

GLOSSARY OF TERMS

ABSOLUTE TITLE

A class of title that the Land Registry can give to freehold or leasehold land. It proves who owns the land.

ABSTRACT TITLE

List of all the documents that prove the title of the land.

AGREEMENT OF SALE

A written and signed contract for the purchase and sale of property or land.

ASSIGN

A transfer of right or an interest in property from one person to another.

ASSIGNEE

The person to whom the right or interest of property has been transferred.

ASSIGNORS

The person to whom the right or interest in property has been transferred.

BANKERS' DRAFT

A cheque drawn by a bank.

BENEFICIAL OWNER

The person or people who are entitled to receive the proceeds or sale for their own use.

BREACH OF CONTRACT

Where one of the parties to a contract fails to keep to the terms and conditions the agreement.

BRIDLEWAY

A path or a route, over which it is lawful to walk, ride a horse or cycle.

CERTIFICATE OR REPORT ON TITLE

A standard form usually provided by a building society, bank or a solicitors to refuse the mortgage or loan funds from the lender.

CHARGE

A loan of money, payment of which is secured against land or property.

CLIENT ACCOUNT

The bank that we have which is only for money belonging to clients. Client money is kept separate from the rest of the firm to safeguard it.

COMPLETION DATE

The date that the contract takes effect and ownership of the property passes from the seller to the buyer. This is also usually the day when the seller is obliged to move out of the property and the buyer moves in.



COMPLETION STATEMENT

This is a list of the financial aspects of the transaction that we have dealt with or the monies that we have paid to others (to redeem a mortgage or pay Land Registry fees etc.) It will also show whether there is a balance of money from the transaction that is to be paid to the client, or whether there is a shortfall that the client will need to make up before we can complete the transaction.

CONTRACT

A written and signed agreement made between the buyer and seller. It will give full details of the property and all of the other terms and conditions of the sale that have been agreed.

CONTRACT RACE

When someone selling property decides to deal with more than one prospective buyer, exchanging contracts with whoever is ready first.

CONVEYANCE

Formal document that transfers freehold land or property from the seller to the buyer.

COVENANT

An agreement contained in a contract or a deed, where someone agrees to do or not to do something.

DEED

A formal document that is executed by signature, with the signature being formally witnessed.

DEPOSIT

The money that is paid by the buyer when contracts are exchanged. The deposit is a part payment and a gesture of good faith that the buyer will complete the purchase. The seller normally keeps the deposit.

DISBURSEMENT

Fees that must be paid to the third parties such as searches.

ENERGY PERFORMANCE CERTIFICATE

Energy Performance Certificates tell you how energy efficient a home is on a scale of A-G. The most efficient homes - which should have the lowest fuel bills - are in band A. The Certificate also tells you, on a scale of A-G, about the impact the home has on the environment. Better-rated homes should have less impact through carbon dioxide (CO₂) emissions. The average property in the UK is in bands D-E for both ratings. The Certificate includes recommendations on ways to improve the home's energy efficiency to save you money and help the environment.

EPITOME OF TITLE

A list of documents in date order that prove title to the property being sold.

EVIDENCE OF TITLE

These documents prove that the seller owns the property and therefore has the right to sell it. Where the property being sold is registered, certain documents that are available on request from the Land Registry must be included in the Pack. These provide an up-to-date official record of who owns the land, and consist of:-

- Official copies of the individual register (made up of a property register, proprietorship register and, typically, a charges register)
- An official copy of the title plan

EXCHANGE OF CONTRACTS

Contracts must formally change hands in order to make them legally binding.

FIXTURES AND FITTINGS

Fixtures are items on a building or on land that have become part of the building or land and therefore included in the sale. They are items that are usually physically fixed to the building such as shelves or fitted wardrobes. Fittings are items that are not attached to the building or land and are not subject to the sale unless they are specifically included. Carpets and curtains would normally be thought of as fittings.

FREEHOLD

A type of land ownership which, in effect, runs forever.

