



Buying a New House Dictionary


Jelson
H O M E S
FOR GENERATIONS

FOR OVER 130 YEARS

GENERAL HOUSING

Terms you may come across during your house buying journey.

CHAIN

Where a number of property sales are linked, and the exchange of contracts must take place at the same time.

COMPLETION

Where the balance of money changes hands (your mortgage provider releases their funds).

ENCUMBRANCE

Is a claim or limitation that may restrict the owner's ability to transfer the title of the property.

EPC

Energy Performance Certificate which gives an indication of expected fuel bills.

ESTATE AGENT

A person whose role involves selling properties for people.

EXCHANGE

Where you sign the contract to say you are the legal owner of the property.

FIXTURES & FITTINGS

All of the non structural bits that are included in the purchase of the property.

FLOOR PLAN

Shows the layout of rooms on each floor within a property.

FREEHOLD

Where you own the property and the land upon which the property sits.

GAZUMPING

Is when a seller accepts a higher offer from another person at the last minute.

GAZUNDERING

Is when a buyer reduces their offer at the very last minute.

INSTRUCTION

When the vendor instructs an estate agent to put their property on the market.

LEASEHOLD

Where you own the property, but not the land it sits on. You would then pay ground rent to the landlord.

OFFER

A monetary bid on a property, made by a prospective buyer. It is not legally binding.

VENDOR

The legal name used for the person who is selling the property.

NEW BUILD HOUSES

Terms you may come across if you are buying a new build property.

SALES ADVISER

Your main point of contact throughout the purchase process.

NHBC

The National House Building Council is a non profit body that set standards for those house builders that are registered with it.

CONSUMER CODE

Provides protection and rights to those who purchase new homes, ensuring that all new home buyers are treated fairly.

SITE MANAGER

Supervises the building of the development during your purchase process.

HANDOVER

When you are presented the keys to your new home.

HBF

(HOME BUILDERS FEDERATION)

The Home Builders Federation is a trade association representing private sector homebuilders in England and Wales.

RESERVATION

This is the process of picking your Jelson home, paying a reservation fee and completing a reservation form, and then your plot is held and taken off the market.

HOME DEMONSTRATION

Demonstrates how the appliances and systems work in your new home.

SNAGGING

The process of visually checking over a new home for minor faults to be fixed prior to handover.

BUILD COMPLETE

When construction of your new home is complete, and you will find out your legal completion date.

FINANCE

Terms you may come across while purchasing a property.

APR
(ANNUAL PERCENTAGE RATE)

The interest charged for borrowing. Shows the true cost of borrowing on your mortgage.

BRIDGING LOAN

A temporary loan to help you buy a new property before your current property has been sold.

BUILDINGS INSURANCE

Insurance that covers any cost of repairing damage to the physical structure of the property in the event of damage.

CONTENTS INSURANCE

Insurance that covers the contents of a building (furniture, appliances etc.) in the event of damage or theft.

COUNCIL TAX

The annual fee you pay to your local council for the services it provides - like your bin collection for example.

CREDIT SCORE

A number that represents how worthy of credit an individual is. The higher the score, the more reliable that individual is when it comes to repaying money.

DEPOSIT

The amount of money you put down to buy a property (usually between 5% and 20%), that is paid on exchange of contracts.

EQUITY
(A.K.A POSITIVE EQUITY)

The difference between what your property is worth, and how much you still owe on your mortgage.

NEGATIVE EQUITY

When you owe more on your mortgage than the value of the property.

OMBUDSMAN

The independent professional body that investigate complaints on behalf of customers.

STAMP DUTY

A tax paid to the government when you buy a property. Currently first-time buyers don't have to pay this if the purchase price is under £300,000.

VARIABLE INTEREST RATE

An interest rate that fluctuates over time as it is based on the base interest rate, meaning your payments could vary over time.

BUYING SCHEMES

Terms you may come across if you are using a buying scheme.

ATE (AUTHORITY TO EXCHANGE)

Once the ATP and mortgage offer are in place, a solicitor will request for ATE. Contracts can't be exchanged until Help to Buy have given authorisation.

CTD (CONFIRMATION TO PROVIDER)

Before completion, a solicitor will apply for a CTD, which lets the Help to Buy agent know that everything is ready for completion and no information has changed since the ATE was issued.

HELP TO BUY

A government scheme for first-time buyers, where you pay 5% deposit for a property, the government provide a 20% interest free loan, and you take a 75% mortgage.*

HOME BUYER AGENT

The person who processes the application under the Help to Buy scheme.

ATP (AUTHORITY TO PROCEED)

The confirmation from the Help to Buy agent that an individual is eligible for Help to Buy and can proceed with the purchase of a property. This will come in a letter form and detail the financial terms of sale.

PART EXCHANGE

A house buying scheme where a seller trades the value of their current property against a new build property, and the property developer takes the role of the estate agent.

MORTGAGE

Terms you may come across when applying for a mortgage.

AIP (AGREEMENT IN PRINCIPLE)

An estimate from a lender that gives an indication of how much you could borrow.

BALANCE OUTSTANDING

The amount of loan you have left to pay.

EARLY REPAYMENT CHARGE

The charge from your mortgage lender if you pay your mortgage off (or make overpayments each month) in advance of your originally agreed terms.

IFA (INDEPENDENT FINANCIAL ADVISORS)

Individuals that offer independent advice on all financial matters including mortgages.

JOINT MORTGAGE

A mortgage where there is more than one person responsible for the mortgage.

MORTGAGE

A loan used to buy property. It is a legal agreement with a bank or building society.

MORTGAGE AFFORDABILITY CHECKS

Checks to ensure you can afford your new home.

MORTGAGE DEED

The legal document that contains all the details of the loan.

MORTGAGE OFFER

The formal written offer made by your bank to lend an approved amount to purchase your home.

REDEMPTION

When you have completely paid off your mortgage.

REPOSSESSION

The legal process where a mortgage lender takes ownership of your property if you don't keep up with the repayments.

SOLICITORS AND SEARCHES

Terms you may come across while working with your solicitor.

EXCHANGE OF CONTRACTS

When contracts are exchanged between a buyers solicitors and a sellers solicitors, and a deposit is paid. This is when the sale becomes legally binding.

BUILDING SURVEY

An inspection of a property, which produces a detailed report of any defects at the property.

LAND REGISTRY

The government organisation that keeps records of all the registered properties in England and Wales.

SOLICITOR

The legal expert who will handle all of the documentation for the sale / purchase of a property.

COVENANT

A condition within the Title Deeds that the buyer (and usually any future owners too) must comply with.

DISBURSEMENTS

The collective term for fees such as Stamp Duty, land registry and search fees which you would usually pay through a solicitor.

TITLE DEEDS (A.K.A DEEDS, MORTGAGE DEEDS, LAND CERTIFICATE)

The physical paper document that shows the record of ownership for land and property.

SEARCHES (A.K.A SOLICITOR SEARCHES, LOCAL AUTHORITY SEARCHES)

Where applications are made to the relevant local authority to request details of any matters that may affect the purchase of a property.

Buying a new home?



Find more useful guides and advice at
jelson.co.uk/news

*Information correct at time of document creation.

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