



CONVEYANCING INFORMATION 2022 / 2023



Based in the heart of Umhlanga, Kwa-Zulu Natal, Johnston & Partners is a leading dynamic law firm specializing in all areas of law including Conveyancing, Litigation, Commercial Law, Collections, Estate Planning, Trusts, Insolvencies & business rescue

Johnston & Partners prides itself for being on most major bank institutions panels.

**PROPERTY & CONVEYANCING * CORPORATE & COMMERCIAL * LITIGATION * FAMILY LAW
INDUSTRIAL RELATIONS * TRUSTS & ESTATES * INSOLVENCIES & BUSINESS RESCUE**



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FOR THE SELLER OF THE PROPERTY

There are a few things that need to happen before the sale can be considered finalized.

- The Conveyancers need to ensure that the buyers have the finances available for the sale to be concluded.
- The sale can only go through if all "subject to" clauses have been fulfilled. (Look out for whether there is a condition where the purchaser may need to sell their own home in order for the sale to go through.)

If your property is bonded – You need to notify your bank that you are selling at least 3 months before the transfer happens in order to ensure that you do not pay penalties.

APPOINTING A CONVEYANCER

As the Seller, you have the right to choose a Conveyancing Attorney for the transfer of your property. The success and pace will largely depend on how your conveyancing team and the other role players perform. Choosing a Conveyancing Attorney who has a Litigation team, such as Johnston & Partners, will always be of benefit to you should anything unforeseen happen in the process of the transfer due to our Litigation support.

The Conveyancing Attorneys will need a copy of the Sale Agreement, mandatory FICA documents as well as the sellers disclosure form, who will then be able to start the process of the transfer.

CONVEYANCING ROLE PLAYERS

- Conveyancers (Transferring Attorneys)
- Current Bond Holder (bank/ financial institution)
- The Bond Attorneys appointed by the bank
- Bond Cancellation Attorneys*
- The Municipality
- SARS
- Deeds Office
- Body Corporate and/or Home Owners Association
- Compliance Companies

FICA DOCUMENTS TO HAVE READY

- Original identity documents
- Proof of address (not older than 2 months)
- Original document with banking details
- SARS documentation reflecting your tax number
- Marriage Certificate *
- Antenuptial Contract *
- Divorce Order and Settlement Agreement*

Please note that the Conveyancers will need original documents where certified copies can be made.

(* if applicable)

CERTIFICATES OF COMPLIANCE

Mostly Sellers are responsible for carrying the cost of Certificates of Compliance (COC's). The certificates required are written into your Sale Agreement. Ask your Conveyancer to recommend good companies to do the certificates for you. COC's must be current and must have the property address on it.

- Electrical Compliance Certificate
- Pest Clearance Certificate
- Water Installation Certificate
- Electric Fence Compliance Certificate*
- Gas Compliance Certificate*

(* if applicable)

FOR THE PURCHASER OF THE PROPERTY

DEPOSIT

Deposits are negotiable, but are normally 10% of the Purchase Price, and should be paid to the Seller's Conveyancers within a certain period after signing the agreement- this is negotiable, and is normally 3-7 working days. If the Purchaser fails to obtain a loan from a bank, your sale will fall through and be of no force or effect unless the Seller agrees to extend the time period in the form of an Addendum. Many Sale Agreements have an automatic extension of time clause written into the Agreement, which extends the period by usually 10 days.

BOND

If applicable, the bond should be applied for immediately - Your Estate Agent will assist and might suggest that application is made through a Bond Originator. This cuts out a lot of stress for the Purchaser, unless they have a pre-approved loan and prefer to go through their own Banker. Once the bond has been granted, a Bond Attorney will be appointed by the bank, and they will instruct those Attorneys to attend to the registration of the bond. Your Bond Attorney will liaise with the Transferring Attorneys.

You as the Purchaser may nominate our Firm to attend to your bond registration, either through Standard Bank or Absa Bank. Feel free to discuss this with our Mortgage Originator.

** Please be aware that bond costs and transfer costs are totally unrelated. The bond costs are paid to the Bond Attorneys and the transfer costs are paid to Transferring Attorneys. You are always at liberty to ask the Attorneys to provide a Proforma Statement so that you can budget for those costs.

