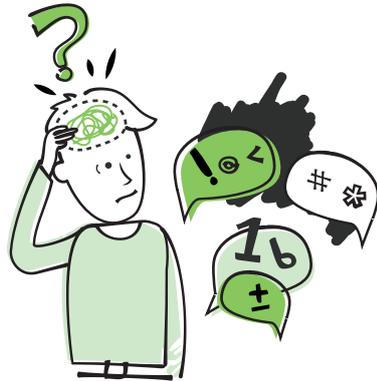


Jargon buster- property & legal



Get to grips with property jargon using our glossary. We explain the most common terms and language used by the industry. Some terms apply to **Scotland** only and are marked by the Scottish flag.



C

Chain: Most sellers will be buying a new home at the same time, and the person they're buying from is also likely to be buying another property. This is called a chain.

 **Closing date:** A time and date by which your solicitor must submit your best offer in writing to the seller's solicitor.

Completion date: This is the date when you become the owner of your new property, and can move in, having paid all money due.

Completion statement: Your lawyer or conveyancer will provide a statement, which lists all the financial transactions and costs.

Conditions of sale: These are the terms agreed between the buyer and seller, including any special terms.

Conveyancer: A property lawyer or solicitor who manages all of the legal aspects of selling or buying a property.

Conveyancing: The legal process of buying or selling a property and transferring ownership.

D

 **Date of entry:** The date when you become the owner of the property and can move in having paid all money due.

Deed(s): The legal document(s) that gives title to the property and includes its history of ownership.

Deposit: See **Mortgage deposit** and **Holding deposit**.

Disbursements: Other expenses paid by the lawyer or licensed conveyancer on the buyer's behalf, such as local searches, **Stamp Duty** and **Land Registry fees**.

 **Disposition:** The new title deed (see **Title deeds**), which is needed to transfer the title of the property into your name.

E

EPC: The Energy Performance Certificate (EPC) shows the energy efficiency and carbon emissions of a property and gives an indication of the fuel bills. It's shown as two graphs - the energy efficiency and environmental impact of the property. Each is graded from A to G with A being the best rating.

Equity: This is how much of the property you own. It's the difference between the value of your home and the mortgage you still owe. **Negative equity** occurs when you owe more to the lender than the sale price of the property.

Exchange of contracts: The buyer and seller exchange contracts through their lawyers. The contract is a legally binding agreement and means they are committed to the transaction. At this time, the buyer could pay a **holding deposit**.

F

 **Fixed price:** The price the seller should accept for the property - but there's no guarantee. You may be able to negotiate.

Fixtures and fittings: A list of the items at the property, which will be included or excluded from the sale.

Freehold: When you buy a freehold property you own the property and the land outright and are responsible for maintaining them. See also **Share of freehold**.

G

Gazumping: This happens if the seller takes an offer of a higher price offer from another house buyer after your offer has been accepted.

Gazundering: This happens if the buyer offers a lower price after the original offer has been accepted by the seller.

H

Holding deposit: This is paid when contracts are exchanged, but not all sellers insist on a holding deposit. It is paid to the seller's solicitor and is usually between £500 and £1000 or a percentage of the purchase price. It's to show that you're serious about buying the property and is only refundable in some circumstances, usually if the seller pulls out.

 **Home Report:** Information on the property, which contains a property questionnaire prepared by the seller, a report on its condition and an energy report.

I

Indemnity insurance: Insurance taken out by conveyancing firms to cover losses to clients, arising from errors or fraud in dealing with their matters.

L

Land Registry: A government office that stores records of land ownership and any charges against the property such as a mortgage.

Land Registry fees: Fees paid to register the ownership of property with the **Land Registry**.

Leasehold: A leasehold property means you have the right to live in it and occupy the land it is on for a fixed period of time - the length of your lease. This can be a varying term but commonly 99 years, 125 years or 999 years.

Legal fee: The charge made by a solicitor or licensed conveyancer for carrying out the conveyancing and other legal work connected with buying and selling a property.

Licensed conveyancer: This is a specialist lawyer who is trained and qualified in all aspects of buying and selling property.

M

Mortgage deposit: The up front payment towards part of the of the property purchase price. Typically it's around 20% but can be more, or less. Also known as a Down Payment, or Home Loan Deposit.

 **Missives:** Once you agree in writing via your solicitor to all the points in the contract, the agreement is known as the conclusion of missives and you are now bound by the terms of the contract.

Mortgage deed: This is an agreement, which transfers legal title to your property to the mortgage lender. It remains dormant unless you don't repay the mortgage. If this happens, the lender can repossess your home.

N

 **Note of interest:** This registers that you're interested in the property so that you will be told if any other offers are made on it. It doesn't obligate you to buy it.

O

Offers over: This is the lowest price a seller will accept for their home. It's common in Scotland for those properties not sold at a **Fixed price** (see page 1).

Open house or open viewing: House hunters are given a time of a few hours when they can all go and view the home for sale rather than in separate viewings.

P

Property questionnaire: Sellers provide an accurate account of the property including: Council Tax band, Local Authority notices served on it, any alterations made, any history of flooding, parking, and arrangements covering the repair and maintenance in place for flats.

S

Searches: These are done by your lawyer to check if there's anything that could affect the value of the property. You must have a Local Authority Search before exchanging contracts.

Share of freehold: This is when the freehold of the property is owned by a limited company and the shareholders are the owners of the property, usually the owners of flats within that building.

Stamp Duty: This is a tax on every home costing more than £125,000; starting at 1% and rising to 7% for homes above £2 million.

Survey: This is done by a qualified building surveyor to check the structure for any faults. Home owners can choose from three main types of structural survey depending on how much information they want. See also **Valuation Survey**.

Subject to contract: This means a contract is not legally binding until contracts are exchanged and the details of the contract have been agreed.

Subject to survey: An offer is usually made 'subject to survey' and it's a provisional price depending on what the survey reveals. The results can often lead to negotiation on the price if expensive faults are uncovered.

T

 **Title burdens:** Conditions included in the title deeds including restrictions on use, rights and obligations.

Title deeds: The ownership documents which have a description of the property and land you own, as well as any rights and conditions attached to it.

Transfer document: The final legally binding document that transfers the property and all its rights from the seller to the buyer.

 **Transfer document:** The final legally binding document that transfers the property and all its rights from the seller to the buyer. See also **Disposition**.

V

Valuation survey: This is done by the lender's surveyor to verify the property is worth the purchase price for mortgage purposes.