Jargon Buster

Turners Oak

Here we share some clear explanations for some estate agency and legal terms relating to selling and buying property in England. Get in touch if there's a term you've come across that you would like explained.

Conveyancing

The legal process of transferring the ownership of a property from one person to another. Usually carried out by a solicitor or a licensed conveyancer. This process can take some time and be a little frustrating; you can mitigate this by choosing a solicitor you are able to contact directly and preparing paperwork in advance of agreeing a sale - we can help you with this.

Exchange of contracts

This happens towards the end of the legal process and is when the seller and buyer become legally committed to the sale and purchase of a property. At this point a buyer pays a deposit and the completion date (moving date) is agreed. In reality the contracts aren't physically exchanged - the legal representatives do this over the phone.

Completion

This is the day the property is legally transferred from the seller to the buyer and the buyer moves in. The seller's solicitor will confirm completion has occurred (and the seller no longer owns the property) once they have received all the purchase funds. The property needs to be in the condition agreed during the legal process (i.e. vacant and cleared).

Title Deeds

Property deeds are the legal documents that record the ownership of a property and any accompanying land. Property transactions are registered with the Land Registry who now record ownership electronically, however if your property has not been sold or transferred since 1990 it is likely 'unregistered' and the original deeds will be needed to prove ownership. If your property is unregistered it will need to be registered as part of a sale which can add to the timescales. It may be advisable to have a solicitor register your property in preparation of a future sale/transfer so that any issues can be addressed without the pressure of an accompanying sale.

Chain

A chain is a sequence of linked property purchases, each of which is dependent on the preceding and succeeding purchase. Chains can complicate transactions because they rely on multiple parties all successfully buying and selling properties in sequence.

Leasehold

A type of property ownership where the buyer owns the property but not the land it's on. The most common leasehold properties are apartments within a larger building. Leasehold properties are usually subject to a lease agreement, which defines the terms and conditions of ownership and the length of the lease. The entity that owns the land is the Freeholder and they tend to charge an annual ground rent which can be miniscule or quite significant. There is usually a service charge to cover the costs of maintaining the building and grounds.

Freehold

In contrast to leasehold, this means owning both the property and the land it's on. It gives the owner more control over the property. Most houses are freehold properties.

Share of Freehold

Sometimes the freehold ownership is shared between multiple properties in the same building, such as flats or maisonettes.
This means you'll usually be responsible for maintenance of the property along with the other freeholders, and have more freedom to make decisions and set service charges.

EPC (Energy Performance Certificate)

This certificate provides information about the energy efficiency and environmental impact of a property. It rates a property's energy efficiency on a scale from A (most efficient) to G (least efficient). EPC's are a legal requirement when marketing most properties for sale, exemptions include some listed buildings.

Stamp Duty Land Tax (SDLT)

The tax paid to the government by a buyer on the purchase of a property. Rates vary between 1% and 4% depending on the purchase price. The tax kicks in at £125,000 but genuine first-time buyers get the first £300,000 of a property value tax-free if the home is worth less than £500,000. Stamp Duty does change with Government policy so do check the www.gov.uk website for latest figures.

Estate agency contracts

We have a separate guide on our website about estate agency contracts that covers terms such as sole agency, joint agency, contract lengths and things to look out for.

Probate valuation

When someone passes away and a property forms part of their estate the property will often need to be valued. This can be carried out by a RICS surveyor, district valuer or estate agent. A probate valuation is the value the property would reasonably be expected to fetch on the open market if sold to a willing buyer as of the date of death. This can differ from a market valuation/asking price.

Market valuation

This is the value a property is expected to achieve on the open market. It is worth remembering that there is no Recommended Retail Price for a property and value can be subjective; what is of value to one person may be of little value to another. Market valuations should take into consideration the marketing and sold prices of comparable properties in the area, the condition and location of a property, the demand for such properties and any nuances that make the property more/less desirable. An estate agent should share with you how they have come to a market valuation and be happy to discuss it with you.

Asking price/marketing price

The price a property is marketed/advertised for. Depending on the market (and how realistic the asking price is) a property can sell for more than, less than, or at the asking price. Asking prices can have conditions to them such as 'Offers in Excess of', 'Offers in the region of' or 'guide price' (often with a range). These conditions indicated the seller's expectations.

Searches

Searches are checks commissioned by a buyer's solicitor on a home they are purchasing and happen during the legal process. They look into local planning proposals, flood risks, water supply and sewage, among other things. Searches are not a legal obligation for cash buyers, but mortgage lenders require them and most solicitors will advise that they are carried out to protect the buyer.

Equity Release
A type of scheme which allows you to release some of the equity in your property through either a lifetime mortgage (where you borrow against a percentage but the loan is not repaid until you die) or a home reversion plan (where you sell a percentage). Only available to the over-55s. You should take financial advice if considering Equity Release - we recommend speaking to a financial adviser from the Society of Later Living Advisers (SOLLA).

Joint Tenants
A form of ownership used when two or more people own a property. If one of them dies, their share of the property automatically passes to the other owners, regardless of the what it says in the deceased's Will (also see Tenants in common).

Tenants in Common
A form of ownership used when two or more people own a property. If one of them dies, their share of the property forms part of their estate and does not automatically pass to the other owners in common. (see joint tenants also)

Please note we are not legal or financial advisers and this jargon buster is designed to be a useful tool but not a substitute for legal or financial advice. This information is provided to the best of our knowledge as of 01.04.2024.

For legal advice we recommend finding a solicitor from The Association of Lifetime Lawyers and for financial advice a financial adviser from The Societyof Later Life Advisers.

You can also find more information on Government websites including www.gov.uk/selling-a-home

Don't forget we have more free resources including a guide to estate agency contracts and terms on our website www.turnersoak.co.uk