



DYKES VAN HEERDEN GROUP OF COMPANIES
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AMENDMENT OF SPECIAL LEVIES