

Phillips' Conveyancing Glossary – an explanation of terms

A	Agreement:	Another term for a contract.
	Assignment:	A name given to a document that transfers ownership of, for example, a Leasehold property or an insurance policy.
B	Bank draft:	A guaranteed cheque that must be cashed by a bank.
	Bankruptcy search:	A search made by the conveyancer to check whether a buyer or a borrower has been, is, or is about to be declared bankrupt. This is carried out prior to completion on behalf of the mortgage lender.
	Borrower:	The person taking out a loan or mortgage on a property that they own, sometimes also known as the mortgagor.
	Boundaries:	Boundaries define the extent of the property and land and are often marked out on the ground by fencing or hedging.
	Bridging loan:	A loan taken out to "bridge" the financial gap between selling a property and receiving a mortgage on a new property.
	Buildings Insurance:	Insurance taken out by the owner of the property to insure the property against risks such as fire or subsidence. The responsibility to insure the property usually passes to the buyer when contracts have been exchanged.
	'Buy to let':	This is where a person buys a property with the intention of letting it out on a commercial basis. There are usually mortgages specific to this type of purchase known as 'Buy to Let' mortgages
	Buyer:	The person who is buying the property, also known as the purchaser
C	Caveat Emptor:	A latin term for 'Let the buyer beware' which means you buy the property as seen, 'warts and all'.
	Certificate of Title:	A document signed by the buyer's solicitor confirming to the buyer's bank/building society that everything is in order with the documentation relating to the property and that mortgage monies can be released.
	Chain:	A series of related sales and purchases which are all dependant upon one another before a property transaction can be completed.
	Client Care Letter:	This is the letter that the conveyancer (normally your solicitor) must send to the client at the beginning of the transaction. The letter must give clear details of the work that will be carried out; who will be doing it, what the cost will be and it must outline the complaints procedure of the firm. The client is usually asked to sign and return one copy. The conveyancer is not allowed to start work for a client until the client confirms in writing that they wish the conveyancer to do so.
	Completion date:	This is the day on which the property transactions are concluded, monies change hands and when everyone can move.
	Completion Statement:	This is the final account that the conveyancer will prepare and it will detail the fees and any disbursements such as searches or the preparation of a Home Information Pack, and VAT. This is usually sent after exchange and before completion.
	Contract:	This is the legal document that confirms the sale/purchase of the property. This is prepared in a draft form by the seller's conveyancer and is sent to the buyer's conveyancer. Once all the queries have been answered it is then approved and the seller and the buyer each sign their own copy, ready for exchange of contracts.

	Conveyancer:	This is the person who conducts the legal work on behalf of the buyer or seller, usually a solicitor.
	Conveyancing:	The name given to the house moving process where the ownership of a property is 'conveyed' (in other words, transferred) from one to another.
	Covenant:	A promise, binding in law, which is sometimes found in a Deed. For example it may be a promise by someone to erect and maintain a fence around the property or to use the property only as a private house.
D	Declaration:	A statutory declaration is a sworn statement made before a Commissioner for Oaths
	Deposit:	A sum of money which is given in advance on exchange of Contracts as part of a total payment to secure a purchase.
	Domestic Energy Assessor:	The qualified person who inspects the seller's house to assess the energy ratings, then prepares the Energy Performance Certificate which must be included in the seller's Home Information Pack.
E	Energy Performance Certificates (EPCs):	These are the certificates that show a property's energy ratings and are a compulsory part of the Home Information Pack which sellers must have before they can put their property on the market.
	Execution:	The signing of a document.
	Exchange of contracts:	This is the moment when everyone in the chain is ready, the transaction becomes legally binding, each party has already signed a copy of the contract and the buyer hands over a deposit for the property to the seller's conveyancer to hold until completion. A completion date is set on exchange and is the date on which everyone in the chain will move.
F	Fixtures and fittings form:	This is a standard form provided by the vendor's conveyancing solicitor setting out what is and is not included in the sale price.
	Freehold:	A form of legal "title" where the property and the land on which it stands are owned by the same owner with no time limit.
G	Gazumping:	This is the term used to describe the unofficial process where a new buyer offers a higher price to a seller, after the seller has already accepted a lower offer from a buyer. Offers are not legally binding, unless you live in Scotland.
	Ground rent:	A specified rent paid by a tenant to a landlord.
H	Home Information Packs	Anyone selling a property is now obliged by law to provide their buyer with a Home Information Pack (HIP), containing detailed information about the property. The HIP must be commissioned before the property can be put on the market. HIPs can be prepared by estate agents but they contain legal documents which may need legal interpretation. Phillips' conveyancers prepare HIPs for our clients, which clients value, especially if there are complex issues with the sale. The documents that must be included in a HIP are: <ul style="list-style-type: none">• An Index listing the contents of the hip• An Energy Performance Certificate• A Sale Statement summarising the terms of the sale• Evidence of title• Standard searches• The Lease (where appropriate)

