

ashfords

Land & Property Your A - Z Guide

2025

The language used in real estate transactions has become increasingly complex. Even routine land and property deals can involve related sectors such as construction, planning, development, energy, housing or finance - each of which has its own jargon.

This pocket reference is aimed at providing landowners, developers, surveyors and other professionals with a simple A - Z guide on the legal terms commonly used in transactions.

This is intended as general guidance only and does not constitute legal advice. For specific advice please liaise with your contact in Ashfords' Real Estate team or email Tim Heal, Head of Real Estate Division: t.heal@ashfords.co.uk

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A

Absolute title

The best form of registered title of land given by the Land Registry. For freehold land this means that the owner has guaranteed ownership of the land and that the only matters which affect the land are those set out in the registered title for the land and any overriding interests. For leasehold land an absolute title means that the lease is owned by the registered owner and the lease was properly granted.

Abstract of title

The legal documents (often referred to as the title deeds) which, in relation to unregistered land, provide the history of ownership and show that the owner has good title to the land.

Accommodation works

A general term to describe initial works which may be undertaken at the start of redevelopment of land, for example relocation or diversion of utility services.

Acquiring authority

A local authority or other public body authorised by compulsory purchase legislation to exercise CPO powers.

Ad medium filum

A legal presumption that, where land abuts a highway, the legal boundary of the land extends to the middle of the highway. The presumption can be rebutted where there is sufficiently strong evidence of a contrary intention by parties.

Ad valorem

An amount calculated by reference to the value of a property. It is commonly used in the calculation of SDLT where the amount of the tax will be assessed by reference to the value of the transfer or lease.

Adjudication

A contract dispute resolution procedure commonly adopted in construction contracts. Disputes are decided by an adjudicator on a fast but interim basis. The right to adjudicate is implied by statute if the contract is a construction contract under the Housing Grants Construction and Regeneration

Administration

The process by which an administrator is appointed to take control of an insolvent company and its land and assets on behalf of all its creditors. The administrator will be appointed with the intention of achieving one of three statutory objectives, namely (a) rescuing the company as a going concern, (b) achieving a better result for the creditors as a whole than would be likely if the company was wound up or (c) sale or disposal of property to make a distribution to secured creditors. During an administration creditors of the company will not be able to enforce individual claims by legal action without the permission of the administrator or court.

Administrative receiver

An insolvency practitioner appointed by the holder of a debenture to act as an administrative receiver of all or substantially all of a company's property and assets in order to secure repayment of debt owed by the company. An administrative receiver will generally have power to dispose of the property and assets individually or as a disposal of the business as a going concern.

Administrative receivership

The process that the holder of a debenture can use to secure the disposal of property and assets to realise repayment of debt through the appointment of an administrative receiver.

Adoption

In relation to roads, adoption is the acceptance by the local highway authority that the road will become a highway maintainable at the public expense. There are similar arrangements for new sewers constructed to become adopted by regional water companies who maintain the local drainage system. [See section 38 agreement \(in relation to highways\)](#) and [section 104 agreement \(in relation to sewers\)](#).

Adverse possession

The process by which a squatter occupying land over a continuous period, usually for 12 years, without the original owner's permission can acquire legal ownership of the land over time. The effect of a successful claim for adverse possession is to extinguish the original owner's title to the land.

AGA

[See authorised guarantee agreement.](#)

Agreed notice

[See land registry notice.](#)

Agreement for lease

A legal agreement for the grant of a lease of a property, usually at an agreed future date or on the occurrence of some event, for example on completion of building works. This will normally have the agreed form of lease attached.

Agricultural holdings tenancy

A tenancy of agricultural land granted before 1 September 1995 under the Agricultural Holdings Act 1986 where the landlord will not have an automatic right to recover possession at the end of the term. A tenant of an agricultural holdings tenancy will have a limited degree of security of tenure under the 1986 Act. Contrast this with farm business tenancy.

Alienation

The disposal of a leasehold interest in land by the tenant with a lease of the property, for example by completing an assignment or underletting.

ALMO

Arm's length management organisation. ALMOs have been established by some local authorities to manage council homes in their ownership.

Amortisation

Payment of a debt or liability over time through regular repayment of interest and capital at agreed intervals.

Anaerobic digestion

A natural process where biomass is broken down by micro-organisms in the absence of air. As part of a biomass energy facility, the process starts when biomass is put into a sealed tank or digester. Naturally occurring micro-organisms digest the biomass which releases biogas, which can be used to generate renewable heat and power. The remaining material (digestate) is rich in plant nutrient including nitrogen and potassium, and can be recycled as fertiliser.

Anchor tenant

A key or leading tenant in a retail shopping centre, for example a major department store. Anchor tenants with a major brand or customer base which can attract other tenants can often negotiate favourable rental terms with landlords.

AONB

[See area of outstanding natural beauty.](#)

Appointment

A legal agreement between an employer and a professional consultant in connection with the design, management or supervision of building or engineering works. An appointment should set out the services to be provided and any other agreed terms, including the fee arrangements and whether the consultant will be obliged to provide any collateral warranty to prospective buyers or tenants of the property.

Apportionment

The allocation of a benefit, cost or liability between the parties to an agreement.

Appropriation

In relation to land held by a local authority, appropriation will usually involve a transfer of the allocation of land from one purpose or function to another, for example from housing to planning. It allows a local authority to override easements, subject to the payment of compensation. This can arise where the local authority wishes to exercise specific powers, for example, an authority may appropriate land for planning purposes to exercise statutory powers previously under the Town and Country Planning Act 1990 but now contained in the Housing and Planning Act 2016. [See power to override easements.](#)

Area of Outstanding Natural Beauty (AONB)

An area of countryside designated by Natural England for conservation and subject to additional protections from development due to having significant national landscape value.

Arbitration

A contract dispute resolution procedure for resolving disputes by one or more arbitrators. If the contract contains a valid arbitration clause, the courts will generally not hear the dispute. An arbitrator's decision is final and binding but the court has limited powers to control the process and there is a limited right of appeal.

Article 4 Direction

A direction issued by a local planning authority, to restrict the scope of permitted development rights in relation to a particular site or area. Where an article 4 direction is in effect, a planning application may be required for development that would otherwise be permitted development. Article 4 directions are used to control works that could threaten the character of an area of acknowledged importance, such as a conservation area.

Arm's length transaction

A transaction between independent and unrelated parties each entering into the negotiations freely and without any existing relationship between them.

As built drawings

The final drawings of a building, or components of a building (such as the layout of mechanical and electrical installations) which show the construction as constructed. An agreement for lease may provide

Assent

A deed used to transfer land to a beneficiary by the personal representatives of a deceased's estate.

Asset protection agreement

An agreement commonly used for development of land which could affect operational railway property. Generally, this will be an agreement between Network Rail and a developer whereby the developer proposes to carry out building or engineering works which may be close to or affect the railway network. Network Rail has a template of its preferred form of agreement designed to protect the safety and operation of the railway.

Assignee

The person to whom a lease (or rights in land) or the benefit of a contract is transferred under an assignment.

Assignment

A transfer of ownership of a lease of property or a transfer of rights in land or of the benefit of a contract.

Assignor

The person who transfers a lease (or rights in land) or the benefit of a contract to another (the assignee).

Assured shorthold tenancy

A form of residential tenancy to a private tenant which provides the landlord with a mandatory right to recover possession at the end of the term of the tenancy.

Assured tenancy

A form of residential tenancy to a private tenant introduced by the Housing Act 1988 where the tenant will have a more secure degree of security of tenure compared to an Assured Shorthold Tenancy.

Attestation clause

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

Attorney

A person appointed by a company or an individual (the donor) who is given the power to make decisions and sign documents on behalf of the donor. [See power of attorney.](#)

Authorised guarantee agreement (AGA)

A deed by which a tenant who transfers a lease to an assignee provides a guarantee to the landlord that the assignee will perform all the covenants in the lease. AGAs were introduced in the Landlord and Tenant (Covenants) Act 1995.

B

Bankruptcy

The legal status of a person who is unable to repay his debts and where a court order has declared that individual bankrupt. Once declared bankrupt the property and assets of the individual will vest in the trustee in bankruptcy who has power to sell or otherwise dispose of assets so that any proceeds can be distributed to creditors. Bankruptcy applies only to individuals. For limited companies which become insolvent, [see liquidation](#).

Base rent

A guaranteed minimum rent which a tenant will be obliged to pay under a lease regardless of its sales or the turnover of its business. This will often be used in combination with provisions for a turnover rent.

BCO

[See British Council for Offices.](#)

BEIS

Government department (Department for Business, Energy and Industrial Strategy) responsible for business, industrial strategy, science research and innovation, energy and clean growth and climate change. BEIS replaced the Department for Business, Innovation and Skills and DECC.

Beneficial owner

Ownership of land is dealt with in two ways: legal ownership and beneficial ownership. Beneficial ownership is also often referred to as equitable ownership. These owners will not necessarily be the same people. Legal ownership refers to the person who holds legal title to the property. The beneficial owner is the person with a beneficial interest in the property, assets and income. Where the beneficial owners do not have legal title to the property the legal owners will usually hold the land on trust for the beneficial owners.

Beneficiary

This expression is commonly used to refer to a person who receives an interest in land, property, assets or other rights usually as a result of a gift, will, trust or other deed. The beneficiary may acquire the property by an outright transfer or he may be given an interest as a beneficial owner under a trust.

Best consideration

The best sale price for land that can be reasonably obtained in the open market, assuming a willing buyer and seller and that the land has been properly marketed. There are restrictions on the powers of local authorities to dispose of property at prices below the best consideration. [See section 123 requirements.](#)

BIM

[See Building Information Modelling.](#)

Biodiversity Net Gain (BNG)

An increase in the biodiversity value of a development when comparing the pre development biodiversity value to the post development biodiversity value. BNG requirements for new development have been introduced into law by the Environment Act 2021.

Biogas

Methane rich gas produced by the breakdown of biomass as part of the anaerobic digestion process. Biogas can be combusted to produce heat and electricity or upgraded to produce pure methane by removal of other gases. Biogas can also be injected into the main gas grid or used as fuel.

Biomass

Materials derived from living or recently living organisms. In relation to biomass energy projects, this will typically mean plants, but biomass can also include animal and vegetable based materials.

Blight notice

A statutory notice by which an owner of land can require an acquiring authority to purchase land that is potentially liable to compulsory purchase by that authority. The acquiring authority can serve a counter notice and require the validity of the blight notice to be determined by the Upper Tribunal (Lands Chamber).

Boilerplate clauses

Standard provisions in an agreement or lease which deal with the mechanics of how the agreement or lease will operate; for example, provisions dealing with how notices should be given.

Bona fide

Acting in good faith. In practical terms, this means acting honestly without fraud or deceit.

Bona vacantia

Property for which there is no existing owner and which by law will usually pass to the Crown (for example, the assets of a dissolved company).

Bond

In property transactions, construction contracts and development projects this generally means a deed by which an institution (e.g. a bank or insurance company) agrees to pay a fixed sum on the occurrence of certain prescribed events as set out in the bond. [See for example performance bond.](#)

Bondsman

The institution, bank or insurance company providing a bond.

BPF

[See British Property Federation.](#)

BRE

The BRE Group (Building Research Establishment) is an independent research based consultancy which provides research and advice to Government and industry on the built environment and sustainability. A former government agency, privatised in 1997.

Breach of condition notice

A statutory notice given by a local planning authority on anyone who is carrying out or has carried out development or who is in control of the land where there is a breach of the conditions of a planning permission. The notice requires the breach to cease within the period specified in the notice. Whilst generally used as an alternative to an enforcement notice, this can be served in addition to an enforcement notice. Failure by the recipient to comply with the breach of condition notice is a criminal offence.

Break clause

A clause in a lease giving the landlord or the tenant the right to end the lease early either on agreed dates or on the occurrence of specific events.

BREEAM

BREEAM (BRE Environmental Assessment Method) is a method of assessing and rating the sustainability of new buildings administered by BRE.

Bridging finance

Short term lending often used by a borrower to finance the purchase of a property before longer term funding is available. Bridging loans are usually more expensive than long term loans to reflect greater risk to the lender.

Brine Board

The Cheshire Brine Subsidence Compensation Board is a public body responsible for dealing with claims for damage to land and buildings caused by subsidence due to brine pumping. It advises planning authorities about development proposals that could be affected. This relates to properties within a single compensation district covering all areas of Cheshire where subsidence due to historic brine pumping is considered to be a risk.

British Council for Offices (BCO)

A trade organisation which acts as a forum for issues concerning the office sector and whose mission includes promoting research and best practice. BCO's members include financial institutions, public bodies and professionals involved in acquiring, developing or managing offices.

British Property Federation (BPF)

A trade organisation which represents the interests of those involved in property ownership and investment whose objectives include representing members' interests, improving legislation and encouraging best practice in the property industry. The BPF produces standard forms of collateral warranty.

British Railways Board

The public corporation that owned and operated the national railway system including railway properties before the restructuring of the rail industry under the Railways Act 1993.

British Waterways Board

[See Canal and River Trust.](#)

Brownfield site

Land that has previously been developed and occupied for an industrial or commercial use other than agriculture. Contrast this with greenfield site.

Brownfield register

Introduced by the Housing and Planning Act 2016, a register of brownfield sites potentially suitable for housing led development to be maintained by local authorities to provide developers with up to date information on available development opportunities. The inclusion of a site on the brownfield register may mean that permission in principle is deemed granted.

