



# SELLERS TIPS & ADVICE

  
**CHAS EVERITT**  
INTERNATIONAL PROPERTY GROUP



# CHOOSING AN AGENT

## Why should you hire an Estate Agent?

Outside of the obvious issues around the complexity and time involved in marketing and selling a property in today's busy world, there are many reasons why hiring a qualified Chas Everitt Agent makes sense.

Selling a house can be an extremely daunting task; in fact it can be a full-time occupation in itself! For many folks it simply makes sense to hire a professional estate agent and grant a sole mandate to them so that they take care of business for you – it's their full time occupation!

A good estate agent can take care of all the details and help you get a better deal at the end of the day.

## Avoid Mistakes Sellers make selecting an Agent

Selling your property should be just like any other business transaction, but very often South African property sellers make decisions based on emotion or impulse that end up costing them both large amounts of money and often loads of time.

Selecting the right estate agent to market, negotiate the terms and sell your property is singularly the most critical part of the process.

Take your time and give the following some thought.

## Why should you select a sole agent

This is a written agreement between the seller of a property and an estate agency to exclusively market the seller's property under certain defined terms and conditions.

Granting a sole mandate to a qualified and active local estate agent is in most instances the most effective manner in which to get your property sold.

When you grant a sole mandate (sole agent), you have one estate agent and estate agency who are responsible and accountable to you as their client.

Chas Everitt Estate Agents are duty bound as an example to prepare a comprehensive Property Marketing Plan for clients who have granted them a sole mandate. This Plan will include a detailed Comparative Marketing Analysis or CMA which will give you access to a host of relevant information to ensure you price your property correctly based on local area real estate data compiled on market activity and trends.

This is particularly important in tough markets and economic conditions as incorrect pricing of property can result in both delayed and reduced sale prices. When you work with a sole mandate your agent is working in your interest – and will give you up to date and accurate information on an ongoing basis to assist you in making the right decisions.

It's also a fact that there is a limited amount or "pool" of property buyers in the market at any particular time – and a number of agents work out of this pool. Have a number of real estate agents working on the same property for sale doesn't mean there are MORE buyers for your property.

## Seller service guarantee.

Mindful of how stressful the sale of a property can be, Chas Everitt undertakes to perform the following services with regard to the marketing of the Seller's property.



# CHOOSING AN AGENT

## The 8 big hazards of trying to sell privately

Selling your home yourself and keeping the commission in your pocket instead of paying it to an estate agent may sound like a good idea, especially in a busy market, but you should be aware of the dangers before you decide on this approach.

So says Berry Everitt, CEO of the Chas Everitt International property group, who notes: "We find that most DIY or private sellers are homeowners who need to sell in order to get out of financial trouble, and have taken this route in the hope that saving the commission will mean they won't have to 'pay in' to settle their home loan after the sale.

"Unfortunately, though, they often fall into one of the many potential pitfalls of selling privately, and end up even worse off. We see this every day, and we would like people to be aware of the hazards and think carefully before they decide to dispense with the services of a professional agent."

The dangers of selling your own home, he says, include the following:

- \* You carry the all the costs of advertising and marketing, whether or not you sell your home. And not only that, you will have to try to gauge which advertising media might be most effective, and place and monitor your own ads. You will also need to get your own for-sale boards made and put them up and take them down in accordance with your local authority's signage bylaws. And finally, you will need to organise and run your own individual viewings, which come with all sorts of complications and legal requirements and liabilities at the moment because of the COVID-19 pandemic. A reputable agent on the other hand will be following the strict industry guidelines for viewings, and your risks will be significantly lower as a result.

- \* Lack of exposure. Most private sellers don't have the knowledge or resources to expose the property to a big enough pool of potential buyers and create enough awareness. Good estate agents, on the other hand, will have access to existing buyer bases as well as national and international advertising and marketing channels including property portals like Private Property and Property24.

- \* Lack of market knowledge and pricing ability. If you don't have access to the latest sales records and statistics, it is very difficult not to over- or under-price your home with regard to the current demand in your area. And buyers are so savvy these days that if your home is overpriced, no-one will make an offer; while if it is priced too low, you will lose out financially and defeat the purpose of selling your own home in the first place.

