**37 Glossary, abbreviations, acronyms and initialisms in commercial property used in these notes**

**Glossary of Terms**

A glossary of some of the terms which may be encountered in Commercial Property.

**Absolute title**

This is the best of the four classes of title that Land Registry can give to land.

**Abstract of title**

A summary of the title deeds and documents which prove title to unregistered land. Nowadays an epitome of title (see below) is normally used.

**Acknowledgement and undertaking**

A confirmation contained in a deed that the person named has the right to see a document not in his possession and a promise that the person who has possession of that document will keep it safe.

**Additional rent**

A sum payable under a lease (eg service charge payments) which is to be treated as rent, giving the landlord the same remedies as if it were rent

**Adverse Possession**

The occupation of land without the permission of the owner. In certain circumstances after 12 years of such possession (unregistered land) or 10 years in registered land, the occupier may gain title to the land.

**Adverse rights**

Sometimes used to refer to the rights which someone other than the owner may have over land.

**Agreement for sale**Another name for the contract setting the agreed terms of a sale.

**Alienation clause**

Provision in a lease which restricts the tenant’s rights to assign or sublet.

**Apportionment**

The process of adjusting the purchase price of land to take account of outgoings that affect it. So, in leasehold property, rent and service charges are normally paid in advance, so on completion of the sale the buyer will have to pay to the seller an extra sum equivalent to the payments in advance made by the seller.

**Appurtenant**

A right benefiting a piece of land (eg an easement) can be said to be ‘appurtenant’ to that land. It will pass automatically on the transfer of that land.

**Arbitration clause**

A clause in an agreement (eg a lease) requiring disputes to be referred to a third party for resolution in accordance with the Arbitration Acts.

**Arm’s length**

A transaction between parties who are not associated in any way.

**Assign**

To transfer a right in property over to another. Usually used to signify the transfer of a lease

**Assignee**

The person who is receives the property being assigned.

**Assignment**

The document by which property is assigned – again usually used in relation to the transfer of leases.

**Assignor**

The person who transfers the property

**Attestation Clause**

The part of a document containing the signatures of the parties.

**Bailiff**

An officer of the court charges with serving documents and enforcing judgements

**Banker’s Draft**

A cheque drawn by a bank (rather than by a private individual) usually on its own head office. It is generally accepted as the equivalent of cash, although it needs to be paid in through the banks’ “clearing system” in the same way as any other cheque

**Beneficial Owner**

The person who is entitled to enjoy the benefit of property ( as opposed to a trustee who owns land for the benefit of someone else),

**Benefit (of a covenant)**

The right to enforce compliance with it.

**Body of deed**

The operative part of a deed – as opposed to the recitals.

**Boiler plate clause**

Standard provision included in a legal document

**Break clause**

Clause in a lease which allows one party to terminate the lease before its normal expiry date.

**Bridleway**

A path or road over which the public have the right to pass on foot or with horses and bicycles, but NOT with vehicles

**Building Regulation Approval or Consent**

Confirmation that the plans for proposed building work show that it will comply with the Building Regulations. All building work has to comply with prescribed standards and the local authority is charged with ensuring compliance (although the NHBC will normally undertake such responsibility in relation to a new house to be covered by their structural insurance.)

**Building lease**

Long lease under which the tenant is obliged to carry out some building work on the demised property.

**Burden (of a covenant)**

The obligation to comply with it.

**Call option**

An agreement under which a party can, within a defined period, ‘call’ on (or compel) the other to sell his property.

**Caution**

Under LRA 1925 a method of protecting a third party right in registered land. Could be entered on the register without the consent of the proprietor. Cautions can no onger be used under LRA 2002, but existing registrations remain effective.

**Caveat emptor**

Let the buyer beware – emphasising that it is the buyer’s responsibility to discover problems with the property, not the seller’s to disclose them.

**Cesser**

The premature ending of a right.

**Charge**

An interest in land securing the payment of a debt; a mortgage.

**Chattels**

Items of property other than land eg furniture. They will be excluded from the sale of land - unless there are specific provisions in the contract to the contrary.

**Chief rent**

Used in certain parts of the country to describe a rentcharge.

**Clear lease**

A lease under which the landlord is under no liability to pay for insurance and repairs ie the rental income is ‘clear’ of these obligations.

