

## Conveyancing Jargon Buster

**Some of the words and phrases used in a conveyancing transaction can cause confusion. The following may help:-**



### **Buyer**

The person buying a property, sometimes called the purchaser.

### **Chain**

The series of connected sales and purchases, of which your transaction may be part. Inevitably, the chain will start with a buyer who does not have a sale, and will end with a seller who does not have a purchase. A long chain can cause delay for those parties towards the end of it, when it comes to completion.

### **Completion**

Completion is the act of the buyer forwarding the purchase money for the property in exchange for the signed transfer and the legal documentation. In the absence of any agreement to the contrary the day fixed for completion is absolute and completion must take place on that date. Delays in completion by the buyer or the seller can lead to very significant claims for damages

being made. It is therefore essential that if you are selling you arrange to vacate your property by noon on the day fixed for completion and leave it completely empty of all possessions, rubbish, etc. This is known as providing "vacant possession". Buyers must be ready to pay the final purchase price on the day fixed for completion and should be allowed to move in as soon as their money has reached the seller's solicitor.

### **Contract**

On completion of the necessary searches and enquiries you are ready to sign the contract, which is the document setting out the price and terms upon which the property will be bought or sold. It is in two identical parts, one is signed by the buyer and one is signed by the seller.

### **Conveyancing**

The name given to the process of buying or selling houses or land. Historically this process was achieved by a document called a "conveyance".

### **Domestic Energy Assessor (DEA)**

The person who prepares the Energy Performance certificate after visiting and inspecting the property.

### **Disbursements**

Payments we have to make on your behalf, mainly for the searches, stamp duty and fees payable to third parties. They will be shown as separate items on your bill or completion statement.

### **Drainage/water search**

This is carried out at the local drainage company to advise us whether the water supply to the property is metered and the route and type of drainage. It is important to check on the route of drainage to ensure that you have the rights to allow drainage to continue, and whether any building over a drain or water pipe has been given consent by or might require the consent of the company.

### **Energy Performance Certificate (EPC)**

This confirms the energy efficiency rating of the property and other related information. It is prepared by a domestic energy assessor.

### **Enquiries**

Questions raised relating to the title to the property being purchased or matters arising from the papers supplied by the seller's solicitors.

### **Environmental search**

This is a search to show whether the property is adversely affected by environmental issues such as landfill or flood plains. Please bear in mind that environmental searches have only recently been carried out on a regular basis. Accordingly if the seller of your property has owned the property before about 2000 they may well be unaware of environmental issues adversely affecting the property.

### **Exchange of contracts**

When both parties have signed their copy of the contract and both parties agree that they wish to be bound by the contract, their solicitors exchange their copies of the contract. Exchange normally takes place by a telephone call following which both parties' solicitors are obliged to physically exchange the contracts in their possession. Once the telephone conversation confirming exchange of contracts has taken place the contract is binding upon both the buyer and the seller. This means you must not exchange until you are certain the money is available to pay for the purchase. If you are borrowing all or part of the money on mortgage we must have formal instructions from your lender. At the same time a date is set for completion of the transaction. A deposit is payable on exchange of contracts, traditionally 10% but sometimes a different figure (often 5%) can be agreed in the pre contract negotiations. If you are selling as well you may be able to use your buyer's deposit towards your own deposit.

### **Fittings and Contents Form**

This form is completed by the seller setting out what will be left in the property and what will be taken. Again, if this information does not match the information provided to you by the selling agents or by the seller themselves it is a matter that should be taken up straight away. You should not rely on the form if it contains information contrary to that which you have been given elsewhere.

### **Freehold**

The ownership of a building and the land on which it stands free from other interests (most houses are freehold).

### **Land Registry fees**

These are fees paid to the Land Registry, for example, to register your transaction. Once the fee has been paid the buyer can be registered at the Land Registry as the owner of the property and any subsequent official copies will confirm the change in ownership.

## Land Registry search

After exchange of contracts the buyer's solicitor makes a Land Registry search to check that there have been no further entries added to the Land Register since the official copies provided with the contract papers were produced. Once the Land Registry search has been carried out the buyer has 30 days during which no additional entries can be made other than his own.

