

JARGON BUSTER for Residential Property

Advance

the Mortgage loan

Assent

a formal document required to transfer ownership of property to a person entitled to the property following the death of the owner

Bridging loan

short term loan enabling the borrower to bridge the gap between the purchase of a new house and the sale of the old one

Chain

if a property seller is also buying another property then this will result in a chain of transactions (there can be a number of linked sales like this)

Completion

the point in a property transaction at which the legal transfer of a property from the seller to the buyer is finalised (contracts will have previously been exchanged see exchange). The buyer can take possession of the property from the completion date

Completion Statement

a written calculation of all the income and payments due in respect of the transaction

Conveyancing

the legal work needed to buy and sell a property

Deed of Covenant

a document confirming an agreement to pay or do something or refrain from doing something

Deed of Gift

a document transferring the ownership of property from one person to another without any payment being made for it

Deed of Postponement or Priority

where a Mortgagee agrees to their mortgage ranking after another lender's mortgage

Deeds

the official documents confirming who owns a property (for most properties, the deeds have been replaced with electronic records held at The Land Registry). See Title Information document below

Disbursements

payments a lawyer will make on their clients behalf to a third party i.e. Court fees, experts fees, accident report fees, travelling expenses and investigation fees

Energy Performance Certificate

rates your home from A to G on how efficiently it uses energy. This data includes the

date, construction and location of the house, and relevant fittings such as heating systems, insulation or double-glazing.

Equity

the difference between the value of the property and the amounts of any loans secured against it

Exchange of Contracts

once contracts have been exchanged, each party is legally committed to the transaction and risk in regards to the property passing to the buyer

Fixtures, Fittings and Contents Form

this is a list of the items at the property stating whether they are included or excluded from the agreed price

Freehold

an owner's interest in land where both the property and the land on which it stands belong to their owner indefinitely ie the outright ownership of a property where the seller withdraws at the last minute, often due to market uncertainty or the seller failing to find a property to buy

Gazumping

where a seller agrees to sell to one buyer but then either sells to another buyer or raises the price when two or more buyers show interest

Gazundering

where the buyer lowers their offer on the property after agreeing a price, often on the day contracts are due to be exchanged

Ground rent

annual charge paid by leaseholders to the freeholder

Guarantee

a legal commitment to repay a debt if the original borrower fails to do so. Directors may give guarantees to banks in return for the bank giving finance to their companies. Companies in a group may guarantee each others loans

Homebuyers report

surveyor's report on a property (less extensive than a structural survey)

Joint Tenant

where you jointly own property with another person in undefined shares (compare with Tenants in Common)

Land Registry

a government department responsible for keeping and maintaining the Land Register of England and Wales. The department registers title to land in England and Wales and records dealings, such as sales and mortgages, with registered land

Leasehold

the right to occupy a portion of a building for a given length of time

Lessee/Leaseholder

the person to whom a lease is granted

Lessor/Landlord

the person who grants a lease

Local Search

a search carried out at the local authority to check whether there have been any notices registered affecting the use of the property

Mortgage

a loan for a fixed period of time to help purchase the house. The mortgage is secured on the property. This means that you cannot sell the property without paying it off at the same time

Mortgage Deed

the mortgage deed is the document recording the Mortgage

Mortgagee

the person (or organisation, usually a bank or building society) lending the mortgage advance

Mortgagor

the borrower against whose property the money is borrowed

Occupiers Consent

any person over 17 living at the property but not signing the Mortgage Deed will be asked to consent to the Mortgage being taken out and agree to move out if the Mortgagee takes possession due to the default of the Mortgagor

Planning Permission

approval by the local authority to the building or change of use of a property or extension to an existing property

Principal

the amount of the loan on which interest is calculated

Property Information Form

this is a questionnaire about the property completed by the sellers. It covers such items as guarantees, neighbour disputes and boundaries

Purchaser

another name for the buyer of a property

Redemption

the repayment of a mortgage loan

Remortgage

a mortgage which is a replacement loan for another mortgage

Service charge

the amount a tenant pays for services the landlord provides

Subject to contract

wording of any agreement before exchange of contracts which allows either party to withdraw without incurring any penalty

Survey

a report carried out by a surveyor on the physical condition of the property being purchased

Tenants in Common

where you have a defined share of a property held jointly with another person (compare with Joint Tenant)

Term

the length of time over which a Mortgage loan is to be repaid

Title Information Document

A copy of the entries at the Land Registry which relate to the property and which is issued once the title has been registered after completion

Transfer Deed

the document that records the transfer of ownership of the property from the seller to the buyer. It is dated with the completion date, and will be sent to the Land Registry after Completion.

Unregistered Title

where the title to a property has not previously been registered at the Land Registry and ownership is proved by the production of a complete chain of documents showing successive ownership

Vendor

another name for the seller of a property

Wayleave Agreement

a formal agreement entered into with a property owner to give a service provider (e.g. electricity or Telephone Company) a right for their pipe or cable to pass through or over their property