- \* Lack of experience / skill in negotiation. It is still a buyers' market in most areas and most buyers are tough negotiators at the moment, having done their homework and research. The first thing most will tell you, for example, is that if you are selling privately and not paying commission, the saving should go to them and not you. On the other hand, most sellers are not practised negotiators and will find it difficult if not impossible to achieve the detachment necessary to reach a mutually beneficial agreement.

- \* Legal and liability issues. Apart from the need to achieve familiarity with sale agreements and all sorts of other legal documents - or to pay an attorney to check them - private sellers also potentially face all sorts of liability issues when they are dealing with a buyer one-on-one. Laws dealing with property sales have become much more numerous and more complicated in recent years, and the new Consumer Protection Act is just one of the minefields that have to be crossed in order to achieve a successful sale.

- \* Unqualified buyers. There may be many people wanting to buy but with the banks being so strict on credit, only around half of them at best can actually qualify for a home loan. However, it is very difficult for private sellers to establish the financial capabilities of potential buyers so they don't waste time with people who won't qualify for a loan, people who don't have enough cash for the deposit and transfer fees or worse, people who are trying to 'scam' them into giving them occupation of their homes.

- \* Security. As a private seller, you have no screen between you and potential buyers - or potential crooks who may use the opportunity to get inside your home and either steal things while looking around, or "case" the property and security systems for a much bigger crime at a later date.

- \* Holding costs. If your home fails to sell because it is overpriced and/or underexposed, you will just have to keep on paying your bond, rates and taxes, electricity and water charges, insurance premiums and security and maintenance costs - and these 'holding costs' can quickly mount up to more than the potential saving of not paying an estate agent commission. Take an example of a home that is on the market for the current average SA home price of around R1,1m, for which a good agent would charge a maximum commission of around R77 000 (7% of the price). The holding costs on such a property are likely to total at least R13 500 a month if we conservatively estimate a monthly bond repayment of R8500, rates of R500, utility charges of R2500, HOC and bond insurance of R1000 and security and maintenance costs of R1000. This means that the holding costs would outstrip the commission amount within six months - and that is six months in which you might have lost out on a great deal on a new home, or simply been prevented from being able to move on with your life.

# PREPARING YOUR HOME

## Preparing your home to sell.

Property owners getting ready to sell usually have two major tasks ahead: Preparing their homes to go on show to potential buyers, and then keeping them in that condition while still living in them.

"And while this may seem like a tall order, it can be done with some forward planning and co-ordination with your estate agent," says Berry Everitt, MD of the Chas Everitt International property group.

"Before you even list your home for sale, for example, you should start clearing out your garage, tool shed, spare room and cupboards and donating, selling or throwing away anything you no longer want or need. If you've lived in your home for several years, it's likely that you've accumulated quite a lot of extraneous 'stuff', and if you clear this out now, your home will show better – and you'll have a lot less to do when you move."

Next, he says, you should aim to remove at least one item of furniture from every living room and bedroom (more if necessary) and put them in storage, along with any heavy, dark curtains.

"You will have less things to tidy and arrange when your agent calls to arrange a viewing, and your home will definitely show better if the rooms appear light and spacious and potential buyers can easily visualise themselves living there. Clutter interferes with this process."

## Sellers Guidelines for Property Photo Shoots.

First Impressions Last! The first time a buyer sees your house (whether it is a photo on a website or they are seeing in person) they will form an opinion of it. Your best chance as a seller is to give the right impression and there is a lot that you can do to help the buyer decide this is the right house for them.

Firstly, pack away any personal belonging (cell phones and chargers, laptops and other valuables, paintings or photographs or other items you don't want shown in the photos. Remove fridge magnets & other items from fridge & keep the space on the surfaces in the kitchen free & uncluttered by only keeping a few appliances on them. Remove toothbrushes in bathrooms and other personal toiletries & place toilet seat down).

Tidy away all clutter. The likes of piles of books next to the bed (a few magazines neatly stacked is fine), pack children's toys neatly away in cupboards or on shelves, remove any spare handbags and scarves hanging from cupboards or chairs. Make sure all dishes are washed and packed away. Pack away any personal documents in your office/study and leave the desk as clear as possible.

