

# MannBenham

## Glossary of Conveyancing Terms

**Our extensive conveyancing glossary can help you find out the important terms and definitions you will encounter during your property sale, purchase or remortgage.**

Whether you are a first-time buyer or upsizing your home, use our conveyancing glossary to understand the legal jargon of conveyancing.

### **Agreement**

Often used as a word for contract.

### **Assent**

The formal document required to transfer ownership of a property to a person entitled following the death of the owner.

### **Basic Fee**

The fee charged by the Advocate for their time and skills. This is most often calculated as a percentage of the property's sale price, although it can also be calculated as a fixed-fee or on a per-hour basis.

### **Breach of Contract**

Once contracts have been exchanged, if either party pulls out and does not complete the conveyancing process they are in breach of contract and the non-defaulting party can legally seek reparations.

### **Boundaries**

Boundaries define the extent of the property in question and are usually marked with fencing, hedging or walls. They are usually shown explicitly on the deeds plan.

### **Building Insurance**

Once contracts have been exchanged, you will in most cases become responsible for the new property's building insurance. This must cover the cost of rebuilding the entire property if it is destroyed. Your mortgage lender may want to see proof of this insurance.

### **Caveat Emptor**

This literally translates to 'let the buyer beware' and means the buyer is responsible for finding out the condition of a property using a surveyor.

### **Chain**

Where the success of one purchase depends on the sale and purchase of another. Several 'links' in the chain can make the conveyancing process particularly complicated.

### **Charge**

A debt secured against your house or another property that you own.

### **Chattels**

Items of personal property left over at a house and included in the purchase price, such as furniture. These are described on the Fixtures, Fittings and Contents form.

### **Client Care Letter**

Advocates will send a client care letter for you to sign and return. This is a formal contract and should be read thoroughly. It will detail what services will be provided and a breakdown of the cost, in addition to the Advocate's complaints procedure.

### **Commons Registration Search**

A search carried out by the local authorities to ensure a property is not registered as common land or connected to a village green, resulting in third party rights over the property.

### **Completion Date**

The legal end of the conveyancing process – the point at which full payment has been made and the title deeds transfer from one party to another. In everyday usage it refers to handing over keys and physically moving into the new property.

### **Completion Statement**

A documented financial breakdown of the property purchase normally sent after exchange but before completion. This important letter details the conveyancer's full fees including disbursements and VAT.

### **Conservation Area**

If the property to be bought lies in a conservation area protected by a local authority, it may be subject to exterior planning restrictions to preserve the look of the area.

### **Contract**

A legal document that sets out all details regarding a property purchase including information on the property itself, the buyer and the seller.

### **Conveyance**

A common name for the legal document that officially confirms the sale or purchase of a property or piece of land. Nowadays the transfer is conducted using a Transfer deed/document although in some cases a conveyance may be used.

### **Conveyancing**

The legal and administrative process of transferring property title from one party to another. This is most often undertaken by Advocates or licensed specialists and is a necessity for most property sales taking place within the United Kingdom.

### **Conveyancer**

Conveyancers are those who have undertaken the conveyancing process. Traditionally they are Advocates, but in recent years specialists have appeared across the UK who solely offer conveyancing as a dedicated service. These may be legal professionals who have decided to specialise, or licensed and regulated firms that are not qualified legal professionals.

### **Covenant**

Obligations and restrictions, known as 'positive' and 'negative' covenants respectively, that can be attached to a property. Obligations require you to maintain something within your boundaries whilst restrictions prevent the construction of specific structures.

### **Deeds**

Official documentation outlining the owner of a property which is in possession of the owner or mortgagees in the event the property is mortgaged.

### **Deposit**

A deposit is paid to the seller, usually via the conveyancer, on exchange of contracts: this is normally 10% of the purchase price although is negotiable subject to agreement from the seller.

### **Disbursements**

Disbursements are fixed costs incurred by a conveyancing provider undertaking the conveyancing process on your behalf, which are then passed on to you. Examples include local authority and bankruptcy searches.

### **Drainage Search**

A check carried out during the conveyancing process that ensures a property is connected to both fresh and foul water sewers.

### **Easement**

The right of way over another person's piece of land.

### **Encumbrance**

An issue with your property that reduces its value or makes it less marketable.

### **Equity**

The difference between the value of a property and the figure owed to the mortgagee.

### **Exchange of Contracts**

Contracts are signed and exchanged through your property lawyers. At this point the process becomes legally binding. Past this point neither buyer nor seller can pull out of the transaction without possible legal consequences.

### **Fixture, Fittings & Contents Form**

Provided by the seller's property lawyer, this form sets out what parts of the property are included in the sale and must be completed and signed off by the buyer before purchase.

### **Freehold**

A freehold property involves a permanent change in ownership of land or a building that is not time-sensitive and will not revert to another owner unless a new sale is agreed. Compare with leasehold.

### **Ground Rent**

Paid by a lessee to a lessor in the event a property is leasehold, usually in yearly amounts.

