

Buyers Guide - Reference

You might not be familiar with all the legal and financial terms involved in the process of buying a home. Some of the key words and phrases used are briefly explained here.

If anything requires clarification you should consult your legal adviser - or if we can help, we will.

BRIDGING LOAN

A loan to “bridge the gap” between the sale of your present property and the purchase of your new home, when the dates don't coincide (or until long term finance comes through from your mortgage lender).

BUILDMARK

Your newly-built McCloskey & O’Kane home is covered by the Buildmark 10 Year warranty and insurance cover provided by the National House Building Council. You will receive an NHBC booklet which contains details of the warranty.

COMPLETION

The finalising of the sale when all the monies are passed over and the buyer has legal right to the property.

CONTRACT

Entered into by the seller and buyer of a property which only becomes binding on exchange of contracts, i.e. when both parties have signed the contract and the purchaser has handed over the agreed deposit to the solicitor.

CONVEYANCING

The legal transfer of a property from one owner to another.

COVENANT

A restriction or condition affecting the property, which must be complied with.

DEEDS

All the legal documents relating to the property.

DEPOSIT

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

ENERGY PERFORMANCE CERTIFICATE

We provide a copy of a valid Energy Performance Certificate (EPC). It gives details about the energy efficiency of the property.

EXCHANGE OF CONTRACTS

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

FREEHOLD

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

INSURANCE

This is usually discussed with your mortgage adviser or lender when making mortgage arrangements. You will need:
Contents insurance: To work out how much cover you need for a household contents insurance policy, you need to add up the value of all the possessions in your home. It is recommended that any items of particular value - jewellery for example - are specified and covered by an “all risks” policy, which applies even when the items are not in the home.

Buildings insurance: Cover for the bricks and mortar of your home. It is advisable to review insurance cover regularly.

LAND CERTIFICATE

A certificate issued by the Land Registry as proof of ownership.

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.

MANAGEMENT COMPANY

Apartment buildings usually have a management company responsible for maintaining the main structure, common parts (eg 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.

Buyers Guide - Reference (Continued)

MORTGAGE

Most people will need to take out a mortgage - or loan - to buy a house. There are many different types of mortgages available to home buyers - your mortgage advisor will explain.

MORTGAGEE

The lender.

MORTGAGOR

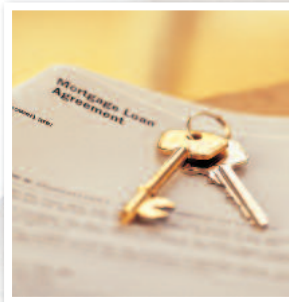
The borrower (whose property is secured for the loan).

MORTGAGE PROTECTION POLICY

An insurance policy often arranged in conjunction with a repayment mortgage, which 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 VALUATION SURVEY

Prior to making a mortgage offer your lender will have the property valued for "mortgage purposes". You will pay a fee (variable on the purchase price of the property).



NATIONAL HOUSE BUILDING COUNCIL

A non-profit making body whose role is to both protect the home buyer and help the industry to construct good quality new homes. NHBC inspectors carry out spot checks and regular examinations on all properties at varying stages of construction. The NHBC also provides a 10 year Buildmark warranty.

REGISTERED LAND

Land (including buildings on it) the title to which is registered at the Land Registry and legal ownership of which is guaranteed.

SEARCHES

A term used to denote the physical and written procedure for determining any adverse effects in/on a particular property, whether already in effect or planned to take place.

STAMP DUTY

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

SOLD SUBJECT TO CONTRACT

Sold 'Subject to Contract' (STC) means that the seller and buyer are proceeding with the sale but the paperwork is not yet complete.

TITLE

The rights and liabilities that attach to the property.

TITLE DEEDS

Legal documents describing the rights and liabilities that attach to the property and prove ownership of property.

TITLE REPORT ON

Solicitors' certificate confirming that the title to the property is acceptable. A Lender must have one before an advance cheque for the mortgage monies can be issued.

WILL

A Will is a legal document that allows a person to make decisions on how his or her estate will be managed and distributed after his or her death. As a homeowner, it is advisable to make a will - or alter an existing one. Your solicitor can advise you.