

Raeburn Christie Clark & Wallace

Solicitors & Estate Agents **for life & business**

revised Jan 2019

GLOSSARY OF LEGAL TERMS

Asking Price

The indicative figure a Seller hopes to achieve on the sale of his property.

- Offers Over means that the Seller is hoping to achieve a figure above the asking price.
- Offers Around means that the Seller may accept a reasonable offer above or below the asking price.
- Fixed Price means the Seller hopes to achieve the price stated.

Closing Date

A closing date is normally fixed on a property when there is more than one interested party willing to make an offer. The offers are all received together at a specific time, date and place and normally it is the highest offer received that is accepted by the Seller. Although, the Seller is not obliged to accept any of the offers received.

Conveyancing

This is the process which transfers title of property from one party to another.

Date of Entry

This is the date agreed between purchaser and seller when entry is taken and the sale is complete. This is also the day the seller receives the price agreed between the parties. This may also be called the Settlement Date.

Discharge

This is a legal document which is registered in the Land Register discharging any security held over the property by a Bank, Building Society or other Lender.

Disposition

This is the legal document which transfers title from the seller to the purchaser and which is registered in the Land Register.

Heritable Property

This is the home itself, including items permanently attached/fixed to the property such as land, outbuildings, and garage.

HMO Licence

This licence is required for the operation of living accommodation as an HMO (Houses in Multiple Occupation) and applies only to leased properties. It is the Landlord's responsibility to obtain the Licence from the Local Authority and is required under the Housing (Scotland) Act 2006, part 5.

Home Report (see also Single Survey)

This is provided by a Surveyor to the seller of a property and gives a detailed valuation on the property itself, services and recommendations on works to be carried out.

Land and Buildings Transaction Tax (LBTT)

This is a tax payable to Revenue Scotland by the Purchaser when purchasing a property.

Land Certificate

This is the legal document registered with the Land Register to show the current owner of the property. It gives a plan and description of the property, name of the owner and discloses any security/burdens affecting the property.

Land Register

The Land Register of Scotland is where a record of all property transactions in Scotland is made.

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Letter of Obligation

This is a letter from the selling solicitor to the purchasing solicitor undertaking to deliver to them within a certain period of time, the Land Certificate and any other titles of the property purchased.

Moveable Property

Moveable property is any property which is not heritable i.e. furniture and household appliances. The distinction is important and can be significant in relation to tax on the purchase of a property.

Missives

This is the written correspondence between the Selling and Purchasing solicitors on behalf of their clients in order to negotiate the terms of the offer. When the parties reach an agreement, the missives are concluded and a binding contract is formed. At this point neither party can withdraw without penalties arising.

Money Laundering Regulations

All solicitors in the UK must comply with the Money Laundering Regulations 2007 in order to maintain the integrity of the UK financial system. Solicitors require to obtain proof of identity (passport or driving licence) and proof of address (utility bill, bank statement or council tax bill no more than 3 months old) for all new or potential clients.

Mortgage

This term is often used to describe what is called, legally, in Scotland a Standard Security. This is a loan taken in order to purchase a property which is secured over the property itself.

Noting Interest

This is a verbal notice by the potential Purchaser's solicitor to the Selling Agent that the potential purchaser is interested in the property. Once interest is noted the Selling Agent should advise the potential Purchaser's solicitor of any Closing Date that has been set for the property, allowing them an opportunity to offer.

Offer

An offer is made verbally or formally (in writing) by a prospective Purchaser for acceptance or rejection by the Seller detailing the price and other terms and conditions of purchase. In Scotland, most firms use similar offer conditions commonly known as Standard Missives.

Qualified Acceptance

This is issued by the Seller accepting an offer subject to certain conditions.

Schedule of Particulars

This is a brochure prepared by the Selling Agent detailing information about the property for sale, room measurements and photographs for the information of prospective purchasers.

Settlement Date

This is the date agreed between purchaser and seller when entry is taken and the sale is complete. This is also the day the seller receives the price agreed between the parties. This may also be called the Date of Entry.

Single Survey (see also Home Report)

This is a report on a property for sale prepared by a Chartered Surveyor acting on instructions from the Seller and contains detailed information about the condition and value of the property. It is intended to assist prospective Purchasers to make a decision on price before they make an offer.

Solicitor

A solicitor is a qualified Lawyer who can represent you in legal transactions. Solicitors are regulated by the Law Society of Scotland.

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Specialist Report

A specialist report may be instructed if there are any issues brought to light in a property's Home Report. These will look into the issue in more detail and can advise on the cost of repairing them. Specialist reports may be carried out on issues such as damp, woodworm or dry rot.

Standard Security

This is a security over a property for a loan which was used to purchase the property, often called a mortgage.

Subject to Survey

An offer can be made "subject to survey". This usually means that the Purchaser's offer is conditional upon them receiving a satisfactory survey report on the property. Very often, the Purchaser's lender has specified that a survey must be conducted on the property before they will approve the Purchaser's Standard Security.

Survey

This is a valuation and report on the condition of the property which is carried out by a Chartered Surveyor.

Title Deeds

These are the legal documents which record ownership of a property and any burdens or securities held over that right of ownership. These usually comprise a Land Certificate and any other documents showing title to the property.

Under Offer

A property is Under Offer when an offer has been accepted on a property but the missives have not yet been concluded.

Vacant Possession

This is a term applied to premises offered for sale which are not subject to a lease i.e. there will be no tenants in the property at the time of transfer.