

## 1. Entering a binding Contract

Once signed by both the Purchaser and Seller the Offer to Purchase becomes a binding contract (Deed of Sale). The contract must be in writing and signed by both the seller and purchaser to be valid and binding. Once signed, the deed of sale must immediately be E-mailed or delivered to the conveyancing attorneys (transferring attorneys).

## 2. Payment of deposit, securing balance of the purchase price and investment of deposits.

The purchaser pays the deposit (if applicable) to the conveyancing attorneys, in terms of the contract. Depending on the amount the deposit or purchase price is invested with the written consent of the purchaser at a Financial Institution. The interest usually accrues to the purchaser.

## 3. Applying for Finance from a Financial Institution.

If the contract is subject to the purchaser acquiring finance, the purchaser applies for finance in person or using a bond originator. The financial institution grants an approval in principle (A.I.P), values the property and instructs the bond attorneys.

## 4. Applying for Cancellation Figures of the Existing Bond

The transferring attorneys apply for cancellation figures from the Sellers current bondholder (if any).

## 5. Valuation of the Property.

The buyer's Bank sends out an evaluator to assess the value of the property, the buyer intends to mortgage.

## 6. Obtaining Compliance Certificates.

The Seller must obtain all the compliance certificates i.e. Water, Electrical, Beetle and Gas and supply these to the Transferring Attorneys. The Financial Institution that grants the new Bond over the property will also require copies of all these certificates.

## 7. Final Grant of Finance

The buyer's home loan is granted, subject to the valuation and credit approval. The Bank advises the Bond Attorneys to register a Bond Panel Attorneys discussion.

## 8. Request Rates & Levies Clearance Certificates.

The Transferring Attorneys also request a Clearance Certificate for the Rates and Taxes from the Local Municipality as well as the levies clearance from the managing agent in a sectional title scheme.

## 9. Drafting Transfer Documentation.

The Transfer documents are then drawn up by the Transferring Attorneys once all the necessary information is obtained. The Transfer Documents include:

- The Transfer Duty or VAT application to the South-African Revenue Service.
- The Rates & Taxes Clearance Certificate. (From the Local Municipality) or the Levy.
- Clearance Certificate (from the Body Corporate).

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- The Consent of the Bondholder (Bank which holds the current bond) to cancel the current bond.
- Consents required in terms of conditions in the Title Deed (i.e. a right of first refusal waived by the interested party).
- Power of Attorney
- FICA declaration
- Status Affidavits (Solvency and Marital status)

## **10. Payment of Transfer Costs.**

Transfer Costs, with which the Transferring Attorneys pay the Rates and Taxes and Transfer Duty to the Receiver of Revenue and a Transfer Duty Receipt is issued.

## **11. Signature of Bond Registration Documentation**

The buyer's Bond Account and Supporting Documentation are prepared by the Registering (Bond) Attorneys.

## **12. Signature of Transfer Documentation.**

The Purchaser and Seller sign the Supporting Documentation and pays the Bond Registration Costs to the Registering (Bond) Attorneys. The Transfer Documents are signed by Purchaser and Seller.

## **13. Guarantees**

The necessary guarantees are prepared by the Registering (Bond) Attorneys and forwarded to the Transferring Attorneys, who prepare the bond documents for lodgement with the Deeds Office.

## **14. Lodgement and Tracking in the office of the Registrar of Deeds**

Once all the documentation is signed and all the costs are paid, the buyer's new bond documents, the transfer documents and the cancellation of the seller's bond documents are prepared by the respective attorneys and lodged in the Deeds Office - simultaneously.

## **15. The Registration Process in the Deeds Office**

The Deeds Office takes approximately 7-10 working days to check all the documentation before they are ready for registration by all the attorneys on the same day.

- Preparation (Prep).
- Registration of the documentation in the office of the Registrar of Deeds on Registration.
- Payment of Guarantees and Final Statement of Account.

The Bank pays out the loan in accordance with the guarantees issued and the estate agent is paid their commission.