

Candleston

Useful Terminology



You may not be familiar with all the legal and financial terms involved in the home-buying process. Below you'll find a list of all the key words and phrases. We've tried to explain them in as clear a way as possible, so you have a better understanding of what's involved at every stage.

A

AFFORDABILITY GUIDE

A document set out within the New Homes Quality Code (see NHQC) which details expected or potential additional costs to a homeowner that may be incurred after 2, 3, 5 and 10 years of ownership.

AGENT

A person, firm or company used by a home builder to deal with any matter(s) on their behalf (for example, an estate agent or contractor).

B

BUILD COMPLETE

Construction of your new home is now finished and once inspections are undertaken you will be notified of a legal completion date.

BUILDMARK

Your newly built Bromford home is covered by the National House Building Council (NHBC) 10-year Buildmark warranty. You will receive an NHBC (or alternative provider) booklet which contains details of the warranty cover.

COMPLETION

The last stage in the home-buying process. When the deeds for your new home, along with other documentation, are handed over to transfer ownership to you. This is called legal completion.

C

CONCLUSION OF MISSIVE AND SETTLEMENT

In Northern Ireland they are known respectively as Contract of Sale, Formation of Contract and Completion. Where this document uses the terms for England and Wales, the terms for the other countries are implied.

CONTRACT

The legally binding document drawn up by solicitors that details a property sale and lays out all the agreed terms and conditions to which both parties must agree, sign and date. Once the contract is signed, exchanged and a deposit paid, the sale becomes legally binding.

CONVEANCE

Stipulations as to what a freeholder or leaseholder, may or may not do with the property or within the neighbourhood.

CONVEYANCING

The legal process of buying and selling a property.

COURTESY VISIT

An appointment arranged during the home demonstration inspection for a time a few days after you have moved in. At this visit the site manager will attend your home and discuss any outstanding 'snags' that you have identified. See [snagging](#).

COVENANT

A restriction of condition affecting the property which must be complied with by law.

D

DEEDS

Legal papers relating to a property which transfers legal ownership to you.

DEPOSIT

A part payment of the agreed purchase price paid by the buyer on exchange of contracts.

DISBURSEMENTS

Expenses incurred by your solicitor when paying for local searches, stamp duty, land registry fees and other associated legal costs.

DRAFT CONTRACT

Prior to the contract being signed, a draft contract is prepared by the seller's solicitor and passed to the purchaser's solicitor. Once the contract has reached its final form it is known as an 'engrossment' and is ready for both parties to sign.

E

ENGROSSMENT

See 'draft contract'

EXCHANGE OF CONTRACTS

The contracts are two identical documents; one is signed by the seller and the other by the purchaser. When these are exchanged, both sides are legally bound to complete the transaction.

F

FIXTURES

Items permanently installed in a building and included in the purchase price.

FREEHOLD

The full ownership of both the property and the land on which it stands.

H

HANDOVER

This is when you are presented with the keys to your new home. This generally occurs on the day of legal completion.

HOME DEMONSTRATION

A practical demonstration in your new home that takes place before legal completion. The demonstration shows you how appliances and systems work and allows you time to inspect your new home.

I

IDENTIFYING VULNERABLE CUSTOMERS

Under the [NHQC](#) the developer is required to take steps to identify and support customers who are deemed to be vulnerable, ensuring that all communication is clear, concise and understood. The sales consultant may enquire as to whether a customer considers themselves to be vulnerable at reservation stage to ensure that any additional steps are taken throughout the buying process.

INSURANCE

There are two main insurances that you should take out when purchasing a new home. It is advisable to review insurance cover regularly.

1. Contents insurance: Which covers all items within your home and some policies allow you to remove certain items from the home and remain covered.
2. Buildings Insurance: Which cover the bricks and mortar of your home.

L

LAND REGISTRY FEES

These are paid through your Solicitor to register your ownership of the property with the Land Registry. The scale of fees is fixed by the Government.

LEASEHOLD

Land held under a lease for a number of years on which ground rent is paid.

LEGAL COMPLETION

See [completion](#).

LOCAL AUTHORITY SEARCH

Carried out by a solicitor, this establishes if your new home is likely to be affected by any planning decisions.

M

MANAGEMENT COMPANY

Apartment buildings usually have a management company responsible for maintaining the main structure, common parts (e.g. stairs and hallways) and landscaped areas.

On some developments, a management company may also maintain roads, street lighting and open spaces. The management company recovers its costs from each owner through a service charge.

Your sales consultant/solicitor should be able to confirm in more detail.

MORTGAGE

A loan secure on your home.

MORTGAGE APPLICATION

The formal request for a mortgage.

MORTGAGE DEED

The formal document that confirms the mortgage provider's financial interest in your new home.

MORTGAGE INDEMNITY (INSURANCE/GUARANTEE)

Your mortgage lender will usually require additional security if the loan is in excess of 70% or 80% of the purchase price. This involves a once only payment which can normally be added to your mortgage. The amount of the payment varies with the amount borrowed and the term of your loan.