GROUND RENT

An amount paid by a leaseholder to a landlord.

GUARANTEES

Promises by those issuing them as regards to their workmanship.

HOUSING ASSOCIATION

Non profit making body which can assist in the home buying process, perhaps by taking a share of the property to be bought.

INDEMNITY INSURANCE

You can insure against all manner of things arising in a property transaction e.g. your buyer or seller withdrawing, an adverse search result, breach of planning or building regulations and many other events. It does not solve the problem, but it does provide compensation.

INDEMNITY PREMIUM

Sometimes known as the high loan to value fee. The borrower usually pays the lender's charge for this. In effect, it is the payment of an insurance premium to cover the loss a lender may suffer as a result of having advanced a sum in excess of 75% of the purchase price.

JOINT PURCHASE

Property can be acquired either as beneficial joint tenants or tenants in common. See points to remember.

LAND REGISTRY

A Government department that is responsible for registering ownership of land.

LENDER

Usually a bank or building society to whom one applies for a loan/mortgage.

LOCAL SEARCH

Enquiry made to the local authority about the property to be purchased, but of a limited nature and addressing only certain matters.

MAINTENANCE CHARGE

An amount payable by a leaseholder to landlord, managing agents or management company being the leaseholder's contribution towards costs incurred in maintaining and repairing the structure of a building and its insurance.

MORTGAGE OFFER

Formal offer from your lender issued after their valuation has been carried out and income references and credit checks have proven satisfactory. Issued subject to conditions, the offer refers to the gross advance i.e. the amount you pay interest on, and the net advance i.e. the amount you can put towards paying for the property. Money is lent on many terms. You can have fixed rate, capped rate, discounted rate or variable rate mortgages on a straight repayment basis or endowment PEP or pension basis.

NEGATIVE EQUITY

Where the debts secured against a property exceed its value making the property's sale difficult.

OFFER

Can be used to refer to a mortgage offer or your offer to purchase a property at a set price.

PLANNING PERMISSION

Evidence of local authorities' approval/consent to works undertaken to a property.

PROPERTY INFORMATION FORM

Form that the seller completes giving answers to questions raised on the buyer's behalf.

QUOTE

Available upon request to give you full details of the legal costs you will incur on moving.

REDEMPTION FIGURE

The amount a borrower owes a lender to repay a loan.

REMORTGAGE

Where you take out a new mortgage redeeming/repaying any existing mortgage.

RETENTION

Money withheld by a lender until certain works have been undertaken and in some instances reinvested.

SALE STATEMENT

The sale statement should provide some basic information about the property, including:-

- The address of the property being sold
- Whether the property is freehold, leasehold or commonhold
- Whether the property is registered or unregistered
- Whether or not the property is being sold with vacant possession

SEARCHES

Numerous searches are made by us in the purchasing process which can include local searches, coal mining searches, environmental searches, commons registration searches, bankruptcy searches and many more. Those considered appropriate are made. The Home Information Pack must include:

The local land charges register relating to the property being sold. If the search is carried out by the local authority, an official search certificate will be provided. Alternatively, a personal search company can be used.

Other records held by the local authority on matters of interest to buyers, such as planning decisions and road building proposals. These are referred to as local enquiries in the Home Information Pack regulations. A local authority or a personal search company can be used.

The provision of drainage and water services to the property. The local water company or a personal search company can be used, however, the search must comply with the HIP Regulations.

SELLER

Also known as the Vendor - the one selling the property.

SERVICE CHARGE

See maintenance charge.

STAMP DUTY

Tax payable to Inland Revenue on a purchase price in excess of £125,000.

SURVEY

A surveyor can undertake a basic valuation, usually on behalf of a lender, or a home buyer's report undertaken on your behalf and on which you can place reliance.

TERMS OF BUSINESS

Available on request setting out what you can expect of us.

TITLE

Investigated to ensure entitlement to sell or mortgage.

TRANSFER DEED

Land Registry deed transferring ownership of land.

VENDOR

See Seller.