

Glossary of terms 1.

Absolute Title

This is one of the four classes of title that the Land Registry can give to freehold or leasehold land or property. This class proves without doubt who owns the land and is the most preferred class of title.

Abstract of Title

This is a list of all the documents that proves the title to the land.

Administrative Area

This is usually the County or District where the property is situated.

Adverse Possession

This is where someone has taken possession of land or property without the consent of the owner. If the person has had possession for 12 years or more it may be possible for that person to claim a type of title to the land known as a Possessory Title.

Agent

This is usually referring to the Estate Agent for the seller or purchaser. It can also refer to whoever is holding any monies by way of deposit on the property.

Agreement for Sale

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

Assignee

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

Assignor

The person from whom a right or interest in property has been transferred.



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Beneficial Owner

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

Breach of Contract

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

Building Regulations Approval/ Consent

All building work in England and Wales is required to comply with the standards set out in the Building Regulations. Building Regulations approval may still be required even if planning permission is not required. A final certificate is required from the Local Authority which proves that the works have been inspected and that they comply with the Building Regulations.

Caveat Emptor

'Let the Buyer beware'

Certificate of Title

A form usually provided by the Bank, Building Society or a Solicitor to request the mortgage or loan funds from the lender

Charge

A loan of money, payment of which is secured against land or property. The Charge is also referred to by the Land Registry in relation to the document creating a legal Charge.

Chattels

Items of personal property.

Client Account

The bank account that Solicitors have which is only to be used for money belonging to their clients.

Completion Date

The date that the ownership of the property passes from the seller to the buyer. It is usually the day that the seller vacates the property and the buyer moves in.

Completion Statement

A list of all the financial transactions that have occurred. It will usually give details of the money that has been received and paid out to third parties. It will also show whether or not there is a balance of money required to complete or to be paid to the client.

Conservation Area

An area or district that the Local Authority has deemed is of special historical or architectural interest which needs to be preserved. Usually special planning permission requirements apply.

Contract

A written and signed agreement between the buyer and seller. It gives full details of the property and will include the terms and conditions of the sale that have been agreed.

Conveyance

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

Covenant

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

Curtilage

A legal term that usually refers to an area of land attached to a property, like a garden or a driveway. It can also mean anything contained within the boundary of the property.

Deed

A formal document that is 'executed' by signature which is formally witnessed.

Defect in Title

Where good title to the property cannot be proven, for example, where a previous transfer is missing.

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. If the buyer does not go on to complete the purchase the seller will normally keep the deposit.

Disbursement

Fees that must be paid to third parties such as the Land Registry. These payments will normally be made on the client's behalf and will be recovered from the client either as a payment on account before the payments are made or out of the proceeds of sale.

Glossary of terms 2.

Easement

The right to use a piece of land that you do not own. If you have a right of way over a path or driveway that is owned by a neighbour, that is an easement.

Epitome of Title

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

Encumbrance

A loan or mortgage secured against the property. This can also refer to other agreements or covenants applying to the property.

Joint and Several

Where two or more people agree to be jointly and severally liable, they are agreeing that each person is liable for the repayment of the whole of a debt and not just a proportion of it.

Joint Tenants

The property is jointly owned so that all of the owners have an equal interest in the property. If one of the owners dies then the survivors will automatically own the whole of the property.

Lease

A document by which a Landlord grants a Tenant the right to occupy property, usually in return for a capital payment and/or rent. The lease is usually granted for a fixed and specified time.

Leasehold Property

Property that is occupied under the terms of a lease.



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Limited Title Guarantee

Where land or property is sold with a Limited Title Guarantee the seller is confirming that he has the authority to sell it but the freedom from any charges or adverse rights is not as complete as if it were being sold with Full Title Guarantee.

Managing Agent

A person appointed by the owner of a property (usually a Landlord) to act on his behalf, usually in collection of rents or maintenance of the property.

Mortgage

A deed by which the buyer of a property borrows money. The property is then taken as security for repayment of the loan.

