

Glossary of commercial property terms

Real Estate

Absolute title	Best class of registered title to land
Abstract of title	Précis of the contents of documents comprising the title to unregistered land
Adverse possession	Occupation of land by a person not owning the land so as to defeat the ownership of the land by the true owner
Alienation	The disposal of a lease by a tenant – normally by either an assignment or subletting
Assent	Document vesting land in a beneficiary under of a will by the executors of the deceased's estate
Assignment	The transfer of a lease from one tenant to another
Authorised Guarantee Agreement	Document in which an outgoing tenant guarantees to the landlord the performance of the lease terms by the incoming tenant
Beneficial interest	The shares of owners in the proceeds of sale
Break Clause	A clause in a lease permitting either the landlord or the tenant or both to end the lease prematurely
Caution	Entry made on the title of registered land to protect the enforceability of matters affecting that land
Claw back clause	Payment of part of an increase in value of the property in the future to the seller
Conveyance	The deed transferring freehold land
Counterpart	The lease document signed by the tenant
Covenants (restrictive and positive)	Obligations affecting the owner of land but imposed on the land so as to bind subsequent owners
Deed of surrender	Document ending a lease by agreement between the landlord and the tenant
Easements	Rights over land
Encumbrances	Matters affecting land (usually mortgages, easements and covenants)
Engrossment	Signing copy of a document
Epitome of title	List of documents comprising the title to unregistered land
Equitable interest	The shares of owners in the proceeds of sale
Fee simple	Freehold land
Guarantee	Document or obligation by which one person guarantees the obligations of another
Guarantor	Person guaranteeing the obligations of another
In fee simple	Ownership of freehold land
Index map search	Search of the map detailing all registered titles at HM Land Registry
Indemnity covenants (covenants of indemnity)	Obligations by one party to reimburse another for liabilities that other party incurs because of actions of the first party
Joint tenants	Way in which two or more people own land (freehold and leasehold) jointly. They hold equally and on death the share of the deceased passes automatically to the survivor(s) regardless of the contents of the deceased's Will

Leasehold	Title to land created by a lease
Lessee	Tenant
Lessor	Landlord
Local search	A search of the local authority of various matters affecting a property
Local land charges	Charges registered against land by the local authority
Minor interests	Matters affecting registered land which must be registered at HM Land Registry to be legally enforceable
Mortgagee	Lender of money secured on property
Mortgagor	Borrower of money secured on property
NLIS search	A search carried out over the internet using the National Land Information Service
Official copies	Land Registry copies of a registered title
Overage clause	Payment of part of an increase in value of the property in the future to the seller
Overriding interest	A right which one party enjoys over another's property
Possessory title	Class of title to registered land awarded to ownership acquired by adverse possession
Root of title	The definitive conveyance deed comprising the starting point of an unregistered title
The security of tenure provisions of the Landlord and Tenant Act 1954	The right for the tenant to apply to renew the lease
Stamp Duty Land Tax	Tax paid on land transactions
Sublease	A lease granted by a tenant
Tenants in common	Way in which two or more people own land (freehold and leasehold) jointly. They can hold in unequal shares and on death the share of the deceased passes in accordance with the deceased's Will or the law of intestacy
Title Deeds	The documents proving title to land
Underlease	A lease granted by a tenant