

This document provides an overview of the various costs and legal requirements involved in the transfer of property ownership and bond registration in South Africa. It includes guidance on transfer fees, bond registration and cancellation, transfer duty, agent's commission, compliance certificates, occupational rent, levies, rates, and municipal charges.

1. PAYABLE BY THE PURCHASER

Transfer Fees

Calculated according to a sliding scale based on the purchase price, as per the guidelines set by the Law Society. Our cost calculator and a table of costs are available on our website at www.gsrlaw.co.za

Bond Registration Fees

Payable where a bond has been applied for at the bank to secure either the full purchase price, or the balance of the purchase price due.

Bond costs are calculated according to a sliding scale based on the value of the bond to be registered, as per the guidelines set by the Law Society.

An Initiation Fee, as stipulated by the relevant bank, and clearly stipulated in the Letter of Acceptance, is also payable to the bank.

Transfer Duty (TD)

Payable to SARS - Transfer Duty will only be applicable where the purchase price or the value of the property (whichever is greater), is in excess of R1,000 000. This is calculated according to a sliding scale as per the guidelines provided by SARS on the relevant purchase price and the TD Receipt from SARS will be required.

No TD is payable when the Seller is VAT registered and the sale is part of the Seller's Vatable portfolio. In this case the purchase price will either be VAT inclusive or VAT will be added depending on the Offer to Purchase wording (when relevant).

Occupational Rental

Payable when the Purchaser takes occupation of the property prior to registration. The amount due will be as per the signed Offer to Purchase and payable in advance prior to occupation. Any pro-rata refunds due to the Purchaser (if applicable) will be refunded after date of transfer.

Levies

This is the cost of obtaining a Levy Clearance consent for transfer in the case of a Sectional Title Transfer. The pro-rata portion payable by the Purchaser from the date of registration of the property into his name, will be collected as part of the monthly levies account payable by the Body Corporate.

Special Levies - It will be stipulated in the Offer to Purchase, should any special levies be due/payable on a Sectional Title Transfer.

The Body Corporate will calculate the pro-rata payment of special levies to be paid by the Seller and Purchaser prior to registration of the transfer.

Other

Cost of obtaining the Rates Clearance Certificate from Council (if applicable). Cost of obtaining a Home Owners' Association consent for transfer, when applicable (this will be clearly stipulated in the registered Title Deed where a Home Owners Association is applicable).

2. PAYABLE BY THE SELLER

Agent's Commission

Payable from the proceeds of the sale on date of transfer, as per the agreed commission structure of the Offer to Purchase, signed by all parties.

It is important to note that the commission payable, could either be VAT inclusive or VAT exclusive, which should be clearly stipulated in the Offer to Purchase.

Compliance Certificates

Electrical, Beetle, Plumbing, Gas & Electric Fence Compliance certificates to be provided by the seller, whichever is applicable. All additional work or repairs that need to be completed for the issuing of the Compliance Certificates, will be for the sellers own account.

Cancellation of Bond

90 Day Penalty Interest - Always ensure that the bank is provided with notice of your intention to cancel the bond, when you are in the process of selling your property, as 90 Day Penalty Interest will be added to the cancellation figures issued by the bank.

The 90 Day Penalty Interest is calculated from the day the bank is informed of the cancellation, at the current bond interest rate for a period of 90 days, on the total outstanding settlement amount, inclusive of an extra month's installment and any annual insurance or Assurance that is due within this period.

Should your bond be cancelled prior to the 90 days period expiring, the pro-rata penalty interest will be calculated on the remaining number of days still applicable on the 90 day penalty period.

Bond Cancellation Fee

The cancellation of any existing bonds registered over the property being sold, can only be attended to by an attorney firm appointed by, and representing the bank.

The cancellation fee is applicable even if the bond has been fully paid up.

Rates & Services

Payable to the Municipality and based on the current outstanding amount inclusive of all arrears.

Provision is also made for 4 months advance payments (when payable to the City of Cape Town), on all applicable services, and any credit due to the seller once transfer has taken place, will be refunded to the seller by the Municipality.

Rates figures are payable in order for the Council to provide the transferring Attorneys with the Rates Clearance Certificate over the property, in order to register at the Deeds Office.

Levies & Special Levies

Special Levies - It will be stipulated in the Offer to Purchase, should any special levies be due/payable on a Sectional Title Transfer.

The Body Corporate will calculate the pro-rata payment of special levies to be paid by the Seller and Purchaser prior to registration of the transfer.

Other

Any repairs contained in the Deed of Sale will need to take place prior to registration of the property.

Lost Title Deeds - should the original Title Deed be misplaced on an un-bonded property, an application for a Certified Copy must be applied for at the Deeds Office.