I	Indemnity insurance:	You can insure against all manner of things arising in a property transaction e.g. an adverse search result, breach of planning or building regulations and many other eventualities. It does not solve the problem but it does provide compensation should there be a claim made in the future.
J	Joint Purchase:	Property can be acquired either as beneficial joint tenants or tenants in common. When purchasing as “joint tenants” this means that upon the death of a party their share automatically passes to the survivor(s). The alternative is to hold the property as “tenants in common” which means that each person’s share is treated as being separate so that upon the death of a party the share will pass to whoever it has been left to in the deceased person’s Will or, if there is no Will, to his or her next of kin.
L	Land Registry:	The Land Registry is a government department that holds the records of most property in England and Wales. Some property however remains unregistered.
	Lender:	A bank, building society or similar organisation which may give mortgages to people wishing to purchase a property.
	Local search:	A search carried out against a property at the Local Authority office which reveals matters affecting the property at Local Government level e.g. road adoption, planning consents and building regulation approvals, road schemes etc.
M	Mortgage:	An agreement which allows a buyer to borrow a sum of money, from a bank or similar organisation in order to purchase a property, which the borrower will pay back over an agreed term. The ownership of the property is effectively transferred to the bank/building society as security until the loan is repaid. A mortgage can also be granted by a private individual.
	Mortgagee:	A bank or similar organisation which may offer a mortgage to a client wishing to purchase property. Again, a private individual can be a mortgagee.
	Mortgage Broker:	An ‘intermediate’ person who advises clients which mortgage organisation will best suit their financial requirements. They may “shop around” to obtain the best rate and term available.
	Mortgage Offer:	A formal written offer from a mortgage organisation which sets out the terms of a mortgage loan.
N	Negative Equity:	Where the debts secured against a property exceed its value making the sale difficult.
P	Power of Attorney:	A written authority allowing another party to act on one’s behalf.
	Property Information Form:	This is a questionnaire given to the seller about their property. It asks about boundaries, disputes, notices, guarantees, services, sharing with neighbours, arrangements & legal rights, occupiers, restrictions, planning, fixtures and expenses. Your conveyancer will help you fill it in.
R	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. Or you take out a mortgage on a property you already own, which does not already have a mortgage over it.

	Restrictive covenant:	A promise binding in law to do something positive or not to do something negative.
	Right of way:	A right to pass and re-pass over another person's property, for example a public footpath.
S	Searches:	<p>There are many different types of Conveyancing searches which ask questions of the various bodies about the property you are buying. The searches that will be needed for your property will be assessed by your conveyancer. A brief list follows:-</p> <ul style="list-style-type: none">• Bankruptcy Search• Brine Search• Coal Mining Search• Commons Registration Search• Company Search• Drainage Search• Environmental Search• HM Land Registry Search• HM Land Charges Search• Index Map Search• Local Search• Tin Mining Search• Water Authority/Drainage Search
	Seller:	The person selling the property, sometimes called a 'vendor'.
	Stamp Duty Land Tax:	This is the compulsory tax payable to the government on the purchase of a property. It has variable rates according to the value of the property, (over £125,000) for the purchase of a property not in shared ownership. Different rules apply in different circumstances and your conveyancer will advise you.
	Survey:	A structural inspection of the property carried out by a surveyor.
T	Title Deed:	A document which provides proof of ownership of a property and states a person's legal right to own a piece of land or a building. Instruct your solicitor early as he/she will have to request these documents from the lender.
	Transfer deed:	This is the legal document that transfers the ownership of a property from the seller to the buyer, which must be signed in the presence of a witness.
V	Vendor:	Another word for the person selling a property.

