



GLOSSARY OF TERMS



Glossary of Terms

- ALMO* - South Lakes Housing is the Arms Length Management Organisation (ALMO) set up by South Lakeland District Council from April 2004 to manage their housing stock
- Arbitration* - Settling a dispute by using a referee. If a dispute goes in to arbitration, an independent person settles it. It avoids having to go to court to settle the dispute
- Assignee* - The person acquiring a property right by assignment
- Block* - Your 'block' is the building described in your lease for which you are responsible for paying your share if the Council's cost
- Breach* - When an obligation in a lease is broken
- Case law* - Law that is based on the results of previous court cases rather than legislation
- Collective enfranchisement* - Buying the freehold of the block by a group of leaseholders
- Commonhold* - The freehold ownership of residential and commercial units by a Commonhold Association whose members are restricted to the freeholders of the individual units, which owns and manages the common parts
- Commonhold and Leasehold Reform Act 2002* - The new law which gives leaseholders more rights to buy the freehold, to be consulted on works and contracts, and be given information about money that is spent on the building
- Completion date* - The date a property transfers to the person buying
- Consents* - Written permission you require from the Council to do various things, such as make structural alterations or additions, or keep pets
- Consideration* - The price paid for a promise given (need not be money)
- Consultation* - Your right to be told about expensive works and contracts and in some cases to suggest someone to carry out the job
- Covenants* - Legally binding obligations and responsibilities
- Decent Homes Standard* - A Government housing standard for tenanted flats and buildings, which must be in place to a certain level by 2011

Glossary of Terms (continued)

- Deed* - A legal document which commits the person signing it to something
- Demised Premises* - The definition of a property being leased
- Designated Reserve Fund* - A sinking fund which has been set up to hold monies collected by way of service charges to meet the costs of future major works – either specific or general
- Determine* - To end or decide
- Disbursement* - A payment made by a professional person (solicitor or accountant) on behalf of a client. The money is claimed back by including it in the bill for professional services sent to the client
- Easement* - A right over someone else's land
- Enfranchisement* - The legal right to buy the freehold of the property being leased
- Exchange of contract* - Swapping identical contracts between parties when land is sold; both parties sign identical copies. The contract is then binding on both of them
- Foreclosure* - A lender repossessing a property because of the borrower's arrears
- Forfeiture* - Ending of the lease and repossession by the landlord because the lease conditions have not been met
- Grant* - Transferring the ownership of property
- Ground rent* - A fee paid by the leaseholder to the freeholder as a condition of the lease. Usually a very small amount
- Implied term* - A term which is not written into a lease, but it is assumed because of the actions of the parties, or which must be assumed if the contract is to work
- Improvements* - The provisions of something new to the building – for instance, wheelchairs access or CCTV
- Indemnity* - Compensation given by an individual to someone suffering a loss because of their actions
- Interim charges* - Advance payment of service charges
- Landlord & Tenant Act 1985* - The original Act of Parliament, now changed by other Acts, which sets out what a service charge is, that it must be 'reasonably incurred', how you should be consulted and your right to inspect accounts

Glossary of Terms (continued)

- Lease* - The document which creates the leasehold containing all the rights and obligations of the landlord and the leaseholder – a contract between the owner of a property and the tenant, giving the tenant sole use of the property for an agreed time
- Leasehold* - A form of tenure which gives the owner possession of the property for a substantial period of time which is clearly defined in the lease agreement (see also terms of years)
- Leaseholder Valuation Tribunal (LVT)* - An independent and impartial body given binding powers by the Government to settle Service Charge disputes instead of going to court
- Lessee / Leaseholder* - The person(s) with the lease of the property
- Lessor / Landlord* - The party granting the lease
- Long-term agreement* - A contract for more than 12 months to provide works or services – for instance, the grounds maintenance contract or the lift maintenance contract
- Marriage value* - In enfranchisement, the extra value brought about by the freehold and leasehold interest being under the same control. These interests are worth more together than apart
- Mortgage* - A loan which gives property as security
- Mortgagee* - Person or organisation lending money to someone to buy a property
- Mortgagor* - The person borrowing money to buy a property
- Parties to a lease* - The landlord and lessee and sometimes the management company
- Precedent* - Lower courts have to follow the decisions of higher courts. This is called precedent, binding precedent or judicial precedent
- Provision* - Where the lease allows something to be done
- Qualifying works* - Works that cost you £250 or more and on which you will generally be consulted in a specified way
- Recognised Residents Association* - A group of residents in a building who have been recognised by the Council for the purpose of consultation

Glossary of Terms (continued)

<i>Redemption</i>	- Paying off a mortgage / loan
<i>Repairing obligations</i>	- The repairs which the leaseholder and landlord agree to undertake under the terms of the lease
<i>Reservations</i>	- Rights which a seller keeps
<i>Reversion</i>	- The landlords right to possession of a flat when a lease comes to an end
<i>Right of way</i>	- A legal right obliging an owner of land to allow authorise people to cross
<i>Section 125 Notice</i>	- The notice of Right to Buy purchase price which sets out major works cost for the first five years of the lease and the most the Council can charge during this period
<i>Service charge</i>	- The charge made to the leaseholder for the provision of service under the lease
<i>Sinking fund</i>	- Collection of advance payments for future major works projects – also called a reserve fund
<i>Sub-letting</i>	- When you let your flat to someone else – if you do this you become a landlord and are responsible for the actions of your tenants. You have to tell the Council all the details within one month, otherwise this becomes a breach of covenant
<i>Superior landlord</i>	- Where an association or local authority is not the freeholder but head leaseholder or immediate landlord, the freeholder is known as the superior landlord
<i>Surrender</i>	- To give up a lease or legal interest
<i>Tenure</i>	- How a piece of land is held by the owner (for instance freehold or leasehold)
<i>Terms of years</i>	- Length of the lease
<i>Terms of a lease</i>	- Individual obligations or rights
<i>Title</i>	- Owning land
<i>Title deeds</i>	- The documents which prove who owns a property and under what terms

Glossary of Terms (continued)

- Transferee* - The person that something is transferred to
- Transferor* - The person who transfers something to someone else
- Under lease* - The lease of a property granted by the leaseholder of the property to someone else