Check your Garden & Outside areas. Take away the automatic pool cleaner from the pool (if possible), remove your pool cover (make sure your pool is as clean as possible- preferably blue & with no leaves in it), remove all pool cleaning equipment from garden area (e.g HTH & pool brushes etc). Make sure that all Pet blankets, cushions, bowls of food etc..have been removed from view and Patio furniture has been arranged neatly. Make sure your grass has been cut. Remove bins on wheels and any other clutter lying around outside in the garden.

## Moving tips for Downsizing.

When we stay in larger homes, we tend to worry less about storage space. We accumulate drawers full of magazines and unused gifts, and garages full of sports equipment and forgotten hobbies. However, when the kids grow up and leave the nest, and it's time to move to a smaller home, it may be difficult to part with things that hold so much familiarity, despite the fact that they no longer serve a functional purpose.

By getting rid of all the unused items, you will be able to fit into your new home with all your most beloved things, and you will save on furniture removal costs. When there is no other way other than to get rid of excess baggage, since you have to downsize, you can follow a few of our moving tips as below to make the process easier.



# WHAT'S YOUR HOME WORTH

## Establishing your property value.

What is the true Market Value of your property? In a nutshell, your property is worth exactly what a willing and able Buyer is prepared to pay for it at any given time, and there are many factors which play a role in establishing value.

Despite what many think, the best means of determining its value, is to market the property by initially advertising it as close to market value as possible. The thinking that you can put it on the market at an inflated price and haggle doesn't work - in most cases the property will sell for below market value if you try this route.

The recommended price can be calculated by taking an average figure from the C.M.A's (Comparative Marketing Analysis) prepared by the estate agent you interview and select.

Beware of price exaggeration. It is an unfortunate fact that many estate agents initially place an inflated price tag on a property when asked to give a valuation or "evaluation". (This is one of the reasons we recommend you ask any estate agent you may be considering hiring to give you an up to date CMA)

The reason is simple. At his first meeting with you, the agent naturally wants to make a good impression, and therefore tries to avoid disappointing you. So he tends to price the property at a figure much larger than the market value, or unrealistically higher than the amount that you paid originally.

Also, there is a possibility of some unscrupulous agent or agents inflating their valuation merely to obtain a mandate. Then, after softening you up and conditioning you, they frequently end up persuading you to accept an offer far lower than the honest and experienced estate agent quoted you in the first place. Read more about this on the page "selecting the right agent"

Establish the actual market value.

Once you and your agent have established a marketing price, an intensive marketing campaign can be implemented.

All things being equal, you can feel assured of a sale at a reasonable price.

Always remember there is a constant nucleus of buyers in the market place ready and able to purchase. Their interest in your property is at its peak during initial market exposure, when these Buyers will compare your property with what they have already seen.

Buyers buy by comparison, and they will only seriously consider a property which they feel compares favourably with their expectations of value and price.

## CMA: How a CMA can help a Seller?

In our modern online world Sellers and Buyers of real estate have far more access to comparative prices, reviews and Information when trying to sell something.

For those wishing to hunt for motor cars there are a myriad of sites where you can get a treaty good idea of the going rates and prices for used motor cars or even motorbikes. For the likes of electronic goods there are loads of auction type site (Bid or Buy, EBay etc) which list what various items go for and are offered at.

Houses aren't quite the same because what most people (and most particularly Sellers) see is "Listing Price", a very different animal to Selling Price unfortunately!

That's why it's advisable for Property Sellers to get an accurate (and detailed) Comparative Market Analysis, (referred to as a "CMA") from an established local estate agent who specializes in the suburb, estate, complex or area.



# WHAT'S YOUR HOME WORTH

## Comparative Marketing Analysis (CMA)

What is a "comparative marketing analysis", and how does it help in pricing a property correctly? With homes making up a large part of many South Africans investment worth - many ask themselves "What is my property worth?"

Regardless of whether you are selling property now or are simply trying to get an idea of your property value and you are considering enlisting the assistance of an estate agent, you need to ensure you understand the methods employed to ascertain accurate property values and avoid mistakes Sellers make.