Build to Rent

Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses, but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

Building contract

A contract between an client who procures building works (called the 'employer') and a contractor. The form of the building contract can vary from a simple oral agreement to more complex arrangements including public works contracts. There are many standard forms of contract, including JCT contracts and NEC contracts.

Building information modelling (BIM)

Use of design software to build an electronic model of a building containing digital information about construction details and materials. The software can provide full drawings (including architectural, electrical and structural drawings) to allow early identification of conflicts.

Building lease

A lease usually granted of a development site where the tenant's obligations include carrying out specific building works.

Building regulations

The Building Regulations 2010 substantially amended in 2023 that control the quality and standards of building works and impose duties and competence requirements on those involved in projects to which these regulations apply.. The BR 2010 applies to all building work (as defined) and includes commercial and residential properties.. Compliance with building regulations is mandatory. Each local authority has a duty to enforce the regulations in its area.

Building Safety Act 2022

safety, leaseholder protections, building control regime, construction products regulation and building liability orders.

Building Safety Regulator

A new role (in England) established under the Building Safety Act. The Building Safety Regulator is the current regulator for the purposes of approving, certifying and monitoring works to higher-risk buildings.

Business tenancy

has security of tenure. Contrast this with excluded tenancy.

Buy to let

The purchase of a residential property as a rental investment. Generally the buyer will seek to let the property on an assured shorthold tenancy.

C

Call-in

The exercise by the appropriate Secretary of State of powers under the Town and Country Planning Act 1990 to assume the decision making power in determining a planning application in place of the local planning authority. If a planning application is called-in, this will be followed by a public inquiry before a planning inspector who will make recommendations to the Secretary of State.

Call option

A contract between a seller and buyer which gives the buyer the right to require the seller to sell a property for an agreed price. Compare this with put option.

Canal and River Trust

A charitable trust which manages 2,000 miles of historic canals and rivers in England and Wales. This was established to replace its predecessor British Waterways Board, which ceased to operate in July 2012.

Capital allowance

An amount which a business is allowed to deduct from its corporate or income tax as an incentive for certain long term capital investment. Capital allowances are limited to specific approved qualifying expenditure, for example on new plant and machinery.

Category A fit out

A general description to cover the works which a landlord developing office premises will carry out to the property for an incoming tenant as part of the lettable accommodation. This will normally include raised floors, suspended ceilings and internal finishes. Not all tenants will want this work undertaken and this work may be excluded in some lettings. Compare with shell and core.

CDM Regulations

The Construction (Design and Management) Regulations 2015. These make provision for health and safety arrangements on construction sites. Amongst other matters, the regulations require the compilation of a health and safety file which the client has responsibility to pass on to the new owners of the building.

Certificate of lawful existing use or development (CLEUD)

A certificate of lawfulness of existing use or development is a statutory document issued by a local planning authority confirming in relation to a site that the existing use, operations or development named in the certificate is lawful. This provides immunity from enforcement action for the specific use or development named in the certificate.

Certificate of lawful proposed use or development (CLOPUD)

A certificate of lawfulness of a proposed use or development is a statutory document issued by the local planning authority in relation to a site to the effect that a proposed use or development will be lawful if carried out in the manner stated in the certificate.

Certificate of making good defects

A certificate issued under a building contract that confirms the contractor has made good any defects, snagging items or shrinkages in building works that appeared after practical completion and were notified during the defects liability period .

Certificate of practical completion

A certificate or statement issued under a building contract that confirms the works are practically (or substantially) complete.

Certificate of title

A certificate (usually issued by a borrower's solicitors in favour of a bank or other lender) confirming that a borrower has good title to the land which is to be included in a charge as security for a loan. This will include details of any covenants, easements and other third party interests which may affect the use or value

of the property.
Compare this with
report on title.

Chancel repair liability

The liability which some property owners have to pay for repairs to the chancel of a parish church. Owners affected can include individual homeowners as well as churches, universities, colleges and others. Land does not have to be adjacent to a church to be subject to chancel repair liability. Insurance is readily available to protect against such liability.

Charge

A legal agreement by which the owner of property (the chargor) grants a legal interest over that property to another person (the chargee) as security for a loan. A legal charge is very similar in practice to a mortgage (with a chargee having similar rights as a mortgagee). The terms 'charge' and 'mortgage' are often used interchangeably but there is a conceptual difference in that a charge (unlike a mortgage) does not involve a transfer of ownership of the charged property. A charge can be a fixed charge or a floating charge.

Chargee

The person who has the benefit of a charge over property i.e. the lender.

Charging authorities

Public bodies which have power to charge and spend community infrastructure levy. This includes district and metropolitan councils, London borough councils, unitary authorities, and other bodies including the Mayor of London and national park authorities.

Chargor

The person who grants a charge over property in favour of another person (the chargee) i.e. the borrower.

Chartered Institute of Arbitrators

A professional body for dispute resolution professionals, including arbitrators and adjudicators. It offers training and promotes arbitration as a means of dispute resolution.

Chattels

Physical assets other than land, for example plant and machinery, furniture, paintings, pictures, vehicles or jewellery. Compare with fixtures and fittings.

Chattel mortgage

A mortgage granted by an owner over chattels.

Chose in action

A cause of action (claim). It includes personal rights over property which can only be claimed or enforced through legal proceedings and not by taking physical possession. Examples include the right to a cash balance in a bank or the right to claim money under a bond, as well as the right to claim damages for breach of contract, for example.

CIL

[See community infrastructure levy.](#)

CLEUD

[See certificate of lawful existing use or development.](#)

CLOPUD

[See certificate of lawful proposed use or development.](#)

Coal Authority

Government non-departmental public body which owns the vast majority of coal in the UK along with former coal mines. Sponsored by BEIS, the Coal Authority is responsible for licensing coal mining operations, handling subsidence claims that are not the responsibility of licensed coal mine operators and for dealing with property and historic liability issues, including treatment of mine water discharges.

Code for sustainable homes (CSH)

A national standard for rating and certifying the sustainable design and construction of new homes based on the BRE eco-homes scheme. The scheme was withdrawn by the Government in 2015.

Code of measuring practice

A best practice guide as to how buildings and land in the UK are to be accurately measured, published by the RICS (now in its sixth edition).

Collateral warranty

A contract by which a construction professional's duty of care in relation to the performance of its project services is warranted to a third party. Commonly offered to tenants, purchasers, funders and others who retain or acquire an interest in the project property after project completion. The collateral warranty provides a mechanism which enables the third party to enforce a claim for breach of the original project services directly against the relevant professional. .

Collective enfranchisement

A statutory right under the LRA 1993 for residential tenants who hold long leases (above 21 years) in a block of flats to collectively buy the freehold of the building including its common areas. Typically, the buyer will be a nominee company owned by the tenants. A number of requirements must be met before the right can be exercised, including the building being self-contained and at least two thirds of the flats being held by qualifying tenants. The legislation excludes the right in respect of certain properties including buildings where more than 25% of the floor area is occupied for non-residential use. [See also lease enlargement and lease extension.](#)

Collective investment scheme

An arrangement which enables a number of investors to pool their assets with a view to them sharing in the profits from the purchase, holding, management or disposal of the assets. The assets are managed by a scheme operator with investors having no day to day control over the assets. Collective investment schemes are usually subject to regulation by the Financial Conduct Authority.

Commercial rent arrears recovery (CRAR)

A statutory power of commercial rent arrears recovery available to landlords of commercial premises involving seizure of tenants' goods to cover unpaid rent. Introduced in April 2014 under the Tribunals Court and Enforcement Act 2007, CRAR is similar to the common law remedy of distress for rent which it replaced but with more conditions. This includes a duty to give the tenant seven clear days' notice of the landlord's intention to use CRAR.

Commercial Property Standard Enquiries (CPSEs)

CPSEs are a set of industry standard pre contract enquiries for commercial property transactions, comprising enquiries before contract for common transactions and requisitions on title.

Commonhold

A form of freehold ownership introduced by the Commonhold and Leasehold Reform Act 2002 which provides a structure for multiple ownership of residential or commercial property. With commonhold ownership of a multi-occupied building like a residential block of flats there is no individual landlord, with the freehold being divided in various units allocated between the owners of the flats as unit holders.

Common land

Land in private ownership to which the general public have traditional rights to access and roam across the land. Special rules apply under the Commons Act 2006 governing the consents required to carry out works upon common land. Registers of common land are maintained by county councils as the Commons Registration Authorities.

Common parts

The parts of a multi-occupied building which are used in common by all the occupiers; for example the stairs, lifts and entrance way.

Community infrastructure levy (CIL)

A planning charge which local authorities and other charging authorities can raise on development of land to support infrastructure in their area. Introduced by the Planning Act 2008 through the Community Infrastructure Regulations 2010, where a charging authority chooses to set a charge in its area CIL creates a liability on landowners to pay a levy on development which creates additional floor space.

Company voluntary arrangement (CVA)

An agreement between a limited company and its creditors by which the company undertakes to make regular repayments of its debt over a specific period to an insolvency practitioner who will distribute the money between the creditors. ACVA can be an alternative to liquidation and allow the company to continue trading, but creditors owed at least 75% of the debt must agree before the CVA is approved.

Compound interest

Interest calculated on an initial principal loan or debt and also on the accumulated interest. Interest payable under an agreement may be compounded monthly, quarterly, yearly or for any other period agreed between the parties.

Compulsory purchase order (CPO)

Legislation gives local authorities and certain other public bodies (an acquiring authority) the power to acquire land or rights compulsorily where a landowner is unwilling to sell the land or grant the rights by agreement. The making of a CPO by an acquiring authority is an important step in the process of acquiring land or new rights but the powers of the acquiring authority to acquire the interests will not arise until the CPO is confirmed by the relevant Secretary of State.

Conditional Contract

Contracts are often drafted on the basis that a condition or conditions must be satisfied before completion takes place (a condition precedent). Common conditions are:

- Obtaining planning permission
- Obtaining a third party's consent (for example superior landlord's consent)
- A viability or site assembly condition

Condition precedent

A condition of an agreement that must be satisfied before the agreement becomes fully enforceable. There is usually a time period specified in the agreement by which the condition precedent is required to be satisfied.

Condition subsequent

A condition of a contract that sets out an event that may result in the termination of the contract if it occurs.

Connection agreement

In relation to operational railway land, an agreement between Network Rail and an adjoining railway operator requiring access to the railway network which sets out the rights and obligations of the parties. This is a regulated document which requires ORR approval.

Conservation area

An area designated for special architectural or historic interest. Where a neighbourhood is designated as a conservation area this will provide a greater control over works which require planning permission and specific consent will be required for the demolition of unlisted buildings within the area. There are over 9,000 conservation areas in England.

Construction Act

An abbreviated term referring to the Housing Grants, Construction and Regeneration Act 1996. The Construction Act only applies to construction contracts for construction works (both terms as defined) that are not excluded. the Scheme for Construction Contracts.

Under the Construction Act a construction contract is an A contract for building work and/or design.

Construction contract

Consumer price index (CPI)

An index published by the Office for National Statistics which measures increases in inflation by reference to changes in consumer prices for goods and services.

Contaminated land

The Environmental Protection Act 1990 defines this as land which appears to the local authority in whose area it is situated to be in such a condition, by reason of substances on or within the land, that significant harm or significant pollution of controlled waters is being caused or there is a significant possibility of this happening. The Environmental Protection Act contains provisions for identifying and securing remediation of contaminated land. If you are in possession or occupation of contaminated land then you may be liable to organise its remediation.

Contract notice

[See OJEU notice.](#)

Contracting authority

An authority which is subject to public procurement law. This includes central government departments, regional and local authorities and other bodies governed by public law. [See regulated procurement](#) and [public works contract](#).

Contractual licence

A personal right to treat the land in a particular way. It does not benefit successors in title.

Contracting out

An agreement between the landlord and tenant under a lease of business premises that the tenant will not have any statutory right under the Landlord and Tenant Act 1954 to renew the lease at the end of the term. [See excluded tenancy.](#)

Contractor's all risk

An insurance policy taken out by the contractor to cover the construction (and design if applicable) phase of a development project..

Generally cover ceases after practical completion is certified when possession of the building site is transferred back to the employer.

Contractor's proposals

The proposals made by the contractor for the design of the development, normally submitted as part of its tender in respect of a design and build contract, or a standard form contract with contractor's design portion.

Contracts (Rights of Third Parties) Act 1999

This legislation allows third parties to enforce rights under a contract even though they were not an original party to the contract. There are restrictions on its application, and it is possible to contract out of this Act entirely. It is common practice in development agreements and building contracts for parties to include an agreement to exclude the provisions of this Act.

Conveyance

A written document which transfers ownership of land and buildings from one person to another. A conveyance will only be used to transfer unregistered land. For property with a registered title any transfer of ownership will be by way of a transfer.

An obligation to do or to refrain from doing something usually contained in a lease, transfer or other deed. For example, the tenant's repairing covenant in a lease will generally cover its obligations to repair and maintain the premises. [See restrictive covenant](#) and [positive covenant](#).

Covenant

CPI

[See Consumer Price Index.](#)

CPO

[See compulsory purchase order.](#)

CPSEs

[See Commercial Property Standard Enquiries.](#)

CRAR

[See commercial rent arrears recovery.](#)

Crichel Down rules

Non-statutory legal guidance which applies to government departments and agencies who have acquired land by compulsory purchase or under threat of compulsion. Where the land becomes surplus and is to be sold the general rule (subject to exceptions) is that the property must first be offered for sale to the former owners at its current market value.

