned by the State; private property by individuals. Any person, capable of making a contract, be he citizen or foreigner, may take, hold and dispose of both real and personal property. Ownership may be absolute or qualified. In absolute ownership, a single person has absolute dominion over the property, and may use or dispose of it at his pleasure, subject only to general laws. In qualified ownership, two or more persons participate as owners, or, the time of the enjoyment of the property is deferred or