Unit 1 Summary
National Ownership: Real Property Characteristics & Rights

Land
Includes minerals beneath the earth’s surface, water on or below the earth’s surface, and the air above the surface. Includes all natural things permanently attached to the earth.
A parcel of land is a portion of land delineated by boundaries.
- Physical characteristics: immobility, indestructibility, and heterogeneity.
- Economic characteristics of land:
  1. Demand
  2. Utility
  3. Scarcity
  4. Transferability
  5. Situs

Real Estate
Includes land and all man-made structures that are “permanently” attached to the land (improvements).
The government can impose restrictions on private ownership rights and take private property away altogether.

Property
Property is not only the item that is owned but also a set of rights to the item enjoyed by the owner.
- **Real property** - ownership of real estate and the bundle of rights associated with owning the real estate.
- **Personal property** - ownership of anything that is not real estate, and the rights associated with owning the personal property item (chattels or personalty).
- **Tangible property** - physical, visible, and material. **Intangible property** - abstract, having no physical existence in itself, other than as evidence of one’s ownership interest.
- Types and uses of real property: residential, industrial, commercial and agricultural property.
- **Special purpose real estate** has a unique use for the persons who own and use it, such as churches, hospitals, schools and government buildings - public open space and recreational areas.
- **Bundle of rights**: to possess, use, transfer, encumber and exclude.
- Land can be laterally severed into surface, air and subsurface rights.
- **Water rights** - doctrine of prior appropriation requires that property owners obtain permits for the use of water.
  - Littoral rights concern properties that border bodies of water that are not moving.
  - Riparian rights concern properties that border moving water such as streams and rivers.
- **Land gain or loss due to the action of water**: accretion, erosion, avulsion, reliction and alluvion.

Real vs. Personal Property
**Fixture** is a personal property item that has been converted to real property by attachment to real estate.
Differentiation criteria:
- Intention
- Adaptation
- Functionality
- Relationship of parties
- Sale or lease contract provisions
- Trade fixtures
- Emblements
- Conversion - severance/affixing
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Regulation of real property interests
Under the allodial system, individuals are entitled to own property without proprietary control by the government.

- **Federal regulation** - primarily concerned with broad standards of real property usage, natural disaster, land description, and discrimination.
- **State regulation** - primary regulatory entities of the real estate business. State governments establish real estate license laws and qualifications.
- **Local regulation** - county and local government regulation focus on land use control, control of improvements, and taxation. They have the power to levy real estate taxes.
- **Judicial regulation** - exerts an influence on real estate ownership and use through decisions based on case law and common law, as distinguished from statutory law.