Cross default

A default by a party to an agreement or deed which is triggered automatically where that party is in default under another agreement or obligation. For example, a loan agreement to a developer may contain a cross default clause which provides that the developer will be in default if it fails to comply with other contractual or debt obligations.

Crown Estate

A property business owned by the Crown and managed by an independent organisation headed by the Crown Estate Commissioners. The business comprises a diverse portfolio of property assets across the UK including investment buildings, agricultural land, forestry, coastal shoreline and seabed.

CSH

[See code for sustainable homes.](#)

Curtilage

The open space (including parking areas and gardens) which surrounds a building but is within the boundaries of the same property.

CVA

[See company voluntary agreement.](#)

D

D&B

[An acronym for a design and build contract.](#)

DCMS

Government department (Department for Digital Culture Media and Sport) responsible for promoting and protecting cultural and architectural heritage. Supported by various executive agencies, including Historic England, the Secretary of State for Digital Culture Media and Sport is responsible for determining whether buildings become listed buildings.

DCO

[See development consent order.](#)

Debenture

Generally this will be a deed which creates charges over all or substantially all of a company's assets in favour of a creditor as security for a loan. This will normally include a fixed charge over the company's properties and a floating charge over its other assets and business.

DEC

[See display energy certificate.](#)

DECC

Formerly the Government department (Department of Energy and Climate Change), responsible for ensuring that the UK has secure, clean and affordable energy supplies and to promote international action to mitigate climate change. The department was disbanded in 2016 and merged with BEIS.

Dedication

The agreement by a landowner to provide land to create a public right of way as a highway. [See section 38 agreement.](#)

Deed

A contract or legal document which complies with specific formal requirements in the way that it is written, signed and completed. A deed has two advantages over a simple agreement namely (a) unlike an ordinary agreement, a deed is enforceable even where nothing of value (e.g. money) is given in return for the obligations contained in it and (b) deeds will generally have an extended limitation period for claims of 12 years from the accrual of the cause of action (ordinary agreements have a limitation period of six years).

Deed of priorities

A deed by which two or more creditors of the same debtor agree between them the order of priority in which their security documents will rank and the rights they will each have in relation to recovery of the debts owed to them.

Default interest

Interest payable under an agreement or deed where one party fails to pay money which has become due. Default interest is generally set at a higher rate than would normally be due in the ordinary course of the transaction but should represent a genuine pre-estimate of loss for breach of the agreement. If the figure is excessive it may be deemed to be a penalty and unenforceable.

Defective Premises Act 1972

An act imposing duties on those building and designing new dwellings, including flats and common parts. The Act has recently been widened by the Building Safety Act 2022 to also include those taking

Defective title insurance

An insurance policy which may be taken out by an owner or buyer of property to provide cover against third party claims for compensation or damages arising from a defect in title to the land. Defective title is a generic term which may cover adverse possession, lost title deeds and the loss the owner or buyer may incur due to other third party rights being claimed over the property.

Defects liability period

The period stated in a building contract that starts to run from practical completion. During this period the contractor is obliged to remedy any defects that appear in the works after practical completion and which are notified to it. The contractor may be required to return to site to make good the defect at its own cost. Most building contracts will provide that any outstanding sums held by the employer as a retention will be released to the contractor at the end of the defects liability period once the certificate of making good defects has been issued.

DEFRA

Government department (Department for Environment Food and Rural Affairs) responsible for policy and regulation on environmental, food and rural issues. DEFRA sponsors a number of executive non-departmental public bodies including the Environment Agency and Natural England.

Deleterious materials

This can have a broad definition which, depending on the context, can cover materials which are a danger to human health, cause building defects or which are considered to be harmful to the environment. It is common practice in appointments of professional consultants and building contracts to set out lists of deleterious materials which are to be excluded from use in the building works. Sometimes referred to as prohibited materials.

Demarcation agreement

In relation to railway land, an agreement between Network Rail and an adjoining owner which deals with practical issues between the occupiers of adjacent sites including easements, restrictive covenants and responsibility for boundary structures. Commonly arises as part of the legal title of land formerly under Network Rail ownership where a demarcation agreement may have been required as part of the original terms of disposal.

Demised premises

The property (whether land or all or part of a building) which is let by a landlord to a tenant in a lease.

Department for Levelling Up Housing and Communities (DLUHC)

Department for Levelling Up Housing and Communities (DLUHC) is responsible for driving up housing supply, increasing home ownership, devolving powers and budgets to boost local growth in England and supporting strong communities with excellent public services. DLUHC is responsible for a number of government agencies including the Planning Inspectorate and Homes England.

Derelict

Abandoned land or property where the legal land use right is not being exercised.

Design and build contract

A form of building contract where the main contractor employed under the contract takes responsibility for the design of a development project as well as its construction. The design and build contract will incorporate both the employer's requirements for the development and the contractor's proposals for the design.

Developer's fit out

[See category A fit out.](#)

Development

Development is defined under the Town and Country Planning Act 1990 as the carrying out of building, engineering, mining or other operations in, on, over or under land or the making of any material change in the use of any buildings or land. Generally, a specific planning permission is required for development but there are exceptions for certain types of works ([see permitted development rights](#)) or for a specific area where there is a local development order or neighbourhood development order.

Development agreement

A contract between a landowner and a developer for the procurement and delivery of agreed building or engineering works, often to a defined specification. Where the landowner is a local, government or public authority this may constitute a public works contract which requires compliance with regulated procurement legislation.

Development consent order (DCO)

The document authorising construction and alterations to a nationally significant infrastructure project under the Planning Act 2008. A development consent order will combine the grant of planning permission with a range of other consents that in other cases would have to be applied for separately.

Development plan

For any area in England (except Greater London) the development plan comprises the development plan documents and policies which have been adopted or approved in relation to that area and any neighbourhood development plans which have been made. In Greater London, the London Plan (the spatial development strategy for Greater London) also forms part of the development plan. Planning applications will usually be determined in accordance with the development plan unless there are material considerations which allow for a departure.

DfT

Government department (Department for Transport) responsible for transport including dealing with Government's long term strategy for railways.

Digital Economy Act 2017 (DEA 2017)

The new Electronic Communications Code and Communications Act 2003. A wide-ranging piece of legislation. Most importantly in relation to property, the legislation inserts the new Electronic Communications Act into Schedule 3A Pt 1 of the Communications Act.

Disposition

Transfer of an interest in property. This is wider than just the transfer of (e.g.) the freehold of the property and can include (non-exhaustively) the grant of a lease, an easement, or a legal charge.

Dilapidations

Items of disrepair or damage in a building. Commonly used in connection with repairing obligations in a lease. [See also schedule of dilapidations.](#)

Display energy certificate (DEC)

A certificate on the energy rating and performance of a building which is required to be displayed in buildings with a usable floor area of over 250 square metres occupied by public authorities and frequently visited by the public. Typically this includes government buildings, schools, hospitals, libraries, leisure centres and museums.

Distress for rent

The ancient common law right for a landlord under a lease to recover unpaid rent by the seizure and sale of the tenant's goods at the premises. This was abolished in April 2014 when commercial rent arrears recovery came into force.

Dominant tenement

Land which has the benefit of an easement over other land (the servient tenement).

Due diligence

The title investigations, pre-contract enquiries, local and other searches which will usually be undertaken by solicitors on behalf of a buyer, tenant, or lender before proceeding with the transaction.

Duty of care deed

[See collateral warranty.](#)

E

Easement

A right of use over land for the benefit of another property in separate ownership. Easements can include rights of way, rights of light and rights to use and maintain service media for the passage of electricity, water, gas and other utilities. Once a property has the benefit of an easement the transfer of that property will include the benefit of the rights granted. Compare this with wayleave.

EIA

[See environmental impact assessment.](#)

Electronic Communications Code

The Electronic Communications Code (the new code) came into force on 28 December 2017 and replaced the previous Electronic Communications Code set out in Schedule 2 to the Telecommunications Act 1984 (as amended by the Communications Act 2003) (CA 2003) (the previous code). It is governed by and set out in Sections 106 -119 of the CA 2003 and the CA 2003, Sch 3A Pt 1, inserted by Section 4 and Schedule 1 the Digital Economy Act 2017. The new code (and previous code) allows licensed operators to build and install telecoms equipment on roads and private land and to acquire rights over land either with agreement with the landowner or by applying to the court. There are transitional provisions in relation to subsisting agreements under the previous code.

Employer

The person (also known as the client) who procures a building project.

Employer's agent

A professional consultant who manages the building contract. As the employer's representative, the employer's agent carries out certifying and decision making functions and can give instructions in relation to the works.

Employer's requirements

The requirements of an employer (or client) for building works to be procured through a design and build contract. When a contractor submits a tender for the contract it will be expected to comply with the employer's requirements. Both the employer's requirements and the proposals for the design made by the successful bidder (contractor's proposals) will form part of the contract documents in the design and build contract.

Encumbrances

A general term which is often used to describe a wide range of third party rights, easements, claims and interests which may affect land and the ability of the owner of that land to use, develop or deal with it.

Energy performance certificate (EPC)

A certificate on the energy performance of a building issued by an accredited energy assessor. Buildings are rated on energy efficiency on a scale of A to G (with A being a very energy efficient property and G being the lowest rating). EPCs must be provided by the seller or landlord to prospective buyers and tenants for most commercial and residential buildings where the building is constructed, sold or leased together with a recommendation report with suggestions for improving its energy performance. [See MEES Regulations.](#)

Enforcement notice

A statutory notice given by a local planning authority which requires the unauthorised use of the land to stop or any buildings or structures erected without planning permission to be removed. Failure by the recipient of the enforcement notice to comply with it is a criminal offence. In addition, the local planning authority has power to enter the land to carry out the requirements of the notice. Where the conditions of a planning permission are being disregarded the authority can serve a breach of condition notice.

Engineering works contract

A contract between an employer and a contractor for the carrying out of engineering works, including new infrastructure. There are a number of standard forms including model forms issued by the ICE and other professional bodies.

English Heritage

Previously, the body responsible for the role now undertaken by Historic England, but in 2015 English Heritage as it was then was split into two bodies. That which retained the name English Heritage takes the form of an independent charity which looks after the national heritage collection. The second body is Historic England.

Engrossment

The final version of an agreement or deed that is ready for signature.

Enterprise zone

An area designated by Government with specific benefits to support new and expanding businesses including simplified planning procedures for development. To encourage economic growth enterprise zones provide business rate relief and for some sites enhanced capital allowances for businesses in the area.

Environment Agency

Government agency operating under DEFRA responsible for protecting and improving the environment and promoting sustainable development. Its role includes protecting the environment against risk of flood and pollution and issuing environmental permits.

Environmental impact assessment (EIA)

A consent issued under the Environmental Permitting (England and Wales) Regulations which authorises the carrying out of operations on land which are regulated to protect the environment and human health. This covers a wide range of regulated activities including waste operation facilities, water discharge, groundwater activity, waste incineration and solvent emission.

Environmental permit

A consent issued under the Environmental Permitting (England and Wales) Regulations which authorises the carrying out of operations on land which are regulated to protect the environment and human health. This covers a wide range of regulated activities including waste operation facilities, water discharge, groundwater activity, waste incineration and solvent emission.

EPC

[See energy performance certificate.](#)

EPC contract

A type of contract often seen in the energy sector for the Engineering, Procurement and Construction of a project.

Escrow account

A bank account which is opened by the parties to an agreement to hold purchase monies or other sums until certain conditions are met, for example the completion of building works. An escrow account will generally be held by an independent party, for example in a solicitors' account or by a bank acting as an escrow agent.

Event of default

A specified event or circumstance (for example, failure to make a payment which is due or insolvency) that entitles one party to an agreement to take action to enforce or determine that agreement. Event of default clauses will be included in legal charges, building contracts and most development agreements.

Exchange of contracts

The stage in a property transaction where the contract is legally binding on the parties. Before exchange either the buyer or seller will usually be able to withdraw from the deal.

Excluded tenancy

A lease of business premises where the parties have agreed on contracting out of the Landlord and Tenant Act 1954 so the tenant will not have security of tenure.

Exclusivity agreement

An exclusivity or lock out agreement is a contractual arrangement by which a seller agrees with a prospective buyer to negotiate solely with that one buyer for an agreed period. This will be used to provide the buyer with some protection against another party trying to outbid it during contract negotiations.

An extension to the date for completing the works (EOT).

Extension of time

F

Farm business tenancy (FBT)

A tenancy of agricultural land granted after 1 September 1995 under the Agricultural Tenancies Act 1995. To be a farm business tenancy the land must be farmed throughout the term and the parties will usually exchange notices confirming it as a FBT.

Fee simple

The freehold interest in land.

Find a Tender

The new UK e-notification service where contracting authorities are required to publish notices relating to regulated procurements which were commenced or concluded after 23:00 on 31 December 2020.

Find a Tender Notice

The form of notice that contracting authorities must issue on Find a Tender to advertise a contracting authority's intention to let a contract in accordance with regulated procurement.

Fixed charge

A charge over fixed assets of a company, for example a property, where the chargee has effective control over any disposal of that asset by the chargor. A fixed charge will rank ahead of any floating charge in the order of repayment in the event that the chargor becomes insolvent.

Fixed charge receiver

[See LPA receiver.](#)

Fixtures and fittings

Fixtures are items which are fixed or annexed to a building and which cannot easily or readily be moved, for example partitioning, central heating systems, lighting, air conditioning, built in cupboards and plugs and sockets. They can be distinguished from fittings (chattels), which are more easily removed.

