

As moving day approaches, there is an array of things that need doing and people that need telling. We've created a handy checklist for you to use to keep track of all the important steps along the way.

A

Adopted Highway

A road that has become a public road and is maintained and managed by the local authority at public expense.

Adverse possession

The occupation of land by a person who is not legally entitled to it. If this continues unopposed for a specified period of time, the person in occupation can potentially gain legal ownership of the land. This is a complex area of law and legal advice should be sought.

Agent

When a deposit is held as agent the seller's solicitor can hand the money over to the seller before completion takes place. The seller can then use that money towards a deposit on their own purchase. There may be issues for a buyer recovering the deposit held in this way if the seller fails to complete.

Allowance

An sum of money held back from the purchase price to pay for things such as indemnity policies or works required. This enables the buyer to purchase these things at the sellers expense.

Apportionment

A sum of money agreed on completion between the buyer and seller to pay for the service charge/ground rent for their period of ownership. For example, if the seller has paid the service charge to the end of the year and completion takes place in June, the buyer will pay the relevant amount to the seller to cover the period from the date of completion until the end of the year

C

Caveat emptor

A latin phrase which translates roughly as 'let the buyer beware'. It is a concept that means the buyer is responsible for ensuring the state and condition of the property are acceptable. They are responsible for carrying out due diligence before completing the purchase.

Certificate of compliance

A certificate required by the Land Registry as proof that the purchaser has complied with the requirements of a registered restriction. There will often be a fee for this.

Certificate of title

The form that your conveyancer submits to the lender to request your mortgage funds and to confirm that the property has good and marketable title.

Chain

The line of purchasers and sellers that are linked together because each one is buying or selling to another one except for the person at the top and bottom of the chain.

Chancel repair liability

A financial obligation imposed on some property owners within the parish to contribute to the chancel which is the eastern part of a Christian parish church where the choir and clergy sit. The liability can extend to properties that are situated far away from a church.

Community Infrastructure Levy (CIL)

A charge which can be imposed by local authorities on new development in the area. Most new development which creates net additional floor space of 100 square metres or more, or creates a new dwelling, is potentially liable for the levy. The set charges will be contained in a charging schedule published by the local authority. If this applies to the area in which you are purchasing, it will be revealed in the local authority search carried out by your conveyancer.

Compulsory Purchase Order

A legal process allowing acquiring authorities, such as utility companies or councils, to force a property owner to sell their property if it obstructs a regeneration/development project or is deemed to be for the greater good.

Conservation area

An area designated by the council within which there are extra planning controls and considerations to protect the historic and architectural elements of the area. This means you will be limited on the works that can be carried out to the property. The precise restrictions will vary depending on the local authority.

Contract

The agreement/document to be entered into between the buyer and the Seller that contains all the details and terms of the sale and purchase of the property.

Covenant

A legal promise, obligation or restriction affecting the land/property. These are usually contained in conveyances, leases or in the official copy of register title.

Conveyancing

The legal process of buying or selling land/property

D

Declaration of Trust

A legally binding document setting out who owns what shares in the property. This is used when joint purchasers buy as tenants in common.

Deed of covenant

A legally binding agreement in which one party agrees to carry out the obligations or terms listed within. This is sometimes used by management companies on freehold properties to enforce obligations within the transfer.

Deeds

The paper documents that record the ownership to the property, these usually include conveyances, transfers, assents, death certificates etc. These aren't always required now as the land registry hold a record of registered properties. Please check with your conveyancer when instructing them in a sale as to whether they require original deeds

Deposit

An agreed amount to be paid on exchange of contracts by the Buyer to the Seller, usually 10% of the purchase price. This is used as security to ensure the buyer completes the purchase as they will risk forfeiting the deposit if they fail to complete.

Disbursements

payments made by your conveyancer to third parties but for which you are responsible. For example, fees payable to the Land Registry. These will be accounted for in your completion statement

E

Early Repayment Charge

A penalty your lender may charge if you pay off the loan before the end of the fixed rate period. It may also be payable if you overpay more than allowed under your mortgage terms.

Easement

A right over one piece of land for the benefit of another piece of land. For example, a right of way, a right of support or a right to use services.

Energy Performance Certificate (EPC)

A certificate required whenever a property is sold, built or rented. It contains information about the property's energy use and costs and recommendations on how to reduce energy use. They are valid for 10 years

Equity

This usually refers to the difference between the value of a property and the amount owed on the mortgage.

Executor

Someone named in a will as responsible for administering the deceased person's estate

F

Fittings and Contents Form (TA10)

The form completed by the seller to identify what is included in and excluded from the sale. It will form part of the contract.

Flying freehold

Where a part of a freehold property is built on top of part of another property and the owner of the top part does not own the land or building underneath the 'flying' part. This can cause an issue and your conveyancer will advise you accordingly.

Full title guarantee

Guarantee offered by the seller in most cases, where the seller is the owner of the property. When selling with full title guarantee, it is implied that:

- The seller has the right to sell the property
- The seller will do their best, and at their own costs, to ensure that the buyer will acquire good title
- If the property is leasehold it must be stated that the lease is still in existence and that the seller has complied with the terms within
- That the property is sold free from any encumbrances and any third party charges.

G

Gazumping

When the seller accepts a higher offer on the house you are in the process of buying thereby pushing you out of the sale.

Grant of probate

The document which confirms the authority of the executor to deal with the estate. This will be needed to sell the deceased's property

Ground rent

A sum usually paid annually by a leaseholder to the landlord.

H

HM Land Registry (HMLR)

A non-ministerial government department which maintains a register of the properties in England and Wales.

I

Indemnity covenant

A clause used in a transfer deed whereby the purchaser agrees to be bound by the covenants affecting the property and to indemnify the seller for any loss suffered by a breach thereof.

Indemnity policy

An insurance policy designed to cover a defect with the property.

J

Joint tenants

A form of joint ownership whereby each owner will own the whole of the property equally and will not have a specific share. This means when you sell the property, each owner is entitled to an equal share of the proceeds regardless of their contributions.

L

Limited title guarantee

Guarantee offered upon sale when the seller has no personal knowledge of the property for example, where selling as executor. The seller is unable to guarantee that the property is not subject to financial charges or whether there are rights/covenants affecting the property.

Listed building

Building, object or structure that is deemed to be of national importance in terms of architectural or historic interest. Any alterations to these properties will require additional consents from the local planning authority.

Lease

This is a legal agreement between the Landlord and Lessee which sets out the rights and obligations that the Property is subject to.

Lender Cashback

A sum of money paid by the lender to the borrower on completion of the mortgage. This will be included in the mortgage offer if it is payable

M

Management company

A company that is responsible for the management of common parts and collecting the service charge. They may be a party to the original lease and may be made up of the leaseholders themselves.

Managing Agent

A person or company appointed by the landlord, right to manage company or residents' management company to manage a property on their behalf. They will usually deal with matters such as maintenance of the property and collecting ground rent and service charges.

Mortgage

The loan received from the lending bank used to purchase the property. This loan is secured against the property meaning if you fail to make repayments, the lender may ultimately repossess the property.

N

NHBC – National House Building Council. They provide warranty and insurance for new build properties.

O

Office copies

Term used for the Official Copy of Register Title which is a document provided by the land registry which is essentially a replacement of the old original deeds. It is a snapshot of the details relating to the title of the property and is usually accompanied by a plan.

P

Power of Attorney

Legal document appointing one or more people to make decisions on your behalf. A property and financial affairs lasting power of attorney allows the people appointed to sell your home.

Property Information Form (TA6)

A form completed by the seller to give the buyer detailed information about the property.

Protocol forms

The collective term used for the Fittings and Contents Form and the Property Information Form.

R

Redemption

This is the process of paying off the outstanding balance on your mortgage. Your conveyancer will request a redemption statement confirming the amount to be paid upon completion of the sale including any associated fees and this will be included in your completion statement.

Regularisation Certificate

A certificate obtained retrospectively for works carried out to a property that previously did not have the required building regulations consent.

Rentcharge

A rentcharge is an annual payment paid by a freehold owner to a third party who usually has no other interest in the property known as a rentowner. You may also hear them referred to as 'chief rents'. There are two types of rentcharge; historical rentcharges and estate rentcharges and these should not be confused with service charges which apply to leasehold properties.

Reservation fee

A fee paid to the developer when the sale is agreed to reserve a new build property for a set time (usually 28 days). It is non-refundable should contracts not be exchanged.

Reserve Fund

This is another word for sinking fund.

Retention

A sum of money held back on completion until a future event occurs. They are commonly used where there is a service charge payable and the latest finalised accounts are awaited. It can also refer to a sum of money held back by the mortgage lender from the loan until some works are carried out where this has been required by the valuer.

S

Staircasing

Where you have bought the property through a shared ownership scheme, this refers to the process of buying further shares in your homes so that you own more of it.

SDLT (Stamp Duty Land Tax)

A tax payable by the buyer on the purchase of property. The amount due will depend on the purchase price and the circumstances of the buyer. To obtain a calculation please visit

Service charge

A service charge is a charge that leaseholders pay to the landlord/freeholder or sometimes a management company to cover the cost of services provided under the lease. The charge is often payable yearly, twice yearly or sometimes quarterly.

Shared ownership

The scheme is intended to help people who want to buy their own home but cannot afford to buy on the open market. The purchaser buys a share in the

property for example 25% and the pays rent on the remainder. They can then purchase further shares in the property by staircasing.

Smoke Control Order

A registered local land charge which means you cannot emit smoke from a chimney unless you are burning an authorised fuel or using an exempt appliance. You can use outdoor barbecues, chimineas, fireplaces or pizza ovens. If your property is affected by such an order, it will be revealed in the local authority search carried out by your conveyancer.

Sinking fund

Sometimes a service charge will include a contribution towards a fund known as a 'reserve or sinking fund'. This is intended to build up a fund to pay for future large scale works affecting a group or block of properties such as decorating the exterior of the whole building or replacing the lifts. The idea is that this avoids leaseholders being met with huge bills when works are carried out.

Stakeholder

When a deposit is held as stakeholder, the seller's solicitor will hold the deposit on behalf of both parties. They can only pass the deposit on when completely satisfied of that parties entitlement for example on completion. This is in contrast to when the deposit is held as agent.

T

Telegraphic Transfer

An electronic method of transferring funds. They are almost immediate in nature and are therefore used to transfer the completion money to the seller's solicitor or to redeem the mortgage.

Tenants in common

A form of joint ownership whereby each owner will have a specific share in the property which may be equal or unequal. Under this form of ownership, when you die your share of the property will pass as specified within your will or under the intestacy rules.

Transfer deed

A legally binding document that transfers the ownership of the property from the seller to the buyer. Also referred to as 'TR1'.

Trustee

A person or company that holds the legal title of and administers money, property or assets for the benefit of another person through a trust. A trustee is required to manage the money/assets in accordance with the trustor's wishes and in the beneficiary's best interests.

V


Vacant possession

This refers to the property being empty on the day of completion, all owners and occupiers having moved out. It also means that there should be no belongings left at the property other than those previously agreed.

Vendor

Another word for seller

For further information or to arrange a free, no obligation consultation, then please contact our team on:

 **0333 433 0275**

 **hello@homepropertylaw.co.uk**