

QUICKLAW

ANSWERS YOUR QUESTIONS

BUYING/SELLING A HOUSE

ARE YOU BUYING A HOUSE?

What are the most important aspects to consider when buying a house?

- Contact your bank and find out whether you qualify for a home loan and if you do, what amount you qualify for.
- Can you afford it? Make sure that you can afford the bond repayments and the extra costs. For example, the rates & taxes, the water & electricity and the life insurance on your home loan.
- Also consider your future needs for example:- is the property close to work, hospitals, shops, schools?

Check the following before you buy a house:

- Examine the house thoroughly for any defects, for example, cracks in the walls.
- Ask about extra costs, for example: transfer costs, transfer duty, bond and registration fees.
- Make sure that you have enough money to pay the deposit and all the other costs.
- The seller must give you an electrical compliance certificate.
- When you sign the Offer to Purchase you will be asked for an occupation date. This is the date that you wish to move into your house.
- This date is decided by agreement between you and the seller.
- If no date is set, the seller has the right to remain in the house until the house has been registered into your name and the seller has received the rest of the purchase price.
- Please note that the contract for buying or selling a house must be in writing. A verbal agreement for the

sale of a house is not valid.

ARE YOU SELLING A HOUSE?

Follow these easy steps:

- Approach one or more reputable estate agents to list your property.
- Avoid unregistered estate agents.
- Ask the agent to show you his or her current registration card issued by the Estate Agency Affairs Board.
- This certificate is your assurance that the estate agent is subject to the Estate Agency Affairs Board's Code of Conduct, rules and jurisdiction.
- When your house is on show, keep your house neat and clean so that it is attractive to buyers on the show day.
- Don't just sign an agreement - your estate agent must explain the agreement to you.
- If you are unsure about the agreement or some of the clauses in the agreement, ask LegalWise for advice.
- The Estate Agency Affairs Board is also able to assist you in this regard.
- Estate Agencies have their own standard sales documents. The Estate Agency Affairs Board also has a standard sale agreement that you can use for the purpose of buying and selling property.
- The Board's pre-printed agreement is designed to give equal protection to both buyer and seller and properly regulates the relationship with the Estate Agent of your choice. You can obtain a copy of this agreement from the Board for a reasonable price.
- Don't leave any blank spaces in the standard agreement. Complete the form carefully and cross out everything that does not apply to you and then initial in all the places on the document that you have written in information or crossed out something.
- You must give the purchaser an Electrical Compliance Certificate.

What must I do if my estate agent has acted unprofessionally?

- Contact the Estate Agency Affairs Board immediately for advice and assistance.
- The Estate Agency Affairs Board will conduct an

investigation and may conduct a hearing.

What important clauses should appear in the sale agreement?

- The names, identity numbers and marital status of all the parties.
- The buyer's address.
- Description and size of the property as detailed in your deed of transfer.
- The selling price and manner of payment.
- A provision that the buyer pays all transfer and bond costs.
- The name of the attorney handling the transfer.
- The date of taking possession and occupation.
- The provision that the buyer is responsible for all taxes and other municipal charges from the day of taking possession.
- The name of the Estate Agent and the amount of commission due. Please note that the commission is negotiable.
- The provision for an Electrical Compliance Certificate and who will be responsible for the costs of it.
- Whether the sale is subject to the buyer obtaining a bond.
- If the purchase price is R250 000 or less a cooling-off clause of 5 days will be applicable (this allows the buyer to change his or her mind about buying the property).
- You should note that the buyer is responsible for all the costs of transfer even though this is done by the seller's attorney. The buyer is also liable for the cost of registering the bond.
- Remember that you will be liable for commission and other costs if you cancel the agreement for any unjustifiable reason.

KEY:

1. BOND REPAYMENTS - paying back a home loan granted by a bank or financial institution
2. DEFECTS - faults/imperfections
3. ELECTRICAL COMPLIANCE CERTIFICATE - certificate stating that the electricity is in accordance with the necessary regulations
4. ESTATE AGENCY AFFAIRS BOARD - A board regulating a person who is authorised to act as an agent for the sale of land