Floating charge

A charge over the assets of a chargor as security for its borrowings. This generally creates a charge over all the assets owned by the chargor from time to time including property and stock in trade. Unlike the terms of a fixed charge, a floating charge will allow the chargor to buy and sell the charged assets as part of its business without reference to the chargee as the owner of the floating charge unless there is a default under the charge. The floating charge will crystallise in the event of the chargor's insolvency or other default and will then be converted into a fixed charge over the assets.

Flying freehold

A freehold interest in property which overhangs another freehold interest owned by another party. Examples of a flying freehold include where a first floor room overhangs a shared passageway or a balcony

or a contract term which enables one or both parties to cancel the contract or suspend performance for reasons which are beyond the parties' control which a

Force majeure

Forfeiture

A right reserved in a lease which allows the landlord to end the lease on the occurrence of certain events, for example non-payment of rent, breach of covenant or tenant insolvency. A landlord can only exercise forfeiture rights if the lease expressly provides for this.

Forward sale agreement

This term is generally used to describe a contract for the sale of a property entered into prior to its refurbishment or development where the sale and transfer of the land will not be completed until after practical completion of the works. There are a wide number of variations to the structure and terms of these agreements, for example some arrangements include provision for the buyer to provide advance funding for the project. For investment properties there will normally be provisions dealing with the negotiation of pre-lets.

Fracking

A colloquial term for hydraulic fracturing. This is the process used to extract and develop reserves of shale gas through enlarging or creating fractures in the shale rock by injecting water and other fluids at high pressure to enable the gas to flow.

Freehold

An interest in land and buildings which is generally regarded as outright ownership of the property. Contrast with leasehold.

FRI lease

A full repairing and insuring lease, where the tenant is required to pay for all running costs of a property including repairs, maintenance and insurance.

Full title guarantee

An expression which is used in a transfer or other disposal of land to imply certain covenants for title given by the seller in favour of the buyer. These include an implied covenant that the seller has power to make the disposal and that this will be free of any charges or other encumbrances except those disclosed and any which the seller does not know and could not reasonably be expected to know about. On the sale of a lease with full title guarantee there will be an implied covenant that the lease is subsisting and that the seller has complied with its terms. Compare with limited title guarantee.

Funder's step-in deed

A legal agreement between a developer of land and its bank or other funder which includes step-in rights for the bank or funder.

G

Gateway regime

This is a shorthand reference to the three gateways that form part of the planning and building regulation phases of work to higher-risk buildings in England.

Gazumping

The situation where a seller who has already accepted one buyer's offer for the sale of a property decides to accept a higher offer from another buyer.

Gazundering

The situation where a buyer who has made an offer to purchase a property at an agreed price decides to lower his offer, often just before contracts are due to be exchanged.

General Data Protection Regulation (GDPR)

Updated data protection regime governing the use of individuals' data by businesses.

General partner

A partner in a limited partnership who does not have limited liability and who will be responsible for all the liabilities of the business. The general partner (or partners) will have responsibility for the management and day to day operation of the business. Investors will sometimes form a special purpose vehicle to act as a general partner in order to manage risk.

General vesting declaration (GVD)

A legal procedure used as part of the compulsory purchase of land. Once a CPO has been confirmed the acquiring authority can make a general vesting declaration to obtain ownership and possession of the land.

GIA

[See gross internal area.](#)

Golden brick

A tax scheme by which a developer selling land for social housing to a registered provider structures the transaction as a sale of a partly completed building to minimise the VAT which would otherwise be payable by the buyer. Generally, if VAT is charged on the sale without use of the golden brick scheme a registered

Golden thread

A requirement in the Higher-Risk Building Regulation to store specified project documents in the required electronic format during the course of the works to higher-risk buildings.

Good leasehold title

A registered title of leasehold land where the superior title of the landlord from which the lease of that land has been granted is not registered and has not been provided to the Land Registry. With good leasehold title the Land Registry does not guarantee the title to the landlord's interest in the property, which means that the validity of the lease could be open to challenge. In addition, the land may be subject to restrictive covenants or other encumbrances which could affect the use of the property. A good leasehold title can be upgraded to an absolute title where details of the landlord's title are provided to the Land Registry or when the landlord's title becomes registered.

GPDO 2015

The Town and Country Planning (General Permitted Development) (England) Order 2015, which for England only replaced the Town and Country Planning (General Permitted Development) Order 1995 (which still has application in Wales). It provides that planning permission is deemed to be granted for the types of development set out in the Order. [See permitted development rights.](#)

Grace period

A provision in an agreement, deed or loan which allows an extra period past the original deadline for payment of a debt or performance of a legal obligation. Generally, this will provide that where the obligation is satisfied before the end of the grace period the late performance of that obligation will not be treated as a material default.

Grampian condition

A condition in a planning permission that prevents the developer of land from commencing the development until a specific event occurs, for example the completion of certain infrastructure.

Green belt land

An area of land outside main towns or cities that is reserved for open space and where development is restricted.

Green lease

A lease of a commercial or public building which contains specific clauses designed to meet agreed objectives on environmental sustainability. Typically, this may contain obligations on the lessor or the lessee on energy, water and waste management efficiency in relation to the occupation and management of the building.

Greenfield site

Land which has not previously been developed and occupied for an industrial or commercial purpose. Contrast this with brownfield site.

Gross external area (GEA)

The total area of a building when measured around the exterior of the perimeter walls.

Gross internal area (GIA)

The total area within the perimeter walls of a building including the space occupied by toilets, staircases and solid walls. Often used as the standard measurement of industrial buildings. Compare with net internal area.

Ground lease

A long lease of property at a ground rent where the lease usually has a capital value. Also known as a long lease or a very long lease.

Ground rent

Rent payable under a lease of premises which is significantly lower than the rack rent for those premises, for example where the property has been purchased on a long lease on payment of a premium.

Guarantee

An agreement by which one person (the guarantor) promises to another (the beneficiary) that it will ensure that a third party fulfils certain obligations to the beneficiary. Most guarantees will include an obligation on the guarantor to actually perform those obligations if the third party fails to do so. In order to be valid a guarantee must be in writing and signed by the guarantor, and most will be executed by deed. A guarantee is distinct from an indemnity but guarantee documents often include an indemnity so the beneficiary can have the benefit of both.

H

Habendum clause

A provision in a deed or lease which describes the estate or interest granted.

Habitats Regulations

The Conservation of Habitats and Species Regulations 2017 consolidated and updated the Conservation of Habitats and Species Regulations 2010 which had implemented the Habitats Directive on the conservation of natural habitats and of wild fauna and flora into national legislation. The regulations protect certain species by creating criminal offences for the killing, disturbing, taking or destroying the eggs of such species. Wildlife licences can be issued under the Habitats Regulations which permit otherwise illegal activities, for example to enable a development project to be carried out.

Harbour works

Works to construct a harbour or to modify an existing harbour. A harbour works licence or order and an environmental impact assessment may be required.

Hazardous Substances Consent (HSC)

Where the owner of a site stores hazardous substances above certain minimum thresholds, this will require a hazardous substances consent before this is permitted. If a HSC is issued for a site the relevant local planning authority is required to consult the Health and Safety Executive on any further planning applications within set consultation distances.

HCA

[See Homes and Communities Agency.](#)

Headlease

A lease of land or buildings where the tenant has granted an underlease.

Headline rent

The rent which is apparently being paid under a lease but which does not necessarily reflect any rent free period, concessionary rent or other inducement allowed to the tenant.

Heads of terms

Heads of terms (sometimes referred to as a memorandum of understanding) set out the terms agreed in principle on a commercial transaction before the fine details are negotiated and agreed in legal documents. Typically used at the start of a transaction before the drafting of detailed legal documents, they are usually not legally binding.

Health and Safety Executive (HSE)

Government non-departmental public body which acts as an independent regulator for work related health and safety and illness. Reporting to the Department for Work and Pensions, the HSE has an important role as a regulator across many sectors; for example on onshore oil and gas projects it will monitor the safety of drilling including the integrity and design of boreholes. HSE is also named as the new Building Safety Regulator for higher risk buildings in England, under the Building Safety Act.

Help to buy

Government backed scheme aimed at providing financial support for buyers to purchase a residential property as their home worth up to £600,000. The scheme includes provision for Help to Buy equity loans for qualifying purchasers of new build homes or mortgage guarantees.

Higher-risk building

In England, higher-risk buildings are generally buildings which are at least 18m in height or have at least 7 storeys and contain at least two residential units (or, for the design and construction phase, are a care home or hospital). Higher-risk buildings are subject to a more stringent regime both during the design and construction phase and the in-occupation phase.

Heritable fixture

An item attached to land or a building which is immovable and thus forms part of the land or property as a result.

Highway

A road over which members of the public can pass and repass. An adopted highway means a highway maintainable at public expense.

Highway agreement

[See section 38 agreement](#) and [section 278 agreement](#).

Historic England

The public body that is responsible for the preservation of the historic and built environment. Responsible to DCMS it acts as the Government's lead advisor on the historic environment including advising on registration of listed buildings with a statutory role in the planning system.

HMRC

HM Revenue and Customs.

Homes and Communities Agency (HCA)

Predecessor body of Homes England. [See Homes England](#).

Homes England

The national housing and regeneration agency for England (formerly the Homes and Communities Agency). It is the regulator of social housing providers and works with local partners to create new affordable houses and thriving neighbourhoods. Homes England is an executive non-departmental public body sponsored by MHCLG.

HOTs

See head of terms.

HSC

See hazardous substances consent.

HSE

See Health and Safety Executive.

ICE

See Institution of Civil Engineers.

Indemnity

An agreement by which one person agrees to accept the obligation to pay for any costs, losses or damage that have been or might be incurred by another person. Unlike a guarantee there is no specific requirement for an indemnity to be in writing to be effective but in practice this will usually be by deed and should clearly specify the liabilities which are being assumed by the person giving the indemnity.

Indexed rent review

A form of rent review under a lease whereby the rent is reviewed on fixed dates in line with increases in an agreed index, for example CPI or RPI.

Individual voluntary arrangement (IVA)

An agreement between an individual debtor and his creditors by which the individual undertakes to make regular repayments of the debt over a specific period to an insolvency practitioner who will distribute the money between creditors. Creditors who are owed at least 75% of the debt must agree the terms of the IVA for it to be approved. An IVA can be an alternative to bankruptcy but it is also possible to propose this after an individual has been declared bankrupt.

Infrastructure

A general term which is used to describe roads, bridges, cables, pipelines, drains and other services which serve the use and development of land.

Inherent defect

See latent defect.

Insolvency practitioner

An individual who is licensed and authorised under the Insolvency Act 1986 to act in relation to the affairs of an insolvent individual, partnership or company.

Insolvency Service

Government Agency operating under the Department of Business, Innovation and Skills which deals with compulsory liquidation of companies and bankruptcy of individuals. The Insolvency Service has wide ranging powers of investigation and enforcement into both corporate and personal insolvencies and to carry out functions as Official Receiver.

Institution of Civil Engineers (ICE)

An independent professional body for civil engineers. The ICE has a role in education and professional training and has developed model forms of engineering works contracts.

Institutional lease

A lease that is in a form which is acceptable to major institutions as a property investment. There is no universally accepted form of institutional lease but this will usually be an FRI lease with upwards only rent reviews where the tenant is responsible for all repair and insurance costs either directly or through service charges.

Intercreditor deed

This is similar to a deed of priorities in that it will set out the order of priority in which the security documents of different creditors of a company will rank. An intercreditor deed is often more complex and will include provisions which regulate both debt and equity providers and their right to enforce payments which may become due from the company.

Internal Drainage Board (IDB)

A local public authority which operates where there are special drainage needs for its geographical area and whose role includes managing water levels and carrying out works to reduce flood risk. There are currently 112 IDBs established in England.

Introductory tenancy

A lease of a council house or flat granted on a probationary basis by a local housing authority for the purpose of providing a home for the tenant. Normally, an introductory tenancy will be granted for a trial period of one year and will allow the landlord to recover possession from a problem tenant more easily than if the tenant was immediately granted a secure tenancy.

Inventory

A detailed list of the furnishings and contents of a leased property agreed between the landlord and tenant before grant of the lease. The inventory list will usually describe the condition of the contents and be used to identify any dilapidations at the end of the lease.

Investment Property Databank (IPD)

A business which provides independent market data spreadsheets, indexes and other information on the investment performance of commercial property in real estate markets across the world. IPD publishes investment indexes for the UK on a monthly, quarterly and annual basis which are widely used by property investors.

Investment Property Forum (IPF)

A trade organisation which represents the interests of those involved in UK property investment whose members include investment agents, fund managers, bankers and other property professionals. IPF's activities include undertaking research, providing education and an effective forum for discussion on key issues to property investment.

Investment yield

The yearly return on investment from rental income on a property expressed as a percentage of the capital cost invested in that property including the purchase price.

IPD

[See Investment Property Databank.](#)

IPF

[See Investment Property Forum.](#)

Islamic finance

A system of financing transactions based on Islamic or Shariah law. Payment of certain types of interest charges on loans is not permitted under Islamic law so transactions are structured with the borrower repaying the original amount owed to the lender together with an additional amount by way of a pre-agreed share of profit or gratuity.

IVA

[See individual voluntary arrangement.](#)

J

Japanese knotweed

An invasive plant species that, if left untreated, can cause serious structural damage to buildings. Planning permission to develop land infested by knotweed is likely to be refused without a clear programme for removal. Classed as a controlled waste under the Environmental Protection Act, if removed from a site Japanese knotweed must be safely disposed of in a licensed landfill site.