**Comfort letter**

A letter under which an assurance is given that the sender will behave in a particular way eg that the sender will provide funds for a particular purpose.

**Common land**

Land over which the inhabitants of a locality can exercise rights eg grazing.

**Common parts**

The parts of a development used in common by all the occupiers eg the hallways and stairs in a block of flats or the car park in a business park.

**Concurrent lease**

A lease granted to run at the same time as an existing lease. The tenant under the concurrent lease will then become the landlord of the tenant under that existing lease. Sometimes used in flat management schemes.

**Conservation Area**

An area of special architectural or historic interest so designated by the local authority in order to preserve or enhance its character or appearance. Special planning rules will apply restricting development in the area.

**Conveyance**

The document used to transfer ownership to another. Usually used in unregistered land.

**Corporeal hereditament**

Physical property eg land, buildings – as opposed to incorporeal hereditaments such as easements.

**Counterpart lease**

A lease is normally drawn up in two identical copies. The lease (signed by the landlord) and the counterpart signed by the tenant. Each party then keeps the part signed by the other.

**Covenant**

An obligation entered into by a landowner. In certain circumstances this can be binding on subsequent owners of the land.

**Curtilage**

Old fashioned term used to refer to the land occupied along with a property eg the garden of a house.**Dedication**Giving rights over land for public use eg the dedication of land for use as a highway.

**Deed**

A document executed in accordance with various formal requirements. It must be signed and witnessed and then delivered.

**Defective Title Insurance**

Insurance taken out to protect a buyer and/or lender against the consequences of a specified defect in title up to the financial limit specified in the policy.

**Delivery**

One of the formal requirements for a deed. A deed will be delivered when the signatory intends it to be binding on him. This will usually on payment by a buyer of the purchase price.

**Demise**

A lease; the grant of a lease. Sometimes used to indicate the property granted by a lease.

**Devise**

A gift of property by a will

**Disbursements**

Payments made by a solicitor on behalf of the client eg search fees.

**Distress**

Seizing possessions of a tenant to secure payment of rent.

**Dominant tenement**

The piece of land which benefits from an easement.

**Due diligence**

The proper steps to be taken by a professional in connection with a particular transaction to ensure that it is lawful.

**Easement**

A right over one piece of land for the benefit of another eg a right of way.

**Enfranchisement**

In leases. The process of tenants acquiring the freehold in their land.

**Engrossment**

The final version of a document which will be signed by the parties. Traditionally prepared on better quality paper than mere ‘drafts’ of the document.

**Epitome of Title**

A chronological list of the documents which prove title to unregistered land. It will usually be accompanies by photocopies of the documents

**Escrow**

A deed which has been signed but only delivered conditionally. It will not become operative until the condition (eg the payment of money) is fulfilled.

**Estate rentcharge**

A rentcharge imposed on freehold land to ensure the running of the burden of postitive covenants.

**Execution**

Signing and delivering a deed to make it legally effective.

**Fair wear and tear**

Damage caused by the ordinary operation of natural causes. Sometimes in a lease a repairing obligation does not include damage caused in this way.

**Fine**

A non-returnable lump sum payable by a tenant to a landlord on the grant of a lease in addition to rent. A premium.

**Fixtures**

Items fixed to land which become part of it and will pass to a buyer on a sale, unless specifically excluded by the terms of the contract.

**Forfeiture**

A landlord’s right to terminate a lease prematurely sue to the tenant’s breach of his obligations.

**Flying freehold**

A part of a freehold property which lies over land belonging to some one else.

**Good leasehold title**

One of the classes of title conferred by Land Registry. It guarantees the ownership of the lease but not that the landlord had the right to grant that lease.
**Ground rent**

The rent payable to a landlord, particularly in relation to leasehold houses and flats where the tenant will have paid a premium on the grant of the lease to cover the cost of the house and will effectively just be renting the ‘ground’ on which the building stands.

**Habendum**

The part of a deed which describes the property being transferred.

**Head Lease**

A lease granted directly by the freeholder. Used where the tenant under that lease has then granted a sub-lease of all or part of that property.

**Heads of Terms**

The fundamental terms of an agreement which will then form the basis of the formal contract between the parties when it is drawn up by the lawyers.

**Hereditament**

Real property; land.

**Holding**

The area of land demised to a tenant.