## Lease

This is the document setting out the rights and obligations of the person with the benefit of the lease, sometimes called the lessee, the tenant or simply the owner. For example an owner of a leasehold flat is technically the lessee.

## Leasehold

Denotes a situation where somebody owns a flat and a part of a building but not necessarily the whole building or the land on which it stands. Most flats are leasehold and pay a ground rent to the "freeholder", ie the person who owns the land on which the flats are built.

## Local search

The search of the local authority records carried out by a buyer's solicitor which will reveal such things as planning decisions, listed buildings, agricultural restrictions, conservation areas, etc. Please bear in mind that a local search does not automatically reveal details of planning applications on neighbouring properties. At your request we can carry out these enquiries but the local authority will charge you extra for this service.

## Managing Agents

The management company often employed by the freeholder or landlord of a block of flats and which will often deal with the day to day management of the building, such as preparation of maintenance budgets and accounts and collection of service charges.

## Money laundering

The government has imposed rigorous duties on solicitors in relation to the prevention of money laundering which means that before any transaction commences we will require documentary evidence of your identity. As the transaction progresses you may be asked to disclose the source of funds, particularly if this is in any sense unusual. Solicitors are under a duty to report anything unusual to the proper authority, which can sometimes cause delay. Accordingly it is always helpful to respond quickly to any enquiries we might have to raise.

## Mortgage

Sometimes also called a "legal charge". If the buyer has borrowed money to purchase the property, the lender of the money normally takes a mortgage to secure the debt. This is usually evidenced by a "mortgage deed". The exact terms of the mortgage differ from lender to lender but will always provide the ability for the lender to repossess and sell the property in the event of non-payment of the mortgage or any instalments.

## Notice of transfer/mortgage

Payable to the landlord or management company on or soon after completion so as to confirm details of the buyer of the flat and any lender. This enables the landlord to issue service charge demands and other correspondence to the lessee.

## Official copies (a.k.a. "Office Copies")

These are official copies of the Land Registers which are held nationally on the Land Registry computer. If you are selling a property your solicitor will need to obtain up to date official copies which are then provided to the purchaser's solicitor.

## Property Information forms

These forms are completed by the seller with help from his or her solicitor and are intended to give comprehensive information about the property for the use of the buyer. You should be able to rely upon them but if there is anything within the seller's replies which does not match what you have been told or the information contained in agents' particulars you should draw this to our attention.

## Public Index Map

Where we are uncertain of the ownership of adjoining land (or if we want to check the position of unregistered land), we can carry out a search of the Public Index Map at the Land Registry. If land is registered, we can find out the title number, and then obtain copies of the title.

## Registered land

Property which is "registered" at the national Land Registry. There are no longer any "deeds", just electronic copies stored on the Land Registry computer.

## Seller

The person selling the property, sometimes called the vendor.

## Service charge

Otherwise known as the maintenance charge, and payable by the lessee of a flat to the landlord or

management company usually by annual, half-yearly or quarterly instalments, based on a budget for the year. This will cover maintenance of the flat, and may include the lessee's contribution to the block insurance premium.

## Stamp Duty Land Tax

This is a tax on land transfers levied by the government and is paid by the buyer. It is usually only payable on transfers over £125,000. Following recent changes (December 2014) The percentage rates are as follows: For a purchase price of between £125,000 and £250,000 the amount payable is 2%. For a Purchase price of between £250,000 and £925,000 the amount of 5% is payable. For the purchase price of between £925,000 and £1.5million the amount payable is 10% and for over £1.5 million the amount payable it 12%.

## Transfer

This is the document (previously known as the conveyance) which transfers legal title of the property from one person to another. It is signed shortly before completion and handed over on completion. Sometimes also known as the "legal transfer".

## Unregistered land

Property which is not registered at the Land Registry but described and defined by documents of ownership – "title deeds". Unregistered land will be subject to compulsory first registration at the Land Registry when it is sold.

For further advice or information please contact a member of our Conveyancing team at [enquiries@mayowynnebaxter.co.uk](mailto:enquiries@mayowynnebaxter.co.uk)  
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