Wise South African property sellers should ask for a proper Comparative Marketing Analysis from their estate agent before putting their property onto the market or even listing their property with an estate agent.

A professionally completed Comparative Marketing Analysis involves some hard work, research and a strong knowledge base on prevailing local real estate market conditions, what properties are currently for sale and what recent housing sales have been.

When you are preparing to sell your property, a property CMA is an invaluable tool in arriving at an accurate property value in today's competitive market.

## Should I get a Home Inspection Report?

The issue of Home Inspections is a topical one in the South African property industry and amongst real estate Buyers and Sellers.

As A Purchaser - Should I Get a Home Inspected?

Inspecting the physical condition of a property you are looking to purchase can be an important element of the home buying process, and if you have concerns or are unsure of any element of a property's condition or feel that an additional opinion from a qualified party would give you comfort it's a route you should consider following.

Why should a Home Inspection be necessary?

Whilst your Estate Agent may have been given an undertaking verbally or in writing by the property seller, they are primarily property marketing professionals. A good real estate agent will take a general overview of the condition of the home to provide a market estimate of the property's value. An estate agent will not climb onto the roof or crawl into the roof cavity though as an example, and they are not able to evaluate the likes of the causes of damp, plumbing issues or even electrical problems. Estate agents are trained to help the seller correctly price the house in the light of prevailing market conditions and to conclude a successful sale by bringing willing buyers to the property and then assisting in the sales negotiations.

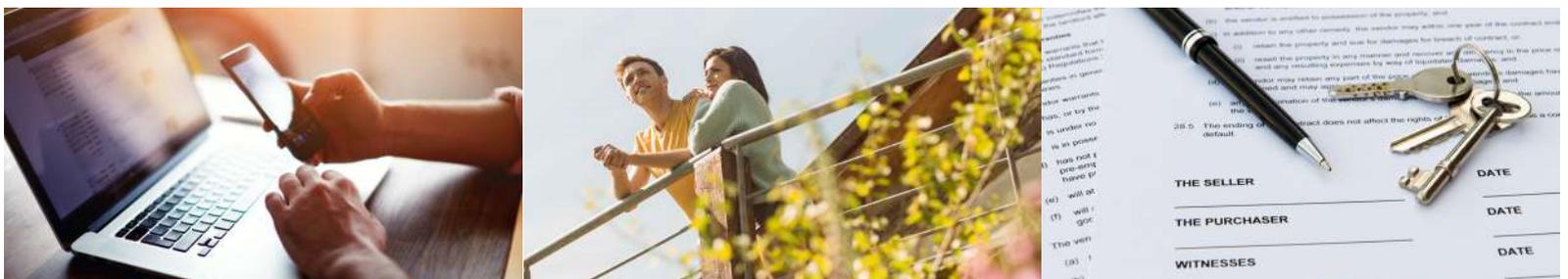
Aren't I protected by the Bank inspecting the Property?

Many think that if they are taking a Mortgage Bond on a property that the Banks Valuer will do a "Home Inspection" – but that isn't the case. The Banks "Inspector" is there to ensure there is sufficient value in the property to cover the Mortgage required in the event of default.

Home Inspections are a relatively new offering in the SA real estate arena and whilst they aren't fool-proof or a Guarantee, they often provide a certain peace of mind for prospective property purchasers who have concerns and are looking for some additional reassurance.

At Chas Everitt we offer Sellers and Buyers the opportunity to have Home Inspections performed through certified Home Inspection providers.

As the whole area of Home Inspections is a very new one and is of interest to many of our Sellers, Buyers, Landlords and Tenants, we have asked John Graham, the CEO of HouseCheck, to provide us with some information on Home Inspections. John can be contacted at [john@housecheck.co.za](mailto:john@housecheck.co.za) or on 083 3109 766.



# SALES TRANSFER PROCESS

## How does the transfer of property happen?

What is conveyancing? Conveyancing is the legal process whereby ownership in immovable South African property is transferred from one party to another and related aspects such as the registration of mortgage bonds and real rights in respect of immovable property.

