

Glossary of Conveyancing Terms

Chain: These are the various buyers and sellers who also need to buy and/or sell in order for your sale and/or purchase to proceed. Your estate agent should have details of the chain.

Completion Date: This is the date when your sale and/or purchase goes through and you or your buyers can have the keys and move in to the property.

Completion Statement: This is the financial breakdown prepared by us. It shows the money already received from you as well as the payments we have and will need to make.

Conditions of sale: These are the standard terms and conditions incorporated in the sale contract. These have been determined by the Law Society and govern residential property transactions throughout England and Wales. They are designed to be fair to all parties.

Contract: This is a legally binding agreement between the buyer and the seller setting out the terms of the property transaction. The terms of the contract only become binding once contracts have been exchanged.

Deeds: These are the legal documents establishing ownership of the property and the rights and other matters that affect the property. It is becoming increasingly common for property details to be recorded at the Land Registry. Land Registry documents are now held in electronic format.

Deposit: This is the money paid on exchange of contracts by the buyer to the seller through their solicitors. Deposits are typically 10% of the purchase price but the amount of the deposit can be negotiated. The deposit is a part payment of the purchase price. If the buyer fails to complete the purchase, the deposit can be kept by the seller.

Disbursements: These are the payments that we make to third parties as part of the property transaction, for example, search fees are paid to the Land Registry and Stamp Duty Land Tax is paid to the Inland Revenue.

Easement: This is a right that can either be for the benefit or burden of your property, i.e. a right of way over your neighbour's garden.

Exchange of contract: This is when the buyer and the seller become legally bound to buy/sell the property. The exchange is dealt with through the solicitors and as long as you have signed the contract, you do not need to be present at the exchange.

Fixtures and fittings: This is a list of items that are either included or excluded from the sale. Sometimes a seller will exclude an item but be willing to sell it for an additional cost.

Freehold: This is one of the ways in which property can be owned. Owning the freehold means you own the land in perpetuity (forever).

Ground Rent: This is a sum payable to the landlord under a lease.

Land Registry: This is the government organisation that deals with land ownership in England and Wales.

Land Registry fees: These are the fees the Land Registry charges for dealing with applications.

Land Transaction Return Form: This is the form that must be submitted to the Inland Revenue within 30 days of the completion of most property transactions.

Leasehold: This is another way of owning land. The land/property is owned for the period specified in the lease.

Maintenance/service charge: This is a sum payable by tenants to their landlord to reimburse their landlord for the cost of providing a buildings insurance policy and for the upkeep of the property.

Managing Agent: These are firms employed by the landlord to deal with the administration and management of the property.

Mortgage Advance: This is the money borrowed from your mortgage lender.

Mortgage Conditions: These are the conditions imposed by your mortgage lender. They will be contained in the mortgage offer and in a separate mortgage condition booklet.

Mortgage Deed: This is the formal document signed by you agreeing to the mortgage conditions. It also means that your property is taken and used as security for the mortgage advance by the mortgage lender.

Redemption Fee: Some mortgage offers contain a provision that if you repay all or part of your mortgage advance before the date specified in your mortgage, you have to pay a sum of money to the mortgage lender.

Retention: This is a sum of money held back for a particular reason. For example, a mortgage lender may make a retention until certain work is carried out to the property.

Searches: These are the investigations we carry out as part of the transaction through third parties. The purpose of these investigations is to establish that there is nothing adversely affecting the property. Typical searches are the Local Authority Search and the Environmental Search.

Stamp Duty Land Tax: This is a tax payable by buyers. The current rates are:

For a property costing under £120,000 – the rate is 0%

For a property costing between £120,001 and £250,000 – the rate is 1%

For a property costing between £250,001 and £500,000 – the rate is 3%

For a property costing over £500,000 – the rate is 4%

Survey: This is an inspection of the property by a qualified surveyor. The aim of the survey is to identify any problems with the structure and condition of the property, i.e. damp, subsidence. There are several different types of survey available.

Transfer Deed: This is a legal document which is signed by the buyer and seller to transfer ownership of the property. The Transfer Deed has to be sent to the Land Registry.

N.B This information is correct as at 01.11.05.