### **Indemnity Insurance Policy**

An insurance policy taken out to protect the buyer against any issues incurred by a defect in the legal title.

### **Home Buyer's Report**

You need a home report before you can market your property in Scotland. The pack includes three documents: a single survey, an energy report and a property questionnaire.

### **Land Registry**

The government body that deals with ownership of property and land on the Isle of Man.

### **Land Registry Office Copy & Filed Plan**

The legally permissible document outlining who owns your property, held by the Land Registry. It is requested by your conveyancing provider during the conveyancing process.

### **The Law Society**

The Isle of Man Law Society is the representative body for Advocates in the Isle of Man.

### **Leasehold**

In contrast to a freehold property, a leasehold property is one where a party buys the right to occupy land or a building for a given length of time, which may extend into hundreds of years. Compare with freehold.

### **Leasehold Property Information Form**

An alternative version of the Property Information Form (SPIF) that is used when dealing with leasehold properties.

### **Lessee**

A person who holds the lease of a property; a tenant.

### **Lessor**

A person who leases or lets a property to another; a landlord.

### **Local Authority Searches**

These searches are conducted during the early stages of the conveyancing process and are designed to protect you from council plans that may affect the state of your property once you've moved in. To ensure you have a full comprehensive check beyond the property's legal boundaries your Advocate will also perform a 'planning search'.

### **Management Company**

An organisation set up to fulfil a landlord's obligation under a lease.

### **Missives**

The exchange of letters between solicitors when buying or selling a house in Scotland.

### **Mortgage**

Allows you to loan money from a bank or building society so that you are able to buy a house.

### **Negative Equity**

An issue where the amount of money you owe on the property, usually via a mortgage, is more than the sale value of the property.

### **NHBC**

National House Builders Council provide 10 years' warranty and insurance for new homes.

### **Occupier's Consent**

Required when a person lives at a property but will not be signing the mortgage deed. Consent is asked to allow the mortgage being taken out by the owner, agreeing to move out if the mortgagee takes possession due to the default of the mortgage.

### **Power of Attorney**

This document allows a person to act as a legal representative of somebody else with their consent. These are often used to protect the financial interests of the ill or the elderly.

### **Pre-completion Searches**

These are searches undertaken by your conveyancing provider before contracts are exchanged. They check to see if you have been bankrupt and that the property in question is legally owned by the seller. Also known as priority searches.

### **Property Information Form**

Sellers are required to fill this form in and return it to their conveyancing provider. It asks questions regarding boundaries, disputes, services, relationships with neighbours, legal rights, restrictions and other important information. Failure to provide correct information is an offence; in cases where you're unsure your Advocate should be able to help.

### **Redemption Settlement**

This is the sum of money transferred to a lender if you decide to pay back your mortgage early, consisting of the outstanding lump sum balance in addition to a penalty fee charged to cover the interest the lender will subsequently lose out on.

### **Reparations**

The compensation or remuneration required in the event of a breach of contract.

### **Reservation Fee**

An administration fee charged to cover the cost of reserving a mortgagor's entitlement to a loan on certain terms or a fee paid to a builder or property developer to reserve a new property.

### **Service Charge**

A charge paid to the landlord to cover any repairs, maintenance or improvements that need to be made to a property.

### **Solicitor**

The legal conveyancing process is traditionally undertaken by a solicitor who acts on your behalf once instruction has been received. In this instance conveyancing is one of the services the solicitor offers. See conveyancer.

### **Stamp Duty**

All buyers pay stamp duty based on the purchase price of the property in question. The money accrues to HMRC. Please see our complete guide to stamp duty for further information.

### **STC**

This is the abbreviation for Sold Subject to Contract.

### **Subject to Contract**

A term used during contract negotiations, nothing is legally binding until contracts are exchanged.

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## Subsidence

Where a property moves due to inadequate foundations or significant change in underlying ground resulting in the instability of a building structure.

## Tenure

Freehold or leasehold property ownership.

## Third Party Rights

When someone other than the legal owner of a property has the right to use or control the land of which they have no ownership.

## Title Deeds

Title deeds provide proof of ownership on a particular property. Mortgage lenders will hold onto title deeds as they legally own the property until the mortgage is paid back. Once you have instructed an Advocate they will arrange to obtain the title deeds from the lender, which may take up to 3 weeks.

## Title Search

A search undertaken at the Land Registry to determine whether a premise's is registered or unregistered.

## Transfer Deed

A document that legally transfers your property into the name of the buyer. It must be signed by you in the presence of a witness.

## Transfer of Equity

The document transferring the ownership of a share or interest in a particular property from one person to another.

## Wayleave Agreement

A formal agreement with a property owner enabling a service provider (electricity or telephone company) to install piping or cabling through or over the property.

## Our team are stepping up to the line to support you.

Contact us today on **01624 639350** or email us at [propertyteam@mannbenham.com](mailto:propertyteam@mannbenham.com) for us to arrange a convenient time to call you back, either by telephone or video call.



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