Immovable property is any land (whether improved or not) such as a dwelling, a house, a farm, a vacant erf or a sectional title unit.

A conveyancing transaction involves a number of steps which normally begins with a Deed of Sale and continues through to the registration of transfer of ownership or the registration of the mortgage bond in the Deeds Office, the reconciliation of finances and the ultimate payment of the purchase price to the Seller.

What is a property conveyancer? A conveyancer is an attorney with a post-graduate qualification who by law is the only person who can register property transactions in the Deeds Offices. This is necessary to ensure the protection of the interest of the parties to the transaction and to maintain the high standard of land registrations.

The sale of immovable property.

3.1 Agreement of sale – a written agreement in which the Purchaser, the Seller and the immovable property as well as the purchase price is specified, is essential to constitute a binding agreement of sale. A Deed of Sale must be signed by both the Purchaser and the Seller or a person who has been authorized by such party in terms of a written Power of Attorney. A verbal contract for the sale of immovable property is unenforceable.

3.2 Transfer of the property – On receipt of the Agreement of Sale the conveyancer takes the necessary steps to effect registration of transfer of the immovable property in the relevant Deeds Office. Both the Purchaser and the Seller will be required to call at the offices of the Conveyancer to sign the necessary transfer documents which have been prepared by the Conveyancer and which will enable him to effect transfer.

Costs involved in a property transfer

The costs relating to the transfer of fixed property fall into the following categories:

- Transfer Fees
- Bond fees
- Transfer duty or VAT
- Rates and Levies
- Deeds Office levy
- Stamp duty on bond

How long does the property transfer process take? The period of time it takes to lodge a transaction in the Deeds Office depends on the co-operation of the parties and their contractual arrangements. After the documents are completed and the rates and taxes and the transfer duty paid, the documents are lodged at the Deeds Office. The usual time taken by the Deeds Office to examine the documents lodged by the different conveyancers for a specific transaction is 7 – 14 days.

Necessity of a conveyancer.

In terms of the present legislation, only qualified conveyancers may attend to the transfer of fixed properties and related transactions. This protects the rights and interest of the public and also safeguards the integrity of the South African Land Registration System, which is universally regarded as one of the best in the world. Only an attorney can qualify as a conveyancer.



# SALES TRANSFER PROCESS

## When is VAT payable on a Property Sale?

Very often the question arises as to whether the purchaser must pay transfer duty on a particular transaction or whether there is no transfer duty payable as the transaction is in fact a VAT transaction.

This question can arise where the seller is registered for VAT but the purchaser is not or the seller is not registered for VAT and the purchaser is registered for VAT or both parties are registered for VAT or neither party is registered for VAT.

The answer is usually easily determined by looking at the status of the seller except in the case of residential property. As a general rule, (except in the case of residential property), if the seller is in fact registered for VAT purposes, VAT is payable on the transaction and no transfer duty is payable by the purchaser in the transaction. If the seller is not registered for VAT purposes, then transfer duty is payable on the transaction by the purchaser.

However in the case of residential property transactions, because of the fact that the rental payable on a lease for a residential property does not attract VAT, the transaction is a transfer duty transaction even if the seller is registered for VAT (except in the case of a developer). In the case of a developer if the sale relates to a unit or erf in a particular property, the sale should be a VAT transaction as the developer is effectively trading in property.

There are a few technical exceptions to the general rules but the exception to the general rules happen so seldom that it does not serve any purpose in discussing such exemptions in an article of this nature.