JCT

[See Joint Contracts Tribunal.](#)

JCT contract

Standard form conditions of contract for building contract produced by the Joint Contracts Tribunal. The conditions of contract are often amended to meet the specific requirements of the development.

Joint Contracts Tribunal (JCT)

Joint Contracts Tribunal Ltd, an industry body which produces standard forms of building contract, subcontracts and other standard documents for use in the construction industry. JCT was originally formed in 1931 as a trade association between industry bodies including contractors, developers and consultants.

Joint tenants

Joint owners of property in undefined shares. If land is held by more than one owner as joint tenants and one of them dies his share in the land will automatically vest in the surviving joint tenant(s) rather than in accordance with the requirements of any will. Contrast this with tenants in common.

Joint venture

A broad term commonly used to describe any arrangement or project where landowners, investors and/or developers share risk and reward on a specific venture, transaction or building works. The documents should set out the agreed objectives and the rights and responsibilities of the parties. Joint ventures can be structured in a variety of ways from a simple agreement to more complex structures, including establishing an SPV, LLP or limited partnership.

Judicial review

A legal procedure by which a court can review the lawfulness of a decision or action by a government, local or public body, for example the grant of planning permission or the making of a development consent order. Where an application is made to the court for judicial review this will not involve a re-run of the merits of the decision but a review of whether the decision was lawfully made.



LABV

See [local asset backed vehicle](#).

LADS

See [liquidated and ascertained damages](#).

Landlord

A person who grants a lease. A landlord must be the owner of freehold or leasehold land to create a leasehold estate.

Land Registry

The Government agency responsible for the registration of land in England and Wales, including registration of transfers, leases and charges of registered land.

Land Registry notice

An entry in the registers of a registered title of land recording a third party interest or encumbrance which affects that land. Notices can be registered by a third party against the registered title with agreement or consent of the owner of the land (agreed notice) or without any such agreement or consent (unilateral notice). Registration of a notice will not of itself guarantee that an interest is valid but should prevent that interest from being postponed on the subsequent registration of a transfer of that land.

Land remediation relief (LRR)

A tax relief which a landowner can claim against corporation tax for cleaning up land or buildings in a contaminated state. LRR provides a reduction of 100% against corporation tax plus an additional 50% for qualifying expenditure incurred by companies cleaning up land acquired from a third party in a contaminated state.

Latent defect

A defect in the design, materials and/or workmanship of construction works which appears after practical completion and was not apparent on inspection of the property during the course of the works.

Latent defects insurance

An insurance policy which may be taken out by an owner or developer of new build property to provide cover in the event of a latent defect in the design, workmanship or materials that emerges after practical completion of the development. The policy may be in place for up to 12 years from practical completion and will generally be designed to provide cover to pay for the reinstatement cost of any repairs needed to make good damage arising from the latent defect.

Lawful development certificate

[See certificate of lawful existing use or development](#) and certificate of lawful proposed use or development.

Lawful development certificate (listed buildings)

A certificate of lawfulness of proposed works provides formal confirmation that a proposed alteration or extension to a listed building does not require listed building consent because it will not affect its character as a building of special architectural or historic interest. The procedure for obtaining a certificate is set out at Section 26H of the Planning (Listed Buildings and Conservation Areas) Act 1990. A certificate cannot be obtained retrospectively.

LDF

[See local development framework.](#)

LDO

[See local development order.](#)

Lease

An agreement by which one person (the lessor) grants another (the lessee) the right to use and occupy a property for a fixed period (the term), usually in return for payment of a rent.

Lease enlargement

A statutory right for a tenant with a lease of a property for 300 years or more at a nominal rent with no monetary value to enlarge the lease into a freehold interest in the property. The rights arise under section 153 of the Law of Property Act 1925. Although the consent of the original freeholder is not required certain criteria must be satisfied for the right to apply, including the lease having at least 200 years left to run and not containing a right of forfeiture for the landlord.

Lease extension

Statutory rights for the qualifying tenant with a long lease (exceeding 21 years) of a flat or a house to purchase a new lease in the property. Unlike the position with collective enfranchisement these rights can be exercised by a qualifying tenant individually. There are different rules and procedures for flats and houses. As with collective enfranchisement a number of criteria must be met in order for the tenant to exercise the rights and certain properties are excluded.

Leasehold

An interest in land or buildings under a lease where the holder of the lease (the lessee) will have a right to use and occupy the property but where the land or buildings will revert to the owner on expiry or termination of the term of the lease.

LEP

[See local enterprise partnership.](#)

Legal charge

[See fixed charge.](#)

Lessee

The tenant who holds the benefit of a lease and the right to occupy the land during the term.

Lessor

The landlord under a lease. The lessor will usually have the right to all rents payable by the tenant under the lease.

Letter of intent

An interim contract used for part of the building works before the formal building contract has been agreed or executed.

Licence to assign

Consent given by a landlord to a tenant authorising an assignment of a lease. This will generally be required where the lease prohibits assignments without first obtaining landlord's consent. A licence to assign will usually be by deed and may contain covenants regulating the terms of the assignment.

Licence to underlet

Consent given by a landlord to a tenant authorising the grant of an underlease of land or a building. As with a licence to assign this will generally be required where the lease of the property prohibits underletting without the landlord's prior consent. A licence to underlet will usually be by deed and contain covenants by the tenant restricting the terms of the underletting.

Lift and shift

A clause in a deed granting easements over land which provides for service media to be relocated where its original location obstructs building or development works. Most lift and shift clauses will specify who pays for the relocation costs and what the requirements are for the landowner providing an alternative route for the relocated service media.

Limited liability partnership (LLP)

A form of partnership created under the Limited Liability Partnerships Act 2000. An LLP is a separate legal entity from its partners (known as members). Unlike a traditional partnership, where all the partners are responsible for the partnership liabilities, the individual members of an LLP will have limited liability.

Limited title guarantee

An expression which is used in a transfer or other disposal of land to imply certain covenants for title by the seller in favour of the buyer. These include a covenant that the seller is entitled to dispose of the property and that since the last disposal he has not created any new charges or other encumbrances. Similar to full title guarantee but with more limited provisions.

Limited partner

A partner in the business of a limited partnership who has limited liability. A limited partner will not be able to actively participate in the day to day management or running of the business if he is to retain the limited liability status.

Limited partnership

A business partnership which allows for a partner (known as a limited partner) to limit his personal liability to no more than the value of the investment he has in the partnership, provided the limited partner is not actively involved in the general management and running of the business. All limited partnerships are required to have at least one partner (known as a general partner) who has management responsibility and full responsibility for partnership liabilities. A limited partnership will often constitute a collective investment scheme.

Liquidated and ascertained damages (LADS)

A term commonly used in building contracts, liquidated and ascertained damages are fixed damages stated and agreed at the outset in the contract. LADS are usually an agreed amount (per day or week) which the contractor will become obliged to pay to the employer if completion of the works falls behind the contractual date for completion as adjusted by any extensions of time. LADS which are exorbitant or unconscionable will generally constitute a penalty and may not be enforced by the courts.

Liquidation

The process in which a company's trading stops and its assets are sold, with the proceeds being distributed to creditors or members of the company.

Liquidator

An insolvency practitioner who is appointed by the shareholders or by unsecured creditors or by a court order to manage the liquidation of a company.

Listed building

A building placed on a statutory list of buildings subject to special planning controls for its special architectural or historic interest. Buildings are listed in grades to reflect their significance (Grade I being the highest level of protection for buildings of exceptional interest, Grade II* covering important buildings of more than special interest and Grade II covering other buildings justifying preservation). Once a building is listed any internal or external works which could affect its special interest will require listed building consent.

Listed building consent

A consent required from the local planning authority in order to demolish a listed building or any part of it, or alter it in any way which would affect its character, internal or external.

Listed building consent order

The Secretary of State has power to make a national listed building consent order that automatically grants listed building consent for alterations or extensions specified in the order. A local planning authority can similarly make a local listed building consent order, permitting specified alterations or extensions to listed buildings in its area.

Listed building heritage partnership agreement

An agreement with a local planning authority granting listed building consent for the alteration or extension of a listed building and setting out any conditions attached to the consent. The procedure for making a heritage partnership agreement is set out at sections 26A-B of the Planning (Listed Buildings and Conservation Areas) Act 1990.

LLP

[See limited liability partnership.](#)

Loan to value (LTV)

A financial term used by lenders which refers to the ratio of a loan to the value of the property or assets which have been purchased. This is one of the main factors lenders will take into account in managing risk. A high LTV ratio will be seen as a greater risk to the lender.

Local asset backed vehicle (LABV)

A form of public and private partnership which provides for public bodies to use their assets (usually land or buildings) to attract long term investment from the private sector for redevelopment and regeneration projects.

Local development framework (LDF)

The overarching strategy for the development of a local planning authority's area comprising a suite of documents including a local development scheme, the Development plan, a statement of community involvement and supplementary planning documents.

Local development order (LDO)

A local development order is an order that a local planning authority can make in its area by which planning permission will be deemed to have been granted for certain types of development not already covered by the GPDO 2015. Intended to help reduce the time involved in the planning process for developers, local development orders have not been widely used by local planning authorities.

Local enterprise partnership (LEP)

Locally owned partnerships formed between local authorities and businesses to play a key role in determining economic and infrastructure priorities within their region and to promote economic growth, regeneration and job creation. Introduced by the Coalition Government to replace the regional development agencies.

Local planning authority (LPA)

The public authority empowered to carry out planning functions for a particular geographical area.

Lock out agreement

[See exclusivity agreement.](#)

LPA receiver

An LPA receiver (or fixed charge receiver) is a receiver appointed by the holder of a fixed charge over property.

LTV

[See loan to value.](#)

LRR

[See land remediation relief.](#)

LRHUDA

Leasehold Reform, Housing and Urban Development Act 1993 (as amended by the Housing Act 1996 and the Commonhold and Leasehold Reform Act 2002). [See collective enfranchisement.](#)

LTT

The Welsh equivalent of SDLT, introduced by the Land Transaction Tax and Anti-Avoidance of Devolved Taxes (Wales) Act 2017. A tax on transactions involving acquisitions of interests in land in Wales. [See Stamp Duty Land Tax.](#)

M

Market rent

The estimated amount of rent for which a property should be let on the date of valuation between a willing landlord and a willing tenant in an arm's length transaction after proper marketing and where the parties have acted knowledgeably, prudently and without being compelled to sign the lease. See the detailed guidance and definition contained in the [Red Book](#).

Market value

The estimated amount of the price for which a property should be purchased on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties have acted knowledgeably, prudently and without being compelled to enter into the sale. See the detailed guidance and definition contained in the [Red Book](#).

Material change of use

A change in use of buildings or land will constitute development within the meaning of section 55 of the Town and Country Planning Act 1990 if it is material. There is no statutory definition of material change of use but it is linked to the significance of the change and the resulting impact on the use of land and buildings. A change from one use to another within the same use class under the Use Classes Order is not material. Generally, a material change of use will require a specific planning permission but there are exceptions to this ([see permitted development rights](#)).

Memorandum of understanding

[See heads of terms.](#)

MEES regulations

Regulations enforcing a minimum energy efficiency standard (MEES) to be met before certain properties in England and Wales can be let. Since 1 April 2018, landlords have been prevented from renewing existing leases or granting new tenancies if a building has an EPC rating of F or lower. From 1 April 2023, landlords must not continue to let any buildings which have an EPC rating of F or lower. [See Energy Performance Certificate.](#)

Monitoring surveyor

This will commonly be a professional consultant appointed by a landlord, funder or investor in relation to building works who will monitor and report on progress of the works and generally provide advice in order to protect the investment.

Mortgage

A legal agreement which transfers ownership of a property from its owner (the mortgagor) to a mortgagee as security for a loan. If the mortgagor defaults on the loan the mortgagee will become entitled to appoint a receiver to manage the property or to take action for the sale of the property. All mortgages include a right for the mortgagor to recover ownership of the property and to cancel the mortgage on repayment of the loan. Typically, a mortgage is used as a security by homeowners to finance the purchase of a residential property but mortgages can be granted over any land, property or other assets. [See chattel mortgage.](#)

Mortgagee

The person who has the benefit of a mortgage over property, for example a bank or building society providing a secured loan.

Mortgagee in possession

A mortgagee who takes possession of the mortgaged land whether by peaceably taking physical possession or as a result of possession proceedings in the courts. Becoming a mortgagee in possession can involve the mortgagee incurring a number of onerous legal obligations, so banks and other institutional lenders rarely use this approach when enforcing their security.

Mortgagor

The person who grants a mortgage over its property in favour of another (the mortgagee).

Municipal solid waste

Regular rubbish and garbage from non-industrial sources such as residential properties, schools, office and retail premises. Typically this can include paper, packaging, food scraps and grass clippings.

Mutatis mutandis

A Latin term commonly used in commercial contracts, transfers and deeds meaning "the necessary changes having been made".

N

National House Building Council (NHBC)

An independent non-profit distributing company which works with the house building industry with the objective of setting and improving construction standards on new homes. NHBC is the largest provider of warranties for new homes.

National planning policy framework (NPPF)

Policy document first published in March 2012, but since subject to amendments most significantly a revised edition in 2018, which sets out the Government's planning policies for development in England. The intention of the NPPF was to provide framework guidance for local planning authorities both in preparing plans and decision making on planning applications. The NPPF replaced the majority of the Government's planning circulars, planning policy guidance, and planning policy statements.

National planning policy guidance

Website: <http://planningguidance.planningportal.gov.uk/> which is the source for national planning policy guidance. DCLG manages and updates the guidance as an online resource.