THE PROPERTY TRANSFER, BOND AND REGISTRATION PROCESS

1. Purchase of Property

Buyer and Seller sign the Offer to Purchase, drawn up by your Property Practitioner or Attorney.

2. Bond Approval

Purchaser or Estate Agent applies directly or through a Bank or Bond Originator or Financial Institution of his/her choice. Once the bond is approved, the Bank or Financial Institution will instruct the Bond Attorney to register the bond in the Purchaser's name.

3. Transfer of Property

(a) Seller or Estate Agent instructs Transferring Attorney to transfer the property.

(b) The Transferring Attorney will contact both parties and provide the Purchaser with a pro-forma account, which must be paid upon demand when the Transferring Attorney calls for same. An estimated rates or levy figure together with Transfer Duty/VAT will be included in this account.

(c) The Transferring Attorney requests Title Deed and cancellation figures from the bond holder (if applicable). The Transferring Attorney receives the Title Deed and cancellation figures from the Cancellation Attorneys, and sends a copy of the draft Deed of Transfer and guarantee requirements to the Bond Attorney.

(d) Bond/ Transferring/ Cancellation Attorneys liaise simultaneously.

(e) The Bond Attorney request guarantee requirements and draft deed from Transferring Attorney and advises the Transferring Attorney of the amount available for guarantees i.e., funds made available to Purchaser for purchase of property and request Draft Deed to prepare.

(f) The Cancellation Attorney is requested to cancel the Seller's bond on receipt of a guarantee for the outstanding amount.

(g) The Transferring Attorney receives the Title Deed and cancellation figures from the Cancellation Attorneys and sends a copy of the draft Deed of Transfer and guarantee requirements to the Bond Attorney.

(h) The Seller/ Estate Agent to provide the transferring Attorney with an Entomologist Clearance Certificate, Electrical Compliance certificate, Gas compliance and Electric Fencing certificate, if applicable.

(i) The Transferring Attorney will then call upon both the Purchaser and Seller to sign the transfer documents.

(j) The Purchaser will also be liable for a portion of the annual rates for Conventional and Sectional Title Transfers. If it is a Sectional Title Transfer, then the Purchaser is also liable for a portion of the levy.

(k) The Bond Attorney prepares the bond documents together with the account.

(l) The Purchaser is then called in to sign the bond documents and pay the bond costs.

(m) The Bond Attorney prepares and issues the necessary guarantees and forwards them to the Transferring Attorney.

TRANSFER COSTS										BOND COSTS				
PURCHASE PRICE / BOND AMOUNT	ATTORNEY FEE	POSTS & PETTIES	VAT	DEEDS OFFICE	TRANSFER DUTY	TOTAL	ATTORNEY FEE	POSTS & PETTIES	VAT	DEEDS OFFICE	TOTAL:			
100 000	5400	1200	990	43	0	7633	5400	900	945	468	7713			
200 000	7120	1200	1248	96	0	9664	7120	900	1203	606	9829			
300 000	8840	1200	1506	606	0	12152	8840	900	1461	606	11807			
400 000	10560	1200	1764	755	0	14279	10560	900	1719	755	13934			
500 000	12280	1200	2022	755	0	16257	12280	900	1977	755	15912			
600 000	13940	1200	2271	755	0	18166	13940	900	2226	775	17841			
700 000	15600	1200	2520	1063	0	20383	15600	900	2475	1063	20038			
800 000	17260	1200	2769	1063	0	22292	17260	900	2724	1063	21947			
900 000	18920	1200	3018	1220	0	24358	18920	900	2973	1220	24013			
1 000 000	20580	1200	3267	1220	0	26267	20580	900	3222	1220	25922			
1 500 000	25560	1200	4014	1371	18750	50895	25560	900	3969	1371	31800			
2 000 000	28880	1200	4512	1371	50250	86213	28880	900	4467	1371	35618			
2 500 000	33860	1200	5259	1900	91000	133219	33860	900	5214	1900	41874			
3 000 000	37180	1200	5757	1900	146000	192037	37180	900	5712	1900	45692			
3 500 000	42160	1200	6504	1900	201000	252764	42160	900	6459	1900	51419			
4 000 000	45480	1200	7002	1900	256000	311582	45480	900	6957	1900	55237			
4 500 000	50460	1200	7749	2305	311000	372714	50460	900	7704	2305	61369			
5 000 000	53780	1200	8247	2305	366000	431532	53780	900	8202	2305	65187			
5 500 000	57980	1200	8877	2305	421000	491362	57980	900	8832	2305	70017			
6 000 000	57980	1200	8877	2305	476000	546362	57980	900	8832	2305	70017			
6 500 000	62180	1200	9507	2745	531000	606632	62180	900	9462	2745	75287			
7 000 000	62180	1200	9507	2745	586000	661632	62180	900	9462	2740	75282			
8 000 000	66380	1200	10137	2745	696000	776462	66380	900	10092	2745	80117			
9 000 000	70580	1200	10767	3209	806000	891756	70580	900	10722	3209	85411			
10 000 000	74780	1200	11397	3209	916000	1006586	74780	900	11352	3209	90241			

