

Estate Agent **Jargon Buster**



There are already so many things you have to consider and research while on your home-buying journey, so we have collected a bunch of words or phrases you may come across, to help simplify the process.

Chain - A chain is a sequence of people buying and selling property, where each sale depends on the one before it.

Completion - This the last stage of purchasing a property, where the sale is finalised and the property is legally transferred to the new owner.

Conveyancer - A type of lawyer who specialises in the processing of buying and selling property.

Decision in Principle (DIP) - Sometimes referred to as an Agreement in Principle.

This is an initial indication from a lender of how much they could potentially lend to you, so that you have a rough idea when you begin your house hunting.

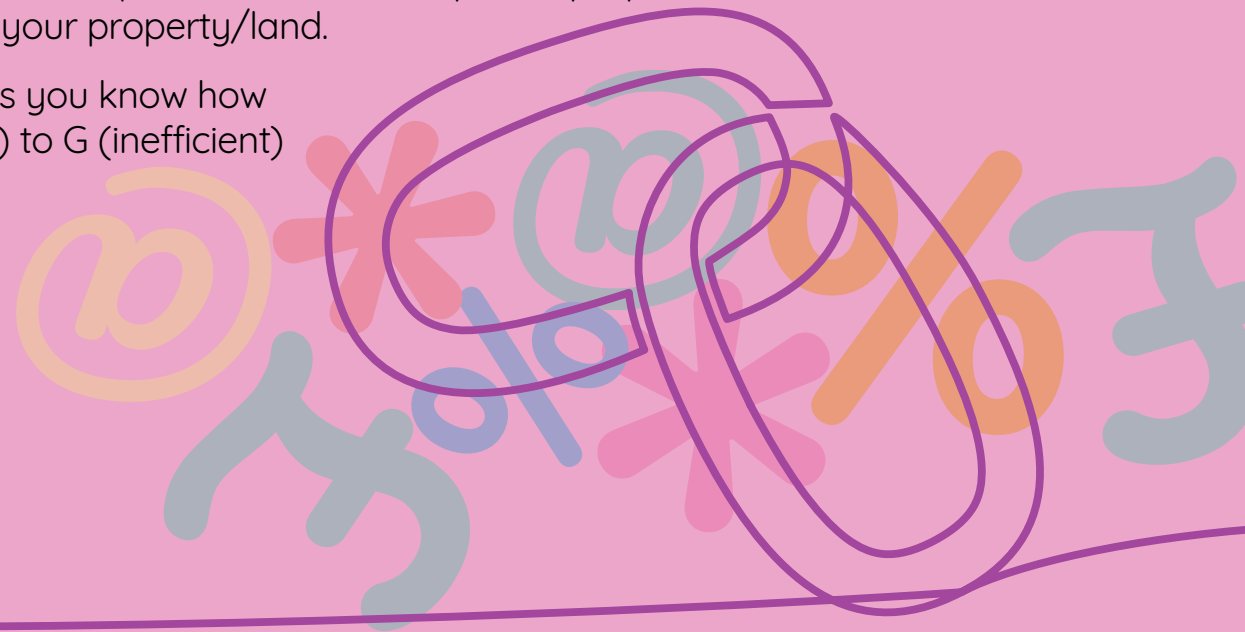
(Title) Deed - The legal documents that show ownership of a property.

Deposit - The amount of money you directly pay towards your property, while the rest is covered by a mortgage.

Easement - Easement refers to the legal right to use another person's land for a specific purpose.

One example would be if a footpath happens to be on your property/land.

EPC (Energy Performance Certificate) - Your EPC lets you know how energy efficient your property is from A (very efficient) to G (inefficient)



Equity – Equity is the difference between the current market value of a property and the amount of money the owner still owes on their mortgage.

Exchange of Contracts – This is the moment in a property sale when both the buyer and seller legally commit to the transaction.

Freehold – A freehold is when ownership is permanent and applies to both the property and the land it's on.

Gazumping – This is when a seller accepts a higher offer from another buyer despite initially agreeing to sell to someone else

Gazundering – This a term for when a buyer lowers their offer despite originally agreeing to a higher price.