Nationally significant infrastructure project (NSIP)

A type of project in energy, transport, water or waste above certain size thresholds set out in the Planning Act 2008. Where a project constitutes a nationally significant infrastructure project, the developer will need to apply for a development consent order rather than usual planning permission.

Natural England

An executive non-departmental public body (sponsored by DEFRA) which works as the Government's advisor on the natural environment. Natural England's role is to ensure sustainable maintenance and stewardship of the land and sea in England.

NDA

[See Nuclear Decommissioning Authority.](#)

NEC3 / NEC4

Suites of standard form contracts which are suitable for procuring a range of works. NEC4 is the latest edition published in June 2017, with amendments subsequently published in 2019, 2020 and 2023.

Neighbourhood development order (NDO)

An order akin to a local development order, but brought forward by a parish or town council, or a neighbourhood forum.

Neighbourhood forum

A community group designated under the Localism Act 2011 as a neighbourhood forum for a defined area (known as a neighbourhood area), and thus empowered to carry out various planning functions in that area, including establishing neighbourhood development orders or adopting a neighbourhood plan.

Neighbourhood plan

The Localism Act 2011 introduced a new tier of planning known as neighbourhood planning, which empowers parish or town councils (or neighbourhood forums where there is no parish or town council) to shape development in their area (the neighbourhood area) through measures such as neighbourhood development orders and neighbourhood plans. A neighbourhood plan sets out planning policies relevant to that particular area and must be taken into account when the local planning authority determines planning applications in that area. Any neighbourhood plan must be consistent with the development plan of the relevant local planning authority that sits above it.

Net asset value

The capital value of a property or asset less the value of its liabilities.

Net contribution clause

A term in the appointment of a professional consultant or a collateral warranty which aims to reduce their potential liability by reference to the liability of other professionals for the claim made. Typically, under a net contribution clause the liability would be limited to a fair and reasonable contribution based on the extent of a party's contribution towards the damage.

Net internal area (NIA)

The usable space within the perimeter walls of a building. Net internal area is the standard measurement used when quoting rents on office space and excludes areas such as toilets, staircases and space occupied by solid walls. The code of measuring practice contains detailed rules on measurement.

Net rental income

The rental income received from letting a property less any irrecoverable outgoings and expenses arising from the letting.

Network licence

In relation to Network Rail, this is the statutory licence which contains the conditions under which Network Rail is required to operate. The conditions include regulation of land disposals designed to protect land that may be required for the future development of the railway network. All land disposals by Network Rail require a specific consent from the ORR unless covered by a general consent.

Network Rail	Network Rail Infrastructure Limited, a 'not for dividend' limited company established by Government which is the monopoly of most of the railway network. Network Rail operates under a network licence regulated by the ORR.
New homes bonus	A grant paid by central government to local authorities to encourage the grant of planning permission for new homes in its area. The amount of the new homes bonus is based on the amount of extra council tax revenue raised for additional new built homes.
New Homes Ombudsman Service	An Ombudsman service to assist customers resolve issues with new homes provided by developers registered with the New Homes Quality Board.
New Homes Quality Code	Sets out the requirements which must be adopted and complied with by the developers who are registered with the New Homes Quality Board.
New Homes Quality Board	An independent body established for the purpose of developing a new framework to oversee reforms in the build quality of new homes and the service provided by developers.
NHBC	See National House Building Council.
NIA	See net internal area.
Nomination agreement	An agreement between a local housing authority and a registered provider which provides the housing authority with the right to nominate the new tenants for social rented homes within a specific development site.

Notice to treat

The formal notice to be given by an acquiring authority following confirmation of a compulsory purchase order (as an alternative to a general vesting declaration) requiring an owner to negotiate the sale of his interest in the land. This is usually followed by or combined with a notice of entry which allows the authority to take possession of the land, whether or not terms have been agreed with the owner.

Novation

A three-party contract which provides for the substitution of one original party to a contract with a new party. Upon substitution the obligations of the original outgoing party are discharged. Novation of a contract allows both the rights and obligations to be transferred to the incoming party but this can only occur with the consent of all the parties to the contract. Novation is different to assignment of the benefit of a contract, which only allows for the rights, or benefits of the contract (not the obligations) to be transferred to a third party.

NPPF

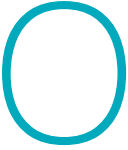
[See national planning policy framework.](#)

NSIP

[See nationally significant infrastructure project.](#)

Nuclear Decommissioning Authority (NDA)

An executive non-departmental public body which deals with the estate of civil nuclear sites and manages clean up and decommissioning of nuclear facilities. Reporting to BEIS, the role of the NDA includes maximising the value of its assets.



Occupational lease

A lease of property granted to a tenant who actually occupies that property without the tenant granting an underlease.

Ofcom

The statutory regulator for the UK communications industries including broadcasting and telecommunications. Ofcom maintains a register of licensed telecoms operators with powers under the Electronic Communications Code. Ofcom also prescribed the form of notices to be used under the key provisions of the Electronic Communications Code including termination of agreements and modification of equipment, and provides a Code of Practice for relevant parties involved with the provision of electronic communications, including operators and site providers.

Office of Rail & Road (ORR)

The UK's rail and road regulator which operates independently of central government. Its role is to regulate the rail industry's health and safety performance, to hold Network Rail and High Speed 1 to account and to make sure the rail industry is fair and competitive. It also monitors Highways England and has economic regulatory functions in relation to the UK section of the Channel Tunnel.

Office of Unconventional Gas and Oil (OUGO)

Government office within BEIS responsible for promoting the safe and environmentally sound development of the UK's unconventional petroleum gas and oil reserves, including shale gas and coal bed methane.

Official Receiver

An officer of the court and of the Insolvency Service appointed to manage the bankruptcy of an individual or the compulsory liquidation of a limited company where no insolvency practitioner has been appointed. The Official Receiver has various statutory functions which include investigating the reasons for an insolvency and the conduct of individuals and company directors. These functions are carried out in addition to the role carried out by an insolvency practitioner.

Oil and Gas Authority (OGA)

From 1 April 2015, The Oil and Gas Authority (OGA) became the entity responsible for petroleum licensing and regulation of the upstream oil and gas sector. The OGA is a fully independent regulator and a Government owned company with The Secretary of State for Business, Energy and Industrial Strategy as the sole shareholder.

OJEU

The Official Journal of the European Union. This is the EU publication in which certain tenders from the public sector that fell within regulated procurement had to be published prior to Brexit. Any notices regarding new or current regulated procurements have to be published on Find a Tender.

A notice (sometimes referred to as a contract notice) to the public advertising a contracting authority's intention to let a contract in accordance with regulated procurement.

OJEU notice

Publishing an OJEU notice was a legal requirement for contracts within regulated procurement prior to Brexit, however this requirement has largely been replaced by the requirements to publish a Find a Tender notice ([see Find a Tender notice](#)).

Option to tax

An election made by a seller of commercial property to charge the buyer VAT at the standard rate on the sale or other disposal of that property. Landowners often choose to opt to tax on property in order to recover VAT previously paid in relation to the costs of acquisition or development of land. Disposals of commercial property will usually be exempt supplies for VAT purposes if an option to tax is not made.

ORR

[See Office of Rail and Road.](#)

OUGO

[See Office of Unconventional Gas and Oil.](#)

Outline planning permission

A planning permission that approves the general aspects of the development of land but which cannot be implemented until the full details are approved via reserved matters.

Overage

A potential right reserved by a seller of land in the sale agreement or transfer for the seller to receive a further payment in addition to the agreed sale price for the property. Overage clauses are usually used to ensure that a seller shares in the uplift in the development or resale value of a property. Overage can become payable when specified trigger events occur, for example on grant or implementation of a planning permission or resale of the property.

Overreaching

A legal process whereby, on a sale of land held in a trust, the buyer who pays the purchase price to at least two trustees will acquire the property free from any beneficial interests under the trust. The interests of the beneficiaries under the trust will cease in respect of the land but will attach to the sale proceeds.

Overriding interests

Interests which affect registered land and which do not appear in the Land Registry's records for the title to that land but which nevertheless bind any person who acquires the property. Examples of overriding interests include short leases, certain rights of people in actual occupation of the property and unregistered legal easements.

P

Pari passu

A Latin term commonly used in commercial contracts and deeds meaning "ranking equally and without preference".

Party wall

A boundary structure which is constructed partly on land owned by one owner and partly on property owned by another. Each owner will have mutual rights of support in respect of the boundary wall. The Party Wall Act 1996 provides a comprehensive code for the conduct of works to party wall structures within the legislation.

Patent defect

A defect in the material and/or workmanship of construction works that is identified before practical completion is certified..

PEDL

[See petroleum exploration and development licence.](#)

Performance bond

A bond provided by a bank or an insurance company to guarantee completion of a project or works by a contractor. For example, a local highway authority may require a bond for completion of highway works as one of the terms of a section 38 agreement. A performance bond may be required in addition to or as an alternative to other security, such as a parent company guarantee.

Periodic tenancy

A tenancy whose term is framed by reference to a period of time: weekly, monthly, quarterly or yearly. The tenancy lasts from week to week, or month to month and so on until determined by a notice to quit given by either the landlord or the tenant.

Permission in principle

A form of consent introduced by the Housing and Planning Act 2016 which authorises the principle of development. Akin to an outline planning permission but significantly less detailed, permission in principle may be achieved either through the allocation of land in the development plan, inclusion in the brownfield register, or for smaller sites by application to the local planning authority. Development cannot take place until the local planning authority also grants technical details consent.

Permitted development rights

The right to carry out certain building works or changes of use without the need to obtain specific planning permission. The GPDO 2015 (for England) and the GPDO 1995 (for Wales) contains different classes of development which can be undertaken without the need to apply for planning permission. Some require however prior approval.

Petroleum exploration and development licence (PEDL)

A petroleum exploration and development licence granted by The Oil and Gas Authority to individual energy companies to explore and develop petroleum reserves in the UK. The Petroleum Act 1998 vested all petroleum, including oil and natural gas, in the Crown which provides for the grant of the licences.

PFI

[See Private finance Initiative.](#)

Planning appeal

A developer submitting an application for planning permission will have a right to appeal against refusal or non-determination of that application by the local planning authority. Appeals can be by written submission, informal hearing or by public inquiry. Decisions on planning appeals are made by the relevant Secretary of State acting through the Planning Inspectorate.

Planning contravention notice

A notice served by a local planning authority requesting information about the ownership and use of land where the authority is considering the service of an enforcement notice or a breach of condition notice. Failure to respond risks criminal penalties.

Planning Inspectorate

Government agency which operates under DCLG responsible for dealing with planning appeals, national infrastructure planning applications, and other town and country planning issues.

Planning obligation

[See section 106 agreement, unilateral undertaking.](#)

Planning permission

The consent required (along with building regulation consent) to authorise development of land to be carried out.

PLI

[See public local inquiry.](#)

Positive covenant

A covenant in a lease or transfer which obliges someone (usually the buyer or tenant) to carry out specified tasks, for example a covenant in a lease which obliges the tenant to carry out repairs. Contrast this with restrictive covenant.

Possessory title

A registered title of land where the owner's interest may be subject to third party interests which become known after registration. This class of title may be issued by the Land Registry where the applicant has lost the title deeds to the land or is claiming ownership of the land by adverse possession.

Power of attorney
(POA)

A deed by which a company or an individual (the donor) appoints an attorney to make decisions and sign documents on behalf of the donor.

Power to override
easements

Local authorities have a statutory power under section 203 of the Housing and Planning Act 2016 to override easements and other private rights over their land where such easements or rights would otherwise prevent the erection or construction of a building for which planning permission has been granted. To exercise the powers the local authority must own the land which is acquired or appropriated for planning purposes. Compensation may be payable to the holder of the easements or private rights, on the basis of diminution of value, where the statutory power is exercised. Also known as appropriation.

Practical completion

The point in time when the works are practically or substantially completed. This is usually the point when the works can be occupied by the employer. Practical completion marks the point when possession of the works transfers to the employer, the contractor's obligation to insure the works comes to an end and the licence to have exclusive occupation of the site ceases. [See certificate of practical completion.](#)

Pre-emption right

The holder of the pre-emption right has the opportunity to purchase the land at a fixed price or at market value before the owner places the property on the open market.

Pre-let

The early agreement for the letting of a building prior to its construction and completion, usually with an agreement for lease.

PLI

[See public local inquiry.](#)

Premium

Payment of a capital sum of money, for example on the purchase of land or the acquisition of a lease where the rent is significantly lower than the rack rent.

Prescription

A means of acquiring an easement or profit a prendre by long use. It is a mode of establishing an easement as opposed to creating one. Continuous use immediately before commencing proceedings may give rise to an easement, for which the period is twenty years or a profit a prendre, for which the period is 30 years. The use must not be enjoyed secretly, by force or with permission.

Prior approval

A short form approval process which must be gone through before some permitted development rights can be used. In such cases, an application must be made to the local planning authority to determine whether prior approval is required. If it is, it will be limited to those matters set out in the particular permitted development right, for example highways or contamination.

Private finance initiative (PFI)

A Government programme for public procurement whereby public works (hospitals, schools, social housing, highways etc.) required by a public authority were financed, constructed and run by private companies or consortia. Most PFI schemes are complex but involve the assets being leased to the public body over an extended period in return for a long term financial return. Private Finance (PF2) was the more recent model of PFI but in the 2018 Budget the Government announced it will no longer use PF2 although existing PFI and PF2 contracts will not end.

