

Jargon Buster

The Ancient Language of the Property World – Translated...

Term	Definition
Agreement in Principle	A document from a lender which suggests an amount they are likely to let you borrow. It is not a guarantee but a good guide for estate agents to how much you can borrow.
Asking Price	The price a property is offered for sale.
Base Rate	The interest rate in the UK set by the Bank of England for lending to other banks, used as the benchmark for interest rates in general.
Building Society	A financial organisation which pays interest on investments by its members and lends capital for the purchase of houses.
Buildings Insurance	Buildings insurance is for the actual property, for things such as fire or flood, and not the things you own inside it.
Chain	A situation in which the sale of a house or flat is dependent on the prospective buyer selling their own or the vendor buying another first.
Completion	The final stage in the sale of a property, at which point it legally changes ownership.
Content Insurance	Insurance to cover any loss or damage to your possessions.
Conveyancing	The branch of law concerned with the preparation of documents for the transfer of ownership.
Credit Rating	An estimate of the ability of an individual to fulfil their financial commitments, based on previous dealings.
Energy Performance Certificate (EPC)	A report detailing the energy efficiency of a property ranging from A to G. These are valid for 10 years and a requirement when selling/letting a property.
Exchange of contracts	The swap of contracts between a seller and a buyer after which it is a legally binding agreement.
Freehold	Ownership of property and the land underneath it.
Gazumping	When a vendor verbally accepts a buyer's offer but rejects it just before contracts are signed in order to accept a higher offer from a different buyer.
Ground Rent	A sum of money a leaseholder has to pay to the freeholder as determined in the lease; usually paid on an annual basis.

Land Registry Fee	A fee paid to the Land Registry to register ownership of a property.
Leasehold	To own a property, for a set and agreed upon number of years as set out in a lease. After the lease expires, the property would belong to the freeholder. A lease can be extended for a cost.
Mortgage	An agreement between a lender and individual(s) to borrow money in order to buy a property. A loan where the property acts as the security.
Predicted Energy Assessment	This is the predicted energy efficiency of an off plan property.
Service Charge	A charge paid for maintenance on a property or block which has been leased.
Shared Ownership	A system by which the occupier of a property buys a proportion of it and pays rent on the rest, typically to a local authority or housing association.
Stamp Duty Land Tax	A tax paid by the buyer of any property or land over the cost of £125,000 in England.
Subject to Contract	An agreement to proceed with the sale/purchase of a property depending on the final contracts being signed by the buyer/vendor. In this phase either party can still pull out of the agreement.
Survey	An examination and report on the condition of a property, usually for a prospective buyer.
Surveyor	Someone who carries out the survey or valuation of a property by inspecting it for problems and faults.
Surveyor's Report	The report detailing the results of a property inspection given by a qualified surveyor.
Title Deeds	Documents held by the Land Registry which prove legal ownership of a property.
Valuation	An inspection which evaluates the value of a property to see it's worth.
Vendor	The person selling a property.