Mortgage Advance

The money loaned under a mortgage.

Mortgagee

The lender who had made an advance of money under a Mortgage. Usually a Bank or Building Society.

Redeem

To pay off a loan or mortgage.

Redemption Figure

The exact amount of money needed to pay off a mortgage or loan. The redemption figure will include any penalties that are due such as early redemption penalties for paying off the loan or mortgage early. The figure can change from day to day as many lenders add interest on a daily basis. The figure can also be affected by exactly when you made your last mortgage payment.

Restrictive Covenant

A covenant that restricts the use of land which is binding not only upon the current owner but also on future owners.

Searches

Searches are obtained from the Local Authority, the Water Authority and a number of other organisations so that everything possible can be found out about the property to be bought.

Service Charge

A payment made by a tenant to a landlord or his agent for repairs or maintenance to a property.

Stamp Duty Land Tax

A tax payable to the Government on the completion of a purchase of a property or land. The amount of duty depends on the purchase price of the property.

Successor in Title

A subsequent owner of the property.

Telegraphic Transfer

The electronic transfer of money from one bank account to another. This system ensures same day transfer of the money and is a very quick and reliable method of transferring money.

Tenants in Common

Each owner owns a precise and specified share of the property and each is able to leave their share of the property by Will to whomever they choose.

Title

The ownership of property.

Exchange of Contracts

Contracts must be formally exchanged in order to make them legally binding. This can be done in person or by post but is now often done by telephone.

Fixtures and Fittings

Fixtures are items on a building or land that have become part of the building or land and are therefore included in the sale. They are usually physically fixed to the building like 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, for example carpets and curtains.

Flying Freehold

This usually refers to property that is directly above land that belongs to someone else, but gains a structural benefit from doing so, for example where a bedroom is built over next door's garage.

Footpath

A path or route over which it is lawful for any member of the public to walk.

Glossary of terms 3.

Freehold

A type of land ownership. This ownership usually lasts forever.

Full Title Guarantee

Where land or property is sold with a Full Title Guarantee, the seller is confirming that he has the authority to sell it and that it is free from any charges or adverse rights other than those that he has previously disclosed to the buyer.

Further Advance

A second or additional amount lent to the buyer by the same lender.

Good Leasehold Title

This only applies to Leasehold Property and is a lower class of title than Absolute Leasehold. The Land Registry will normally give Good Leasehold Title where it has not seen the freehold title or a superior lease and therefore they cannot confirm that the Landlord has any authority to grant the lease.

Ground Rent

The rent payable for the lease of land.

Mortgage Offer

The formal document making an offer of a loan under a Mortgage will say how much the loan is for, the period and amount of repayment and all of the terms and conditions attached to the loan.

Mortgagor

The person to whom the money has been lent under a Mortgage.



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Mortgage Retention

A sum of money not released by the lender until certain conditions have been complied with, for example they may require that essential repair work is carried out. The remainder of the loan will be released when the work has been completed.

NHBC Guarantee

This will usually relate to a new or fairly new property where the builder is registered under the NHBC scheme which provides some insurance protection against structural defects in the property for 10 years after it was built.

Negative Equity

The shortfall in the amount that a property can be sold for and the amount of Mortgage or loan secured on it.

Official Copy

A copy of a document held by a Public Office such as the Land Registry.

Party Wall

The wall between two properties that both owners have rights over and responsibilities for.

Peppercorn Rent

A nominal rent often only a few pounds a year.

Planning Permission

Permission granted by a Local Authority to carry out improvements or developments on a property.

Possessory Title

The Land Registry may give Possessory Title to a property where the existing owner has lost the title deeds or where ownership has been established through Adverse Possession.

Title Deeds

The formal documents that prove who owns the property.

Title Indemnity Policy

An insurance policy that covers the owner and mortgage lender from any defects in the title.

Transfer

The document that transfers Title from one owner to another.

Vacant Possession

Having no tenant or occupant.