**Holding Over**

The act of a tenant remaining in possession of the land at the end of a lease.

**Improvements**

Changes to property which increase its value.

**Incorporeal hereditament**

An intangible right over land eg an easement.

**Incumbrance**

An adverse right affecting a property eg a mortgage or a covenant.

**Indemnity**

An agreement to reimburse or compensate someone in relation to some possible future liability.

**Indemnity covenant**

A promise to indemnify someone against a possible future loss or expense. Often included in a transfer to protect a seller against a possible breach an obligation by the buyer for which the seller could be liable.

**Indenture**

A deed made between two parties. Historically, each party was given his own copy both of had been written on the same document which was then cut into two using a wavy line.

**Inhibition**

Under LRA 1925 a method of protecting third party rights over the land. Any disposition was prevented in the circumstances prescribed eg on bankruptcy.

**Joint and several**

An obligation entered into by two or more persons under which they are ‘severally’ or individually liable (eg for the full amount of a debt) as well as jointly liable with the others.

**Laches**

Delay in enforcing a right.

**Lady Dy**

March 25th. The feast of the Annunciation of the Virgin Mary. One of the usual quarter days.

**Lessee**

Tenant under a lease.

**Lessor**

Landlord under a lease.

**Lien**

The right to hold onto another’s property as security for a debt.

**Managing agent**

Someone appointed to oversee the day-to-day maintenance of a property eg a block of flats or a shopping centre.

**Mesne**

Intermediate

**Mesne profits**

Compensation due to a landowner for the unlawful occupation of his land eg by a tenant who holds over without the landlord’s consent.

**Messuage**

Old fashioned term for a dwelling house.

**Michaelmas**

September 29th. The feast of St Michael. One of the usual quarter days.

**Midsummer Day**

June 24th. The feast of St John the Baptist. One of the usual quarter days.

**Minor Interest**

Under LRA 1925, an interest which had to be protected by an entry on the register in order to bind a purchaser.

**Office copies**

The name formerly used for official copies – but still often used in practice.

**Official copies**

Copies of the register entries relating to a title

**Overage**

The potential right, on a sale of land, to receive extra payments over and above the sale price, should the land sold increase in value in the future, for example on the grant of planning permission.

**Party wall (or fence)**

A wall (or fence) owned jointly be adjoining landowners over which both have rights and responsibilities as to maintenance.

**Peppercorn rent**

A nominal rent.

**Perpetuity**

For ever.

**Planning permission**

Permission required from the local authority to develop land

**Possessory Title**

One of the classes of title the Land Registry may grant. Often approved when the owner claims to have lost the title deeds, or to have acquired ownership by adverse possession.

**Pre-emption**

A right of first refusal

**Premium**

A non-returnable lump sum payable by a tenant on the grant of a lease in addition to rent.

**Prescription**

A method of acquiring legal easements by long user – often 20 years user as of right will suffice.

**Public bridleway**

A path or road over which the public have the right to pass on foot or with horses and bicycles, but NOT with vehicles.

**Public footpath**

A path over which the public have rights to pass on foot only.

**Public highway**

A road over which the public have rights to pass on foot and with vehicles.

**Put option**

A contract under which a party has the right to sell his land to another.

**Quarter Days**

25th March; 24th June; 29th September; 25th December. The days on which (traditionally) rent was payable. Still much used in commercial leases as rent payment days.

**Reddendum**

The part of a lease which specifies the rent payable.

**Rentcharge**

A sum of money payable by the owner of freehold land.

**Riparian rights**

The rights of a landowner over a non-tidal river adjoining his land eg rights to fish.

**Sale and leaseback**

An arrangement in which a landowner sells the freehold and then take back a lease of the property from the new freeholder. Often used to free up capital tied up in freehold land.

**Seisin**

Old fashioned term denoting the possession of freehold land.

**Service charge**

Payment made by an owner of property towards the landlord’s costs of the upkeep of the ‘common parts’ eg the repair and maintenance of a block of flats or shopping centre

**Side letter**

A letter accompanying a legal document eg a contract, explaining or clarifying the intentions of the parties.

**Stamp Duty Land Tax**

Tax payable to the Government (inter alia) on the purchase of property or the grant of a lease. Known as stamp duty until 1/12/2003.