Professional consultants

General description of the professionals who will be appointed by an employer to provide services in relation to the design, project management and cost control of building or engineering works. This will include architects, civil engineers, project managers and quantity surveyors, as well as specialist structural engineers, mechanical and electrical engineers and environmental consultants.

Profit a prendre

A right for one person to take from land owned by another something that is part of the land or on the land. Examples include sporting rights, like shooting game and fishing, but profit a prendre rights can exist in relation to minerals, crops and animals. This is distinguishable from an easement, which provides a non-possessory interest in land; for example, a right of way.

Project manager

A professional consultant who manages the design and construction process of a development on behalf of the developer.

Promotion agreement

Agreement for use where a developer or land promoter agrees to apply for planning permission for a development on a landowner's property and market the property for sale on the open market once planning permission has been obtained. The promoter funds the planning and marketing costs initially. If planning permission is obtained, the property is sold. The promoter's costs are reimbursed to the promoter out of the gross sale receipts and the promoter receives a proportion of the net sale proceeds.

Property Enquiry Certificate (PEC)

A report by a search agency detailing planning and other policies affecting the property, whether an environmental healthy, housing or contaminated land notices have been served, as well as disclosing recent planning and building control documentation. It will also disclose the status (adopted or private) of the adjacent carriageway and footpath and whether there is an adopted water main and/or sewer adjacent to the property. It is usually obtained and exhibited by the sellers' or landlords' solicitors to purchasers' or tenants' solicitors.

Public local inquiry

The most formal procedure for hearing planning appeals and objections to compulsory purchase orders, footpath or highway orders, the alternative procedures being an informal hearing or written representations.

Public works contract

A contract between a contracting authority to procure a contractor or developer to carry out works to specific requirements. Where an agreement constitutes a public works contract and exceeds certain thresholds the law on regulated procurement provides that this must be publicly procured and advertised in accordance with OJEU procedures. Public works contracts can include building contracts and engineering works contracts. Depending on the specific terms, development agreements signed by contracting authorities may constitute public works contracts. Land disposals and leases are generally outside the scope of public procurement.

Public Works Loan Board (PWLB)

An independent statutory body whose role is to consider loan applications from local authorities and, where it makes a loan, to collect the repayments. The loans are funded from the National Loans Fund and are generally used by local authorities for capital projects. The PWLB operates within the United Kingdom Debt Management Office, an executive agency of the Treasury.

Purchase notice

A procedure which an owner of land may be able to use to require a local planning authority to purchase the land where, following refusal of planning permission, the land has no beneficial use. This is separate from the procedure which applies to blight notices.

Put option

A contract between a seller and a buyer which allows the seller the right to require the buyer to purchase a property for an agreed price. Compare this with Call option.

PWLB

[See Public Works Loan Board.](#)

Q

Quantity surveyor

A professional consultant with expertise in managing project costs and in advising on contract procurement in property development and construction. The role of the quantity surveyor will usually include preparing a cost plan and a detailed estimate of quantities required for the works as well as valuations for each stage of the works.

R

Rack rent

Typically used to describe the full open market rent for a property payable under a lease. [See market rent.](#)

Rack rent lease

A general description for a lease granted where the tenant pays a rack rent to the landlord. A rack rent lease will generally not be purchased for a premium or have a capital value.

Ransom strip

An area of land which can unlock the development potential of an adjacent site, for example by providing a suitable access to the adjacent site. Typically, a ransom strip may be a small strip of land in third party ownership which separates a larger development site from the public highway.

RDA

[See Regional Development Agencies.](#)

Real Estate Investment Trust (REIT)

A property company which is registered as a REIT. Registration as a REIT can be tax efficient as this will generally allow the company to benefit from exemptions from corporation tax on property related income tax or capital gains. In order to qualify for registration the company must be UK resident, listed on a recognised stock exchange and certain other conditions must be met. REITs are required to distribute at least 90% of their tax exempt income to investors.

Receiver

A person appointed by the holder of a charge, mortgage or a debenture to act as a receiver of property in order to realise the disposal of the assets to secure repayment of debt. Where the appointment is made by a bank or other lender with a charge over specific fixed property the appointee may sometimes be described as a fixed charge receiver. A receiver can be appointed in respect of all or any part of the property secured by the charge. The powers of the receiver will normally be set out in the charge or debenture.

Receivership

The process which the holder of a charge can use to effect the disposal of property and assets to secure repayment of debt through the appointment of a receiver.

Red book

[See RICS Valuation Professional Standards.](#)

Regent street disease

The description given to the serious building defect that can arise in the corrosion of steel framed buildings. This can occur in older buildings covered in stone or brick where the structural steelwork rusts due to inadequate corrosion protection during construction.

Regional Development Agencies (RDAs)

These agencies were non-departmental public bodies which operated in London and the English regions to promote economic development, investment, employment, skills and sustainable development in their areas. All the RDAs were abolished in 2012 but much of the property and assets of the RDAs were transferred to the HCA.

Register of Parks and Gardens

Statutory register maintained and compiled by Historic England which now identifies over 1,600 nationally important parks, gardens and designed landscapes. Where a property is included on this register the local planning authority is required to take into account the impact of any development proposals on the historic characteristics of the landscape.

Register of title

The public record of land ownership. The document is kept at the Land Registry and records estates in land, rentcharges, franchises and profits a prendre. It records the owners of each of them (the registered proprietors). The register of title will also record any charges against the land, including mortgages.

Registered charge

A mortgage or charge on land or property which has been registered against the relevant registered title for the land.

Registered land

Land which is registered at the Land Registry with its own registered title. Compare with unregistered land.

Registered provider

A company or organisation which is on the statutory register of providers of social housing maintained by The Regulator for Social Housing pursuant to The Housing and Regeneration Act 2008. Registered providers are mainly 'not for profit' housing associations but can include private sector companies and local authority providers.

Registered title

A freehold or leasehold interest in land which is registered with its own title at the Land Registry. Each registered title has its own specific title number.

Registrable disposition

A disposition that must be completed by registration in order to take effect at law.

Regulated procurement

The law which regulates central and local government authorities and other public bodies (contracting authorities) in procuring and tendering contracts for public works, goods or services. In the UK the procurement rules are set out in regulations which implement the EU Directives. These regulations are intended to open the public procurement market to bidders from all EU member states as part of the free movement of goods and services. Note, however, that the rules are set to change under the Procurement Bill 2022. [See public works contract.](#)

Regulation for Social Housing

An executive non-departmental body sponsored by the DLUHC. The Regulator undertakes economic regulation of social housing focusing on governance, financial viability and value for money.

REIT

[See real estate investment trust.](#)

Renewable energy

Any naturally occurring inexhaustible source of energy such as biomass, solar, wind, wave and hydroelectric power that is not derived from fossil fuels or nuclear fuel.

Rent deposit deed

An agreement by which a tenant under a lease provides the landlord with a cash deposit as security for payment of rent and the performance of its other obligations under the lease. Whilst the deposit belongs to the tenant a rent charge deed will normally include a charge over the deposit in favour of the landlord as part of the security.

Rent free period

A period usually at the start of the lease when the rent payable by the tenant is waived or substantially reduced. This can often be agreed as an inducement for the tenant to sign the lease or in order to cover the period of tenant's fit out works at the premises.

Rent payment dates

Rent will usually be payable under a lease at fixed intervals, for example, weekly, monthly, quarterly or annually. Most leases will provide for rent to be payable in advance and this is often on a quarterly basis on the usual English quarter days, namely 25 March, 24 June, 29 September and 25 December.

Report on title

A report issued by the buyer's solicitors to the buyer on the legal title to the land the buyer is proposing to acquire. The report will be issued following due diligence by the solicitors and will highlight any defects in title as well as any easements, covenants and other rights which affect the land.

Reserved matters

The details that remain to be approved by the local planning authority once an outline planning permission has been granted for the development of land. Reserved matters can include access, appearance, landscaping, layout and scale of the development. Until these details are approved the permission cannot be implemented.

Residual land value

The residual land value will generally be a valuer, buyer or developer's estimate of the value of land assuming completion of a proposed development scheme but less the costs relating to the carrying out of the development works (including an assumed profit margin). Residual valuations can be complex and estimates for the residual land value will inevitably be influenced by any assumptions made in the residual valuation, including the estimates for inflation, finance charges, programme and build costs.

Residual valuation

A broad description of the process used by surveyors, buyers and developers to estimate the value and likely profitability of land with the potential for development. [See residual land value.](#)

Restriction

An entry in the registers of a registered title which prevents a transfer of other disposal of the land from being registered on the registered title unless certain conditions are satisfied.

Restrictive covenant

A covenant in a lease or transfer which prevents or restricts someone (usually the tenant or buyer) from specified activities, for example a covenant limiting the permitted use of premises or the alterations which can be carried out by the tenant under a lease. Contrast this with positive covenant.

Retail price index

An index published by the Office for National Statistics which measures increases in inflation by reference to changes in retail prices.

Retention

An amount retained by an employer under a building contract from the payments due to the contractor to ensure that the works are completed. Normally, part of the retention will be released once the building works reach the stage of practical completion with the balance being paid at the end of the period for making good any defects or snags in the works.

Reversion

A future interest in land that is retained by the owner who has granted a lease or a life interest in their property to another person. For example, if a freehold owner grants a lease of a building to a tenant that owner will retain a freehold reversion in the property. Once the lease is determined or the life interest ends the property reverts back to the owner of the reversion.

Reversionary lease

A lease of property where the term of that lease does not commence until a specific future date which arises after the date on which the lease was granted.

RIBA

The Royal Institute of British Architects. An independent professional association of architects in the UK.

RICS

The Royal Institution of Chartered Surveyors. An independent professional body which regulates surveyors in the UK. The RICS has established a number of important standards and codes of practice for the property industry.

RICS Valuation Professional Standards

Nationally recognised standards and best guidance on valuations of property published by the RICS. Known colloquially as the Red book, this provides established definitions and guidance on market value and market rent.

Right of way

An easement conferring a right to travel across land. The right may include a right to cross land with or without animals or vehicles.

Right to acquire

A legal process introduced by the Housing Act 1996 that gives eligible housing association tenants a statutory right to buy the freehold or long leasehold interest of their residential property at a fixed discount.

Right to buy

A statutory right under the Housing Act 1985 for a council tenant with a secure tenancy of his home to purchase the freehold or a long leasehold interest in the property from the local housing authority at a discount. Tenants will need to satisfy certain conditions to qualify for the right to buy.

Riparian ownership

A riparian owner is a landowner who owns property adjacent to a watercourse (whether this is a river, stream, ditch or drain). Riparian ownership carries with it certain rights and legal duties in relation to the section of watercourse along the boundary of the property, the main obligations being to maintain the bed and banks of the watercourse, to remove obstructions to water flow and manage flooding.

Root of title

Applies only to unregistered land. The deed to which the title to a property is ultimately traced to prove that the owner has good title. The seller is required to give evidence of title starting with a "good root of title" of at least 15 years. If the land is to be registered at the Land Registry with title absolute, a good root of title and an unbroken chain of ownership is required.

RPI

[See Retail Price Index.](#)

RTPI

The Royal Town Planning Institute, an independent professional association of town planners in the UK.

S

Sale and leaseback

A transaction by which a building is sold with the seller immediately being granted a new lease of the same property from the buyer, usually at a rack rent.

Schedule of condition

A limitation to the tenant's repairing obligations in a lease. The schedule of condition will record the state of repair of the premises at the grant of the lease. Where the lease includes a schedule of condition usually the tenant will not be obliged to put the premises in any better condition than that recorded in the schedule.

Schedule of dilapidations

A list of outstanding items of disrepair or damage in a building which the landlord claims have accrued as tenant liabilities under the terms of a lease. Typically, this will be used by landlords to support a claim against the tenant for dilapidations.

Scheme for construction contracts

This refers to model terms that are implied into construction contracts which do not themselves comply with the requirements of the Construction Act. The scheme is provided for in the Construction Act and the Scheme for Construction Contracts (England and Wales) Regulations 1998 (as amended).

Scoping opinion

An opinion, usually from a local authority, as to the main issues that need to be addressed as part of the environmental impact assessment for a proposed development of land.

Screening opinion

An opinion, usually from a local authority, as to whether a development project requires an environmental impact assessment before planning permission can be granted for it.

SDLT

[See Stamp Duty Land Tax.](#)

Section 25 notice

A statutory notice given by a landlord under section 25 of the Landlord and Tenant Act 1954 to end a business tenancy. The notice must be in a prescribed form with a termination date of not less than six months from service of the notice, and it must indicate whether or not the landlord will oppose an application for a new tenancy.

Section 26 request

A notice given by a tenant who wishes to renew a tenancy that is protected by the security of tenure provisions of the Landlord and Tenant Act 1954.

Section 38 agreement

An agreement under section 38 of the Highways Act 1980 between a developer of land and a local highway authority which provides for the adoption of a new road by the highway authority as a highway maintainable at public expense. The agreement will usually provide for dedication of land by the owner to create public rights of way.

Section 104 agreement

An agreement under section 104 of the Water Industry Act 1991 between a developer of land and a sewerage undertaker company for the adoption of new drains that have been constructed to an agreed standard to be maintained by the sewerage undertaker.

Section 106 agreement

An agreement under section 106 of the Town and Country Planning Act 1990 between a landowner and a local planning authority which creates legally binding planning obligations. A section 106 agreement will usually be negotiated before the planning permission to which it relates is granted and will enable the local planning authority to include obligations that cannot otherwise be included in the planning permission.

