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Collas Crill explains... Guernsey property terms

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This is part of a series of guides in which we examine areas of law that frequently arise in practice. Further guides will be released weekly; click here to subscribe to receive Collas Crill news and insights by email.

This week we provide a glossary of terms used during a typical property transaction in Guernsey.

Bond – the document that secures a loan. It is presented to the Royal Court on the completion date by the Advocate advising either the lending bank or borrower.

The bond will contain certain details of the loan. The borrower will appear before the Royal Court to orally consent to the bond, which will create a charge over the borrower's property.

After Court, the bond is registered at the Greffe. If the borrower wishes to sell their property, it is necessary for the bond to be cancelled.

Cadastre – this is a registry for property taxation, which is used by conveyancers as a research tool when researching title. Every property on the island is given a unique Cadastre number.

Commission - if the vendor has instructed an estate agent in respect of the sale, a commission will be payable to the agent.

Usually the commission is based on a set percentage of the eventual sale price. The commission will likely be agreed at the time the vendor initially instructs the estate agents to place the property on the market.

Completion date – the date that the vendors and purchasers appear in Contracts Court to complete the purchase.

Conditions of sale – this forms the contract between the vendors and the purchasers. Conditions of sale become binding once they are signed by both parties and the deposit is paid. Conditions of sale can be signed unconditionally or conditionally. If they are signed conditionally, then the contract will be subject to certain requirements being met before the operative date.

Conveyance – the document that records the transfer of a property. It is presented to the Royal Court on the completion date by the purchaser's Advocate.

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The document will contain all of the details relevant to the proposed sale. The vendor and the purchaser will appear before the Royal Court to orally consent to the transaction.

After completion in the Royal Court, the conveyance is registered at the Greffe.

Contracts Court – this is the sitting of Guernsey's Royal Court each Tuesday and Thursday morning to deal with real property matters (such as conveyances and bonds).

Both the vendor and the purchaser will be present to consent to the sale upon the terms outlined in the conveyance. Any associated bonds will also be consented to at the same time as the completion of the conveyance.

Deposit - this is a sum payable by the purchasers, held by a stakeholder (estate agent of advocate).

Commonly the deposit is equal to 10% of the purchase price, but the parties can negotiate an alternate sum.

If either party defaults, they need to pay to the other a sum equal to 10% as damages.

Document duty – otherwise known as 'stamp duty'. This is the fee payable to the States of Guernsey that is a percentage of the realty price of the property being purchased. Document duty is payable on all property transactions, unless an exception applies.

Greffe – this is Guernsey's deeds registry. It contains all the judicial and legislative records for the Island. Conveyance records date back to 1567, were hand-written until 1950 and in French until 1969. Whenever a property or land is conveyed, research on historical title deeds needs to be done and this involves searching through physical records kept at the Greffe.

Immunity certificate – this is applied for by the purchasers of a property to protect them from action being taken against them regarding a known or suspected breach of planning control on the property that they want to purchase. There is a one-off application fee (currently £70) and applications are sent to the Office of the Development & Planning Authority.

Jurat – As there is no jury system in Guernsey, Jurats are appointed to fulfil this role. They act as a jury by examining cases on the facts in criminal and civil proceedings. One of their duties is to attend Contracts Court to oversee the presentation of conveyances. Once the conveyance is presented, two Jurats and the Lieutenant-Bailiff will sign the document.

Local market property – dwellings which can only be occupied by individuals who hold residential qualifications.

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Open market property – dwellings listed on the Guernsey Housing Register as "open market" and can be occupied by anyone (subject to certain conditions relating to immigration).

Operative date – this is the date agreed in the conditional conditions of sale for when the contract will become unconditionally binding on both parties.

Power of Attorney – this allows individuals to authorise their attorneys to act on their behalf in legal proceedings. In property, this is commonly used when an individual is off island and is unable to attend court.

Registration – every conveyance must be registered at the Greffe. This occurs on or before 4pm on the completion date, following Contracts Court in the morning.

Rentes – historically rentes were a recurring payment which were set up in either a sale, lease or inheritance of property. They were payable in wheat or other items. Nowadays, if there is a rente on a property, this will be paid off in full when the property is conveyed.

Title deed – this is the conveyance detailing your ownership of the property. Once it is registered at the Greffe, your advocates will send you your original title deed for safe keeping.

About this guide

This guide gives a general overview of this topic. It is not legal advice and you may not rely on it. If you would like legal advice on this topic, please get in touch with one of the authors or your usual Collas Crill contacts.

About Collas Crill

We are a leading offshore law firm. We are easy to do business with and give practical advice to overcome tough challenges. Through our network of offices, we practise British Virgin Islands, Cayman Islands, Guernsey and Jersey law.

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