**Sub lease**

A lease granted by a person who is himself a tenant. Must be of a shorter duration than the head lease.

**Surrender**

The premature termination of a lease by agreement between landlord and tenant.

**Telegraphic transfer/TT**

Term still used to signify the transfer of money from one bank account to another eg from the buyer’s solicitor’s bank to the seller’s solicitor’s bank on completion. The banks’s computerised system is used today, but the old term is still used. Often shortened to ‘TT’.

**Tenant’s Fixtures**

Chattels fixed to leasehold property by a tenant which, although strictly fixtures can be lawfully removed by the tenant.

**Title**

The ownership of a piece of property. Often also used to signify the documents used to prove ownership.

**Transfer**

The document used to pass the ownership of land to another. Usually used in relation to registered land.

**Travelling draft**

The draft of a document that ‘travels’ between the parties and on which the various amendments required are made. Will nowadays often be sent electronically.

**Tree Preservation Order**

An order made by the local planning authority preventing the felling, or lopping of trees without permission from the local authority.

**Trigger notice**

A notice required to initiate some procedure – usually used in relation to a notice required to initiate a rent review under a lease.

**Turnover lease**

A lease (eg of retail premises) where the rent is fixed as a percentage of the annual turnover.

**User**

The use to which a property can be lawfully put.

**Usual quarter days**

March 25th ; June 24th; September 29th; December 25th. Days on which rent was traditionally payable. Still frequently used in commercial leases as rent payment days.

**Vacant possession**

Having no tenant or other person in occupation.

**Waiver**

The abandonment of a right eg forfeiture.

**Warranty**

A promise as to the truth of a statement

**Yield up**

To give up possession at the end of a lease.

**Abbreviations, acronyms and initialisms used in these notes**

AGA Authorised Guarantee Agreement

AML Anti Money Laundering

CIL Community Infrastructure Levy

CLEUDS Certificate of Lawfulness of Established Use or Development

CPSE Commercial Property Standard Enquiries (there are 7 sets of enquiries)

DEFRA Department for Environment, Food and Rural Affairs

EA Environment Agency

EDM Environmental Damage Regulations

EIA Environmental Impact Assessment

ELD04 Environmental Liabiity Directive 2004

EPA90 Environmental Protection Act 1990 (amended substantially by the Environment Act 1995)

EPC Energy Performance Certificate

GPDO The Town & Country Planning (General Permitted Development) Order 2015

HMRC HM Revenue and Customs (collects VAT and SDLT, amongst other taxes)

HA85 Housing Act 1985

LPA Local planning authority

LR Land Registry

LRA25 The Land Registration Act 1925

LRA02 Land Registration Act 2002, which revised the LRA25

LTA54 Landlord & Tenant Act 1954

LT(C)A Landlord & Tenant (Covenants) Act 1995

LTT Land Transaction Tax (Wales only)

NLIS National Land Information Service

NPPF National Planning Policy Framework

OS Ordnance Survey

PD Permitted development under the GPDO2015

RICS Royal Institution of Chartered Surveyors

s.38 an agreement for the dedication of public highway under s.38 of the Highways Act 1980

s.104 an agreement for the dedication of public sewers under s.104 Water Industry Act 1991

s.106 a planning agreement under s.106 of TCPA 1990

SCPC The Standard Commercial Property Conditions

SCR Standard Completion Requirements

SRA Solicitors Regulation Authority

SSSI Site of Special Scientific Interest

TCPA Town & Country Planning Act 1990

TPO Tree Preservation Order

WRA Welsh Revenue Authority (collects LTT)

**Forms referred to**

AC6 Agricultural credits search

AN1 LR Agreed Notice

AP1 LR application to register a transfer other change to the register

CH1 LR standard form of charge

COLLS City of London Law Society (usually referring to their certificate of title)

DS1 Discharge of registered charge

Con 29 Local search enquiries of a local authority (usually combined with LLC1)

EID LR Exempt Information document

LLC1 Local Land Charge Register search (usually combined with the Con29)

OC1 LR application form of an Official Copy of the title

OS1 LR search of whole of a title

OS2 LR search of part of a title (with plan)

NLIS National Land Information Service – the search portal

SDLT5 issued by HMRC to confirm submission of an SDLT tax return

TR1 LR Transfer of Whole

TP1 LR Transfer of part

UN1 LR unilateral notice