Section 123 requirements

Section 123 of the Local Government Act 1972 provides that local authorities may not dispose of land for a price less than the best consideration unless there is consent from the relevant Secretary of State. This does not apply for a grant or transfer of a short lease with a term of not more than seven years. Consents from the Secretary of State may be general (covering a range of transactions) or for a specific disposal.

Section 146 notice

A statutory notice given by a landlord under section 146 of the Law of Property Act 1925 to warn a tenant in breach of a lease that the landlord intends to commence forfeiture proceedings. The notice must specify the breach of the lease, require the tenant to remedy the breach (if it is capable of remedy) and to pay compensation for the breach. Court proceedings for forfeiture cannot be commenced unless the tenant fails within a reasonable period to remedy the breach.

Section 278 agreement

An agreement under section 278 of the Highways Act 1980 between a developer and a local highway authority to allow works to be carried out to an existing public highway or for monies to be paid to the local highway authority for itself to carry out works. Often combined with a section 38 agreement where some element of the works is on private land to become public highway.

Secure tenancy

A tenancy lease of a council house or flat granted by a local housing authority for the purpose of providing a home for the tenant. Council tenants with a secure tenancy have a certain degree of security of tenure which protects their right to remain in their home.

Security documents

A general description for the suite of documents that a bank or other funder may require as security for a loan, including debentures, charges, bonds and guarantees.

Security of tenure

A statutory right for a tenant to renew a lease at the end of the term. For example, the Landlord and Tenant Act 1954 will provide a tenant of a business tenancy (other than an excluded tenancy) security of tenure unless the landlord can demonstrate one of the specified grounds in the 1954 Act to oppose the grant of a new tenancy. For residential tenancies the Housing Legislation prevents a landlord from regaining possession without an order of the court.

Service charges

Charges levied by a landlord under the terms of a lease to recover from tenants a contribution to the landlord's costs of repairs and providing services to a building. For a multi-let building the landlord will often provide certain services in return for recovery of the service charge. Service charges will usually be calculated on an annual basis to reflect the costs incurred during each service charge year but the lease may provide for a sinking fund.

Service media

Pipes, cables, wires, drains, channels, conduits and other plant and apparatus for the passage or transmission of electricity, gas, telecommunications, water, drainage and other utilities.

Servient tenement

Land which is subject to an easement which benefits the owner of other land. Compare this with dominant tenement.

Set off

A right of set-off allows a ("Party 1") to take into account the amount owed to it by the second party ("Party 2") against any amount owed by Party 1 to Party 2, each party must be a debtor and a creditor.

Settlor

The person who establishes a trust and appoints the initial trustees to hold and manage the trust property.

Sewer requisition

The ability to request from a statutory water undertaker that a sewer or water main be connected from the public mains to a particular property, subject to the owner underwriting the costs of doing so. Sewers can usually only be requisitioned for domestic properties either to serve new development or as a first time service to existing properties.

Shale gas

Natural gas which is trapped in underground impermeable shale rock as opposed to North Sea gas and other conventional gas contained in sandstone and other permeable rock reservoirs.

Shareholders' agreement

Where the parties to a joint venture carry out the development of land using a limited company or an SPV they may use a shareholders' agreement to set out the rights and responsibilities of each party and the arrangements for how the company or SPV will operate.

Shell and core

The construction of a building to the stage where the structure, exterior and all main services are completed but the interior works remain to be carried out.

Sinking fund

A fund collected by a landlord from service charges paid by tenants under a lease to provide for future major expenditure that may occur only occasionally during the term of the lease, for example replacement of the roof, boilers, lifts or air conditioning of a building. In practice this is used to provide a fund to cover essential repairs or replacement works where it would not be feasible to fund all the cost in one service charge year.

Site of Special Scientific Interest (SSSI)

A site recognised as being of special importance in terms of wildlife or its geological features. These sites are legally protected under the Wildlife and Countryside Act 1981. Natural England is responsible for identifying the SSSIs in England.

Snagging list

A list of minor defects or outstanding works which are to be made good by a building contractor under a building contract but which are sufficiently minor not to prevent the certificate of practical completion being issued.

Special purpose vehicle (SPV)

A limited company established by investors or developers solely to undertake a single transaction or development or to hold a single property.

SPV

[See special purpose vehicle.](#)

SSSI

[See site of special scientific interest.](#)

Stamp duty land tax (SDLT)

A tax payable by the buyer of a property or the tenant of a new lease. The amount of SDLT payable on a freehold transfer will depend on the purchase price. In the case of a lease, the SDLT will be determined by the level of any premium or rental payable and the length of the term.

Starter / Probationary Tenancy

An assured shorthold tenancy gifted by registered providers of an initial period of 12 months. The tenancy will convert to an assured tenancy after eight months.

Station

In relation to operational railway property, this includes any land or building used for or in connection with a railway passenger station or terminal including any approaches, forecourts and car parks. Network Rail owns the freehold of the vast majority of stations and most (over 2,500 stations) are leased to one of the train operating companies who will operate the stations as station facility owners.

Station access agreement

An agreement between a station facility owner and another train operating company for access to a station. A station access agreement will incorporate station access conditions. It is a rail industry regulated document which requires ORR approval.

Station access conditions

National access conditions which contain a common set of rules that apply between Network Rail, the station facility owner and other rail users of a station. Each lease of a station and station access agreement will incorporate these. It is a rail industry regulated document that requires ORR approval.

Station change

The term used to describe variations to the station access conditions or physical alterations proposed to all or part of a station, for example closure or redevelopment of a station car park. Both changes to access conditions and physical changes require ORR prior approval. As train operating companies may be affected by station change they have rights to raise objections.

Station facility owner

The passenger train operating company which takes a lease of a station from Network Rail.

Statutory declaration

A written statement of fact, signed in the presence of a solicitor or a Commissioner for Oaths

Step-in rights

Contractual rights for a funder providing finance to a development of a property which will allow the funder to step in and take over the development in order to complete it. This is likely to be used where the developer is in serious default or insolvent. These rights may be covered in a bespoke funder's step-in deed or may be one of the terms agreed with the developer and other interested parties in an intercreditor deed. Step-in rights are also often found in collateral warranties, for example allowing an employer to step into a suite of sub-contracts following main contractor insolvency, to facilitate completion of the project.

Stokes v Cambridge

The leading case regarding the valuation of a ransom that one parcel of land has over an adjacent site based upon a percentage of the development value of the ransomed land. [See ransom strip.](#)

Stop notice

A statutory notice which may be issued by a local planning authority alongside an enforcement notice which has the effect of requiring almost immediate compliance with the enforcement notice, irrespective of any appeals lodged.

Sub-contractor

A specialist contractor who is employed by a main building contractor to deliver specific elements of a larger project which the main building contractor has agreed to procure under a building contract.

Sublease

[See underlease.](#)

Subletting

[See underletting.](#)

Sub-purchaser

In a sub-sale transaction the party who ultimately completes the purchase and takes the transfer of the land.

Sub-sale

A transaction where the buyer who enters into an agreement to buy land or buildings (the sub-seller) agrees before completion of the transaction to sell the same land to another (the sub-purchaser). In a typical sub-sale the property is usually transferred by the original seller directly to the sub-purchaser at the direction of the sub-seller.

Sub-sale relief

A tax relief which may be claimed against SDLT in a sub-sale transaction. Where the relief applies, whilst the sub-purchaser (as the party to ultimately acquire the land) will be liable for any SDLT, the sub-seller who sells on the property before completion of the transaction will not be required to pay SDLT. The relief will only apply where certain conditions are met.

Sub-seller

The 'middle-man' in a sub-sale transaction who sells on land or buildings to a sub-purchaser before completing his own purchase of the property.

Subtenant

[See undertenant.](#)

Subordination agreement

An agreement usually signed by deed by which one party agrees that its rights are inferior or deferred to the rights and interests of another party. For example, a company and its directors may agree that the rights of a bank providing debt finance to the company will have precedence over directors' loans to the company.

SUDS

Sustainable Urban Drainage Systems (SUDS) are water management facilities designed to deal with surface water drainage in a more sustainable way rather than the traditional approach of constructing pipes to drain excess water into a watercourse. The main legislation is the Floods and Water Management Act 2010 but new regulations are set to make the installation of SUDS compulsory for new property developments. SUDS Approving Bodies (SABs) are to be established within local councils to approve drainage designs using SUDS and to deal with adoption procedures.

Superior lease

[See headlease.](#)



T marks

On title plans in conveyances and transfers of land an inward "T" shown next to the boundary of the land will indicate that responsibility for maintenance of the walls and fences along that boundary will rest with the owner of that land.

Technical details consent

Once permission in principle is obtained, the local planning authority's consent to the full details of the proposed development including mitigation of impacts must be obtained before the applicant can regard full planning permission to have been granted. Development may not commence until technical details consent is granted.

Telecommunications Code

[See Electronic Communications Code.](#)

Tenancy

[See lease.](#)

Tenancy at will

An agreement by which a landlord allows a tenant occupation of a property until such time as the landlord gives notice to terminate the arrangement. This will not include a right to occupy for a fixed term and does not provide any security of tenure. Generally only used as a short term arrangement.

Tenants in common

Joint owners of property in defined shares. If land is held by tenants in common and one of them dies his share in the land will not automatically vest in the surviving tenant(s) in common but will pass to his successors in accordance with the provisions of any will made by the deceased. Contrast with joint tenants.

Tenure

The nature of an interest in land. Tenure is usually freehold or leasehold in England and Wales.

Term

The agreed duration period for a lease.

Trust deed

The legal document which a settlor signs to set up a trust. This will define the property which is held within the trust, the appointment of the trustees to hold and manage the property and the rights and interests of the beneficiaries.

Trustee in bankruptcy

An insolvency practitioner or the Official Receiver appointed to take control of the assets of an individual who has been declared bankrupt. Once a person has been declared bankrupt, the property of that person will vest in the trustee in bankruptcy who has powers to realise the disposal of that property and to distribute the proceeds to creditors.

Trustees

The persons appointed to hold and manage the property and assets of a trust on behalf of the beneficiaries of that trust.

Turnkey contract

A form of design and build contract where the contractor is required to deliver a fully fitted out completed building.

Turnover rent

Rent under a lease of property which is linked to the tenant's sales or turnover at that property, for example in a retail shop turnover rent might be reserved as a percentage of the tenant's annual sales. Leases which provide for a turnover rent will often reserve a base rent which the tenant will pay as a guaranteed payment.

TWA Order

An order made under the Transport and Works Act 1992 (the TWA) is the usual way of authorising a new railway or tramway scheme in England and Wales, except for nationally significant rail schemes in England which require development consent under the Planning Act 2008.

U

Unconditional contract

A contract where there are no conditions attached to the sale. This means that once the buyer signs the contract, they do not have a right to terminate the contract and they must proceed to settle the contract.

Underlease

A lease of property (sometimes referred to as a sublease) granted by the existing tenant to another (the undertenant) as permitted under the terms of the tenant's own lease or by a licence to underlet.

Underletting

The granting of leasehold interest out of an existing lease. [See underlease.](#)

Undertenant

The lessee of property under an underlease.

Unilateral notice

[See Land Registry Notice.](#)

Unilateral undertaking

As with a section 106 agreement, this is a planning agreement entered into by a landowner or developer of a site and which contains a legal obligation to perform certain planning obligations, for example payment of financial contributions for specific matters. Unlike a section 106 agreement, a unilateral undertaking does not need to be signed by the local planning authority.

Unregistered land

Land which is not registered at the Land Registry and which has no registered title. Owners of unregistered land will generally establish their ownership by producing an abstract of title.

Upper Tribunal (Lands Chamber)

An independent specialist judicial body with power to set precedents and enforce its decisions. As successor body to the Lands Tribunal it deals with disputes on the valuation of land, disputes on compensation claims arising from compulsory purchase and certain other types of land compensation cases.

Use Classes Order

The Town and Country Planning (Use Classes) Order 1987 (as amended). This identifies certain categories of use for land and buildings, for example class A1 (shops and retail), A2 (financial and professional services), B1 (business including most offices), B2 (general industrial use) and B8 (storage and distribution). Change of use within the same use class will generally be permitted without the need for a separate planning permission.

V

VAT election

[See Option to tax.](#)

Vacant possession

Property sold without existing tenants or other occupiers (whether or not the occupation is authorised).

W

Wayleave

A terminable licence which allows access or the right to install and use electricity or gas cables or other service media upon or under land. Unlike an easement the grant of a wayleave does not automatically pass to a new owner of land on transfer of the property.

Z

Zone A

The area of a shop or retail premises which falls within 6.1 metres of the shop frontage.

Zoning

A method used by surveyors and valuers to measure retail premises and to calculate rents. Shops and retail premises are divided into a number of zones, each with a depth of 6.1 metres. Zone A is the most valuable retail space.

Key contacts



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**a 25% increase in top tier
rankings.**

Environmental & community impact

3 

Raising over £55k for
**St Mungo's, The Ocean
Conservation Trust**
and **Trussell** as part
of our 'Power of Three'
fundraising programme.



490+
volunteering hours
recorded across a
wide range of projects.

£6k 

To support the next
generation of ocean
guardians studying at
Plymouth University's globally
recognised Marine Institute.

20 

Students welcomed
as part of our social
mobility work experience
programmes, designed
to promote wider access
to a legal career.

238tCO2e

Tracking our carbon emissions and making
environmental investments to mitigate those
emissions including with various tree planting initiatives.

575kg

Food donated to
local foodbanks in
the South West and
London.

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