Gifted Deposit – A gifted deposit is an amount of money given to you to cover part or your full deposit. These are often given by family members, and are not loans. To use a gifted deposit you will need to fill out a short form signed by the donor verifying it's an unconditional gift, and provide evidence of the source of the gift.

Leasehold – When you purchase a lease from a *freeholder* for the right to live in a property for a set period of time. The property and the land it stands on will still belong to the *freeholder*, so you won't technically own the property outright. This is typical when buying a flat or apartment, as it is a part of a bigger property.

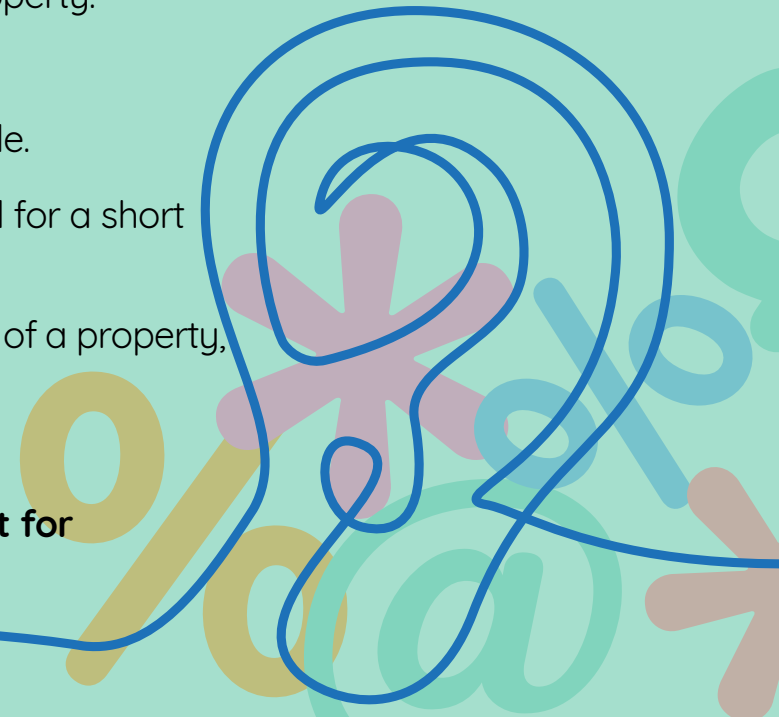
Market Value – The amount something can be sold for in the marketplace.

Memorandum of sale – A written document that states the details of a property sale.

New Instruction – A property that is newly listed for sale, this term can only be used for a short period of time.

Shared Ownership – Shared Ownership is a scheme that allows you to buy a share of a property, with the remainder being owned by a housing association or similar organisation. You then pay rent on the remaining portion of the property. This allows you to get on the property ladder with a smaller deposit.

Note: It's important to remember when budgeting that you will need to budget for both the monthly mortgage payments and the rent.



Stamp Duty – This is the tax you may have to pay if you buy a property or piece of land in England or Northern Ireland above a certain price. To find out if/how much stamp duty you could owe you can use the calculator on the government website

www.tax.service.gov.uk/calculate-stamp-duty-land-tax/

In Wales this was replaced with the Land Transaction Tax, to find out if/how much Land Transaction Tax you could owe you can use the calculator on the government website

<https://services.wra.gov.wales/land-transaction-tax-calculator>

Under Offer – This term refers to a property that has received an offer from a potential buyer, and the owner has accepted it however the sale is not yet finalised.

Valuation – Your lender will require a valuation (property survey) to check the value of the property before they will lend. There are different types of valuation so you should talk to your mortgage advisor and solicitor/conveyancer to find out which valuation is appropriate for the property you want to buy.

Vendor Suited – This means that the seller has found a property that they would like to buy. This can mean there is less likely to be delays as they will want to proceed quickly with purchasing their own property.

Vetting – This is the process of lenders evaluating the suitability of a person/ property against specific criteria to determine if they will lend to you and secure your mortgage against your property.



A gentle reminder that your mortgage is/will be secured on your home so you must keep up your mortgage payments.



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