

Glossary of Conveyancing Terms

Completion Date

This is the date that ownership of the property passes from the seller to the buyer.

The seller and buyer should discuss dates between themselves and then notify their respective solicitors who will try to fit in with the suggested date. If there are unforeseen delays, for example, if the buyer does not receive a search or mortgage offer in time, or the "cash buyer" turns out to have a related sale then the completion date may have to be revised. For this reason you should not make any firm commitments such as giving notice on a job, arranging removals or making holiday bookings without first contacting us so that we can advise you of the situation.

Only when contracts are exchanged and a completion date is fixed can you be virtually guaranteed that the completion date will be met. It is not essential for you to be present on the completion date but if you are going to be away, then you should let us know so that we can arrange for one of your relatives (or ourselves) to act for you through a Power of Attorney.

Contract

This is the agreement between the buyer and the seller. It sets out the main terms of what has been agreed such as the property, the price and the names of the parties. It also deals with the process if something goes wrong. Rather than making the buyer and the seller meet to sign the same contract, the seller's solicitor draws up two copies of the same contract, and each party signs their own copy. When both parties are ready to legally commit, the two contracts are exchanged.

Deposit

This causes a lot of confusion. When most people talk about the deposit they mean the part of the purchase price that the buyer is putting down him/herself (i.e. usually the difference between the amount of the mortgage and the purchase price). When solicitors talk about the deposit they are talking about the money that is handed over to the seller's Solicitors upon exchange of contracts. This might be the same amount, but it might not.

On exchange of contracts the seller can insist on receiving from the buyer a 10% deposit of the purchase price. However as many people are not contributing as much as 10% to the purchase, reduced deposits are often agreed. You should be aware, however, that if you are a buyer and you pay a reduced deposit then fail to complete the purchase through no fault of the seller, you will, under the terms of the contract, be required to make the deposit up to the full 10%. You may also have to pay compensation to the seller if the seller loses out through your failure to complete.

Exchange Contracts

This is a very important moment. From the minute contracts are exchanged, the matter becomes binding. From that moment on, the seller must sell, the buyer must buy, and it must be done at the price stated in the contract. Until contracts are exchanged NOTHING is binding - either party can walk away from the transaction with no penalty.

Fixtures, Fittings and Contents Form

This is a list of the items at the property which are either included or excluded from the agreed price. This form is completed at an early stage by the seller and sent to the buyer, so that both parties understand what is included in the selling price. If you are the seller, when you let us have the form we will send you a copy back so that you know what you have agreed on it. If you are the buyer we send you a copy of the form as soon as it is received by ourselves from the seller's solicitors so that any difficulties can be resolved at an early stage.

Freehold

Ownership of both the property and the land it stands on.

Land Registry

A central body that retains records of who owns the land, and under what conditions.

This was set up in 1925, to simplify the conveyancing process. Not all land in England and Wales is registered today. This is partly due to the fact that land can only be registered following certain "triggering events". The Land Registry has its own website which provides useful information.

Leasehold

Temporary ownership of the property but not the land on which it stands. When the lease expires ownership of the property reverts back to the freeholder.

Legal Fee

This is a fixed cost that covers the cost of the time our property lawyers spend on your conveyancing.

In the event that your sale or purchase does not complete then we will only charge you a percentage of your legal fee and the disbursements we have incurred on your behalf.

Local Authority Search

This is a list of questions about the property, which are sent to the local authority. It covers such items as, whether the road serving the property should be maintained by the council, whether there have been any planning applications on the property, and a number of other things.

The search is against the property only and does not cover the surrounding area. A word of warning - the search will not show any planning permissions or matters affecting land or buildings outside the boundaries of the property. It is important that you let us know at the start of the transaction if you require information on any particular point or if you wish us to ask any particular questions of the local authority. We would not normally advise a buyer to exchange contracts without a satisfactory local authority search.

Mortgage

This is a loan to help you buy the house. The mortgage is 'attached' to your title deeds, and means that you cannot sell the property without paying it off at the same time.

Contracts should not be exchanged until an acceptable written mortgage offer has been received. It is not enough that you have had verbal confirmation from your bank or building society that they will grant you a mortgage.

In many cases a mortgage may be supported by an endowment, pension or mortgage protection policy and in these circumstances we must confirm to the lender before exchange of contracts that whether there are existing

policies or arrangements have been made for new policies to be brought into effect immediately contracts are exchanged.

If you are selling you should ensure that you know how much it will cost to pay off your mortgage. Some mortgages have financial penalties if you pay off the mortgage early. This is a consideration to be taken into account when agreeing a completion date or budgeting for your move.

Mortgage Deed

The legal charge of the property to the mortgage lender until such time as the loan is repaid.

Mortgage Fees

These fees are normally charged for acting on behalf of your bank or building society.

We do not charge an additional fee for acting on behalf of your bank or building society.

Property Information Form

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

If you are buying then time can be saved if you tell us at an early stage if there are any particular points about the property that concern you. We can then ask the seller's solicitors the relevant questions.

If you are selling and the buyer's solicitor asks a question to which you do not wish to give an answer to, for whatever reason, it is essential that you discuss it with us. Failure to disclose information could give the buyer grounds for taking action against you.

Redemption

The final payment of a mortgage loan.

Redemption Fee

Penalty sometimes incurred if paying off a mortgage early. We do not charge an additional fee to redeem (pay off) your existing mortgage.

Survey

This is a report carried out by a surveyor on the physical state of the property you are buying.

If you are buying a property you should be aware that the property is "sold as seen". It is for you, as the buyer, to discover any physical defects by means of inspections and surveys.

Most houses are bought with the assistance of a mortgage and the bank or building society, will require a mortgage valuation. However, this is not a survey - it merely ensures that the property is of sufficient value to protect the lender's interest. Our advice is that you should at least have an RICS Homebuyer's Report prepared by a qualified surveyor. This will cost more than a mortgage valuation but it is advisable. It is possible to go one step further and have a full structural survey.

Title Deeds

These documents firstly act as evidence that the person selling the property actually owns it, and secondly set out any rights or obligations that affect the property.

In the vast majority of cases, title to your property will be registered with HM Land Registry. When you are selling a property we will obtain an "official copy" of the title entries from the Land Registry. This will form part of the contract papers and provide the buyer with evidence of your ownership. Other important documents (such as guarantees, title indemnity policies, planning permissions etc) may form part of the documentation referred to as your title deeds. Sometimes these will be held by your mortgage lender but often they will have been sent to you for safekeeping following completion of your purchase. It will assist us in the conveyancing process if you provide us with any documentation that you are holding at the outset of the transaction.

Transfer Deed

This is the document that passes the 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. The Land Registry needs this deed to change their records, and show the buyer as the new owner of the property.