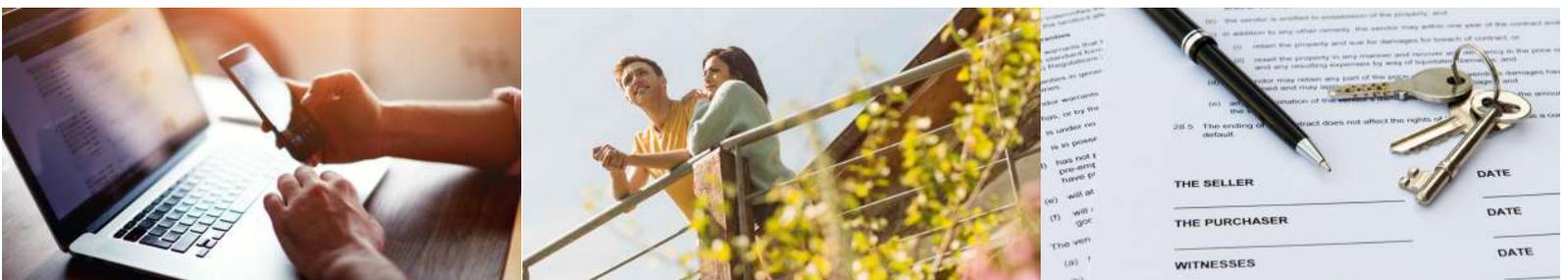
The other question which arises is whether VAT is included in the purchase price or not. As a general rule in South Africa, any purchase price must be VAT inclusive. Accordingly, if the transaction is a VAT transaction, then the purchase price will be inclusive of VAT unless the contract specifies that VAT is excluded from the purchase price. One must therefore be very careful in calculating the purchase price where the seller is a VAT vendor as very often the VAT vendor does not take into account that the selling price of the property includes VAT and the seller is upset when the seller discovers that a portion of the purchase price which the seller has received from the purchaser must be paid to the Receiver of Revenue by way of a VAT payment.

From the purchaser's point of view, the fact that the purchase price includes VAT and the purchaser does not have to pay transfer duty should mean that the purchaser should be willing to pay a higher price for the property being purchased as effectively the purchaser is getting the amount which the purchaser would have paid as transfer duty as a discount on the purchase price for the property.

If the sale of the property is one which is a VAT transaction and the purchaser is registered for VAT purposes, the purchaser is entitled to claim the VAT which forms part of the purchase price of the property as a VAT input. This effectively means that the purchaser will get a credit for this amount from the Receiver of Revenue on the purchaser's VAT when the purchaser submits the purchaser's next VAT return. The Receiver of Revenue may conduct a VAT audit on the purchaser before allowing the input particularly if any monies are to be paid by the Receiver of Revenue to the purchaser. Sometimes the audit does not take place if there is no actual payment of monies from the Receiver of Revenue to the purchaser.

If the purchaser is a VAT vendor but the seller is not registered for VAT, the purchaser is entitled to claim the transfer duty which the purchaser has paid on the transfer of the property as a VAT input (except of course if the property is a residential property). Effectively therefore the purchaser will recover the amount of the transfer duty from the Receiver of Revenue. Again the same will be by way of a claim for a VAT input on the purchaser's next VAT return and again the Receiver of Revenue may decide to audit the same prior to allowing the claim or paying a refund.

Normally the Receiver of Revenue will not allow the claim unless he has received proof that the transfer has actually taken place and would normally require a copy of the transfer duty receipt as proof that the actual transfer duty was paid. One should therefore make arrangements with the conveyancing attorneys to expedite the relevant documentation after the transfer has been registered in order that the purchaser can obtain the relevant documentation as soon as possible to support a claim for the return of the transfer duty in the form of a VAT input.



# SALES TRANSFER PROCESS

## Non Residents Selling and withholding of funds.

From the 1st of September 2007 it is imperative that an estate agent notify the conveyancer that the seller is a non-resident otherwise the agent can forfeit his commission to SARS.

The provisions of Section 35A of the Income Tax Act will come into operation on the 1st of September 2007. This new section provides that:

1. Any person, such as the purchaser of immovable property, or the conveyancer, appointed to attend to the registration process who must pay an amount to a person who is not a resident in respect of a disposal of any immovable property in the Republic must withhold from the amount due to such seller an amount equal to:

5% of the amount so payable where the seller is a natural person; or  
7.5 % of the amount so payable where the seller is a company; or  
10 % of the amount so payable where the seller is a trust.

2. The seller may apply to the South African Revenue Services ("SARS"), for a directive that no amount or a reduced amount must be withheld having due regard to: -

any security furnished for the payment of any tax due on the disposal of the immovable property by the seller;  
the extent of the assets of the seller in the Republic;  
whether that seller is subject to tax in respect of the disposal of the immovable property; and  
whether the actual liability of that seller for tax in respect of the disposal of the immovable property is less than the amount contemplated in clause 1 above.

3. The amount to be withheld is an advance payment in respect of that seller's liability for normal tax for the year of assessment during which that property is disposed of by the seller.

4. If the purchaser knows or reasonably should have known that the seller is not a resident and fails to withhold any amount as required in terms of the Act then that purchaser: - is personally liable for the payment of the amount which he or she failed to withhold; and must pay that amount to SARS not later than the date on which payment should have been made if the amount had in fact been withheld.

5. The amount must be paid within 14 business days (if the purchaser is a resident) or 28 business days (if the purchaser is a non-resident) after the date on which that amount should have been withheld.

6. If a purchaser fails to pay the amount contemplated to the SARS then that purchaser: - is liable for interest at the prescribed rate on any amount outstanding reckoned from the day following the last date for payment to the date that the amount is received; and must pay a penalty equal to ten percent of that amount in addition to any other penalty or charge for which he or she may be liable under the Act.

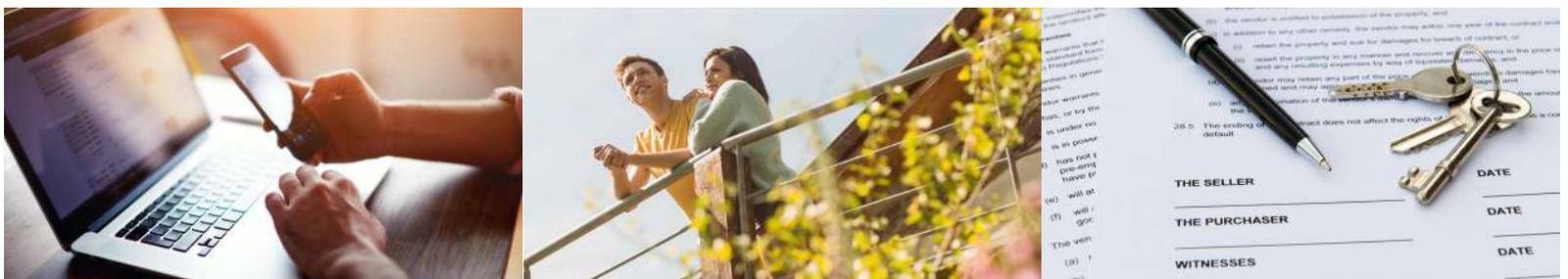
7. Any estate agent and any conveyancer who is entitled to any remuneration or other payment in respect of services rendered in connection with the disposal of the immovable property by the seller or the registration of transfer, as the case may be, must each inform the purchaser in writing of the fact that the seller is not a resident and that the provision of this section may apply.

8. If an estate agent or conveyancer knows or should reasonably have known that the seller is not a resident and fails to comply with the above, that estate agent or conveyancer is jointly and severally liable for the payment of the amount which the purchaser is required to withhold to pay to SARS in terms of this section, but the amount is limited to the amount of remuneration payable to such person.

9. However, the section does not apply: -

if the amount payable by the purchaser to the seller, in respect of the acquisition by that purchaser in aggregate does not exceed R2-million, or in respect of any deposit paid by a purchaser for purposes of securing the disposal of the immovable property by the seller to that purchaser until the agreement for that disposal has been entered into, in which case any amount which would have been required to be withheld from the amount of that deposit must be withheld from the first following payment made by that purchaser in respect of the disposal.

Every seller of immovable property is required to pay capital gains tax on the gains made from buying and selling of such immovable property but unfortunately many non-residents merely take their profit and leave the country without paying the capital gains tax.



# SALES TRANSFER PROCESS

## National Biodiversity Act and Selling

The National Environmental Management: Biodiversity Act 2004 (Act No 10 of 2004) (The "Act") provides for the management and conservation of South Africa's biodiversity and the establishment of a National Biodiversity Institute for the implementation of the Act.

In terms of Section 70(1) of the Act, the Minister must publish a national list, and the MEC may publish a provincial list of invasive species for which restricted activities apply.

A person may not carry out restricted activities involving a specimen of alien species on such list without a permit issued in terms of Chapter 7 of the Act, which shall only be issued after the prescribed assessment of risks and potential impact on biodiversity is carried out. Restricted activities include amongst others importing, having in possession, conveying, moving or translocation, and acquiring or disposing of a listed invasive species.

The Regulations to the Act, as well as the list of invasive species, were both published on 1 August 2014 and the Regulations came into force on 1 October 2014.

Of particular interest to property owners is Section 29 of the Regulations that deals with the sale or transfer of alien and listed invasive species.

In terms of subsection 1, if a permit holder sells a specimen of an alien or listed invasive species or the property where it is under its control, the new owner must apply for a permit under Chapter 7 of the Act, which shall in terms of subsection (2) be subject to the same conditions as the previous permit holder unless specific circumstances requires a revision of the permit conditions.

Subsection (3) requires that:

"The Seller of an immovable property must, prior to the conclusion of the relevant sale agreement, notify the purchaser of such immovable property in writing of the presence of listed invasive species on that property."

Persons contravening or not complying with the Regulations are guilty of an offence and if convicted liable for a fine not exceeding five million rand for a first offence and ten million rand for a second offence, or imprisonment for a period not exceeding 10 years, or both a fine and imprisonment.

Immovable property is not defined in the Act or the Regulations and will, therefore, include sectional title properties.

The question immediately arises whether the Seller of a Sectional Title Unit has to disclose the presence of alien and listed invasive species on the common property of such Sectional Title Scheme.

One must remember that the common property of a Sectional Title Scheme belongs to the Body Corporate and that the Seller merely owns an undivided share in same allocated in terms of his/her participation quota in the Scheme.



# SECTIONAL TITLE

## Sectional Title: Seller Document Checklist

### SELLER TIPS: DOCUMENT CHECKLIST WHEN OFFERING A FLAT OR TOWNHOUSE FOR SALE

We live in a highly regulated environment today and Estate Agents, Sellers and Buyers are required to comply with many legal and statutory issues when marketing, buying or offering a flat or townhouse for sale in South Africa today.

Outside of the legal requirements, prospective purchasers themselves often require additional information from sectional title property owners before they are prepared to make a decision to commit to the purchase.

As the seller, much of this documentation is in your possession or readily available to you.

We would highly recommend that you gather the information below prior to offering your flat or townhouse for sale and make it available to your selected estate agent.

### GENERAL DOCUMENTS CHECKLIST

Copy of your SA Identity Document or your South African Passport (this is a FICA requirement)

Proof of Residence (recent) such as the likes of utilities bills such as rates or telephone accounts which are in your name and are addressed to your home – again, this is a FICA requirement today.

Your latest Bond Statement preferably or at a minimum your bond holder information and bond account number.

Your most up to date (should be the latest) Levy account in the complex.

Your most recent Rates and Taxes account.

### DOCUMENTS REQUIRED IF THE PROPERTY IS HELD BY A TRUST

If your flat or sectional title property is held or owned within a Trust you will have to ensure you provide all of the above for EACH Trustee as well as a copy of the Trust Deed and Letters of Authority.

It's important to understand that for the Deed of Sale to be valid, all of the Trustees have to sign the Deed of Sale or provide a formal resolution authorizing a single Trustee to sign the Deed of Sale on the Trusts behalf.

### SUPPLEMENTARY DOCUMENTATION

It's always a great help, can often aid a prospective purchaser of the unit in making a decision and will help to avoid delays at transfer if all of the information below is also made readily available.

The Managing Agents Contact Information (Name of Agency, telephone number and email address).

In the absence of a Managing Agent, the contact details of the Body Corporate Chair or another Trustee.

Provide a Copy of the complex or blocks very latest Audited Financial Statements.

Provide a copy of the complex Conduct and Management Rules.

Provide your Agent with details of any "Exclusive Use Areas" (such as garages, bays or storerooms) which are tied to your unit.

Taking the time and trouble to prepare and have these documents to hand will pay dividends when offering your property for sale.

Outside of the legal aspects and the possibility of helping move a buyer along, having all the information to hand when the sale of your sectional title property is finalised means that the transferring attorney also has a head start when instructed to proceed with the transfer of the property.