HOW TO CALCULATE TRANSFER DUTY

R1 000 001 - R1 375 000 = 3% of the value above R1 000 000

R1 375 001 - R1 925 000 = R11250 + 6% of the value above R1 375 000

R1 925 001 - R2 475 000 = R44 250 + 8% of the value above R1 925 000

R2 475 001 - R11 000 000 = R88 250 + 11% of the value above R2 475 000

R11 000 000 - and above = R1 026 000 + 13% of the value exceeding R11 000 000

HOW TO CALCULATE BOND REPAYMENTS

To easily calculate your bond repayments refer to our website www.johnstonkzn.co.za

PURCHASER COSTS

- Transfer fees (payable to Transfer Attorneys)
- Transfer duty (tax payable to SARS) or VAT
- Bond registration fees (Payable to Bond attorneys)
- Levies up to date of transfer
- Home Owners Association consent fee*
- Body Corporate levy clearance fee*
- The costs of complying with special bond conditions*
- Occupational interest pending transfer*
- Special levies imposed by a Body Corporate before transfer is payable in instalments, then the Buyer inherits the balance on a pro-rata basis as from date of transfer. *
- Home Owners Consent*

SELLERS COSTS

- Compliance Certificates
- Advanced rates clearance figures
- Agents Commission*
- Special levies imposed by a Body Corporate before transfer*
- Bond cancellation fees *
- Capital Gains Tax *
- 90 - day penalty interest if a bond must be cancelled* - (If you notify your bank that you are cancelling your bond 3 months prior to transfer you can avoid paying this penalty.)

(* if applicable)



HELPFUL TIPS WHEN BUYING OR SELLING PROPERTY

- Pro rata rates and/or levies are payable in advance.
- Seller – if you are entitled to a refund in respect of rates overpaid, you will need to approach the Municipality after registration of transfer to obtain such refund.
- There is a difference between occupation and possession. Briefly, occupation entails the payment of monthly occupational interest (rental) from date of occupation until date of registration of transfer of the property into the name of the Purchaser; the norm is that possession will take place on registration of transfer and brings with it the risk in and to the property from which date the Purchaser is responsible for outlays such as payment of rates and/or levies etc.
- Ensure that your income tax number, identity number as contained in your bar-coded identity book and address details are up to date with SARS. You may need to visit your nearest SARS office in this regard.
- The Seller has the right to nominate his or her Conveyancing Attorney.

This guideline of costs and expenses is subject to change. We cannot accept liability for the accuracy of submission or inadvertent errors. A detailed cost and expense schedule can be provided on request.

Valid from 16 MAY 2022

Johnston And Partners

WhatsApp Business Account



SCAN THIS CODE TO START A WHATSAPP CHAT WITH
JOHNSTON & PARTNERS

OR EMAIL elaine@johnstonkzn.co.za

FOR AN OBLIGATION FREE QUOTE

AJ JOHNSTON
& Partners
ATTORNEYS & CONVEYANCERS



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