MORTGAGE OFFER

A formal written offer of a mortgage made to you by your mortgage provider.

MORTGAGE PROTECTION POLICY

An insurance policy is often arranged in conjunction with a repayment mortgage. The policy is taken out to ensure that the loan will be paid off should the borrower die before the end of the mortgage term. Insurance may also be available to protect your repayments in the event of redundancy.

MORTGAGE PROVIDER

A bank, building society or other financial institution offering home loans.

MORTGAGE VALUATION SURVEY

Prior to making a mortgage offer your lender will have the property valued for mortgage purposes. You will be required to pay a fee to your lender which can vary, dependent on the purchase price and lender.

N

NEW HOMES OMBUDSMAN

The NHOS exists to help customers resolve issues with their new homes, which the Registered Developer has been unable or unwilling to fix, which covers the whole period from Reservation and Legal Completion and throughout the 2-year developer warranty period.

NHBC

The National House Building Council, a non-profit making body whose role is to both protect the homebuyer and help the industry to construct good quality new homes. NHBC inspectors carry out spot checks and regular examinations on all properties at various stages of construction. The NHBC will also provide the 10-year Buildmark warranty.

NHBC BUILDMARK COVER

A 10-year warranty from the National House Building Council covering your new home against specified risks.

NHQB

The New Homes Quality Board is a non-profit organisation dedicated to improving the quality of new homes and customer service provided by developers. Their code sets high standards for developers while also delivery fair outcomes for buyers who are disappointed with their purchase.

NHQC

The New Homes Quality Code is the set of best practices and guidelines that the NHQB governs and developers adhere to.

NOTICE PERIOD

If you exchange contracts 'on notice' that is without a fixed legal completion date. The notice period is a timescale of 14 days and is the period in which legal completion takes place on a date agreed by the buyer's and seller's solicitors.

P

PROFESSIONAL SNAGGER

An independent company or individual who inspect a newly built home and provides a list of any minor remedial works to be carried out. See snagging.

R

RESERVATION

When a customer pays a deposit and signs a Bromford reservation form, the property is reserved at the agreed price for a specific time providing exchange of contracts takes place on an agreed date.

REGISTERED TITLE

A title of ownership registered at the Land Registry guaranteeing ownership.

RESTRICTIVE COVENANT

The seller of the property imposes a restriction on a particular use of the land.

S

SALES CONSULTANT

Your sales consultant is your main point of contact throughout the purchase process. They will discuss with you every aspect of the process and will support you until you have moved into your new home.

SECTION 38 AGREEMENT

A legal agreement under the Highways Act in which a developer secures the adoption of roads and footpaths by the local highway authority.

SECTION 104 AGREEMENTS

A legal agreement made under the Water Act in which a developer secures the adoption of sewers by a water authority.

SECTION 106 AGREEMENT

A legal agreement under the provisions of the Town and Country Planning Act 1990, usually made between the house builder and the local authority, in which the house builder makes financial contributions for local infrastructures to help sustain the local community in which it is building. This could include providing affordable housing, or a public open space.

SEARCHES

Enquiries made by your solicitor in the early stage of the contract drafting. The enquiries are made of the district, or borough council to identify any issues that may affect your property. This could include proposals to build a factory or a road nearby, or historic rights such as coal mining or access over commons.

SERVICE CHARGE

An annual charge for the maintenance of communal facilities such as parking areas, gardens and communal areas within apartment buildings. This fee is normally paid to a management company.

SITE MANAGER

Our build representative who supervises the building of the development. During the purchase process your sales consultant will introduce you.

SNAGGING

Minor remedial work which arises given the method of construction of a new home, in which the developer commits to rectifying within the timescales set out under the NHQC.

SOLICITOR

A qualified law professional who is your personal legal representative and will act on your behalf to protect your interests during the home buying process.

STAMP DUTY

Government tax on the purchase price of the property. Your Solicitor will automatically handle payment on your behalf.

STAMP DUTY LAND TAX

This is a Government tax paid by the purchaser on completion of the purchase.

T

TITLE DEEDS

The legal documents which prove ownership of your new home.

TO CONTRACT

This is when a sale is verbally agreed only, but no contract has been signed, so there is no legally binding agreement. Once contracts are signed and exchanged, all the terms and conditions become legally binding for both the purchaser and the seller.

TRANSFER OR LEASE

The formal document that actually transfers legal title in your new home to you. The title of the property is recorded at the Land Registry.

V

VALUATION

A professional opinion based on experiences and knowledge of the housing market at a given time, on the value of the property.

VENDOR

The seller of the property.

W

WARRANTY

See NHBC [Buildmark](#) cover.

WILL

A will and testament is a legal document that expresses a person's wishes as to how their property is to be distributed after their death and as to which person is to manage the property until its final distribution.