

# Conveyancing terms.

Buying or selling a property can be a complex process and like many legal transactions, you will come across a range of terms that may not be familiar to you. Here we outline the more frequently used terms and their definitions.

We will always be pleased to explain any other conveyancing terms to you so please ask us.



Conveyancing terms	Definitions
Buildings Insurance	Following exchange of contracts, the Buyer is usually liable for the building insurance for the property. It is an insurance policy designed to provide property owners with financial protection in the event the property is damaged by a variety of risks including fire, flood or structural damage. The contents of the property are insured separately.
Client Care Letter	This is a letter from us to you setting out the terms of our instruction and the services we will provide to you as your conveyancer. This is a contract between you and us and once you have signed the Instruction Form enclosed with the letter, you are committed to using our services. You do however have a 14-day "cooling off period" in which you can change your mind and advise us that you do not wish to use our services (a form detailing this is also enclosed with the letter).
Completion Date	The completion date will usually be agreed when contracts are exchanged. The completion date is the date when ownership of the property transfers from the Seller to the Buyer. On this date, the Seller should receive payment of the balance of the purchase price and the keys are handed to the Buyer. The contract will usually provide that if completion does not happen on the agreed completion date, the party in default will be liable to compensate the other party.
Completion Statement	This is a breakdown of the financial side of the sale or purchase and all the related costs, it includes details of our fees, disbursements (such as SDLT (Stamp Duty Land Tax) and Land Registry fees payable) and VAT.
Conditions of Sale	These are standard conditions of sale of the property set by the Law Society which are commonly used in most property transactions. Most contracts include these conditions unless expressly excluded.
Contract	This is the legally binding agreement between the Buyer and the Seller and sets out the details of the property, the parties involved and the terms of the conveyancing transaction, including the price. It will also contain detailed terms and conditions applicable to the sale.

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Deposit	This is an agreed sum of money, usually 10% of the purchase price of the property unless otherwise agreed or negotiated by us, that the Buyer pays to the Seller's conveyancer (to hold on the Seller's behalf until completion) on exchange of contracts. The remainder of the purchase price is due on completion.
Disbursements	Additional costs we pay on your behalf to third parties during the conveyancing process such as Land Registry fees, Local Authority searches and Stamp Duty Land Tax (SDLT).
EPC	On the sale or letting of most residential or commercial property, it is a legal requirement to provide the Buyer, or Tenant, with an Energy Performance Certificate (EPC). An EPC details the energy efficiency of a property, giving the property a rating from A to G. New rules came into effect for EPCs on 1 April 2018 and properties with an energy rating below 'E' can no longer be let until improvements have been made.
Exchange of Contracts	This is the point where the contract for the sale of a property becomes legally binding. On exchange of contracts the conveyancers for both the Buyer and the Seller swap the contracts signed by their respective clients, the buyer will pay a deposit and the completion date for the purchase of the property is usually agreed. In many cases, exchange of contracts is now carried out by a telephone call between the conveyancers. After this point, neither the Buyer nor the Seller can pull out of the transaction without possible legal and financial consequences.
Fixtures & Fittings Form	This is a form provided by the Seller to the Buyer setting out what is and what isn't included in the sale price. The Seller will have provided the information to his conveyancer. The Buyer should make sure that the details in the form accords with what he is expecting to be left at/removed from the property on completion.
Freehold Title	A freehold title provides the person named on the title deeds with the outright ownership of a property and the land on which it is built. There is no superior title to this.
Freeholder/Landlord	The owner of the land on which a property is situated. The landlord is the person that rents the property to tenants.
Ground Rent	A periodic sum (usually annual) payable by a Tenant to a Landlord. The amount of the payment will be set out in the lease. For long leases (100 years or more) it tends to be a nominal sum as the value of the leasehold property is reflected in the purchase price.
HM Land Registry	The government body that records the ownership of property and land throughout England and Wales but not Scotland or Northern Ireland.
Indemnity Insurance	An insurance policy taken out to protect the owner of the property against the costs of possible claims against them resulting from a specified risk. Examples of such risks include, a breach of the title restrictions on the property and/or enforcement action resulting from the lack of planning consent for works carried out to a property.

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Leasehold Property Information Form	This is completed by the Seller of a leasehold property and is in addition to the Property Information Form. It contains specific details like service charge information for the Buyer.
Leasehold Title	A leasehold interest in a property is a right to occupy (i.e. not own in comparison with freehold) the land or building for a specified number of years (usually from 50 to 999 years). Most flats are leasehold.
Mortgage Offer	The details of the terms upon which the mortgagee (the money lender such as a building society or bank who secures the loan against the property) is prepared to make the mortgage loan.
Pre-completion searches	These are searches undertaken by your conveyancer after contracts have been exchanged. These searches check to see if: the Buyers have been bankrupt since the mortgage offer was approved, that the property in question is still legally owned by the Seller and no new entries have been recorded against the Seller's title to the property.
Property Information Form	Sellers are required to fill in this form, it asks questions about boundaries, disputes, services, relationships with neighbours, legal rights, restrictions and other important information. It is essential that the information provided is correct so the Buyer is able to rely on the representations made in this form.
Searches	Searches are standard enquiries raised to the Local Authority, drainage and water undertakers and other bodies that provide information about the property.
Service Charge	A charge paid by a tenant to the landlord to cover any repairs, maintenance or improvements to a property, building, development or estate. Such charges will usually be detailed in the lease which is being purchased. On a purchase, historic accounts and budgets for future expenditure should be provided to a Buyer providing further details of the service charge.
Stamp Duty Land Tax ("SDLT")	SDLT is a tax payable on the purchase or transfer of land or property in England and Wales. The amount paid is based on a percentage of the purchase price and your current ownership status: for example, in certain circumstances, you own more than one house.
Survey	A report based on the physical inspection of the property which may highlight problems with the property's construction or condition. It is carried out by qualified surveyors.
Transfer deed ("TR1")	A document that transfers the legal ownership of a property from the Seller to the Buyer. It must be signed by both parties in the presence of an independent adult witness. This is sent to the Land Registry to effect the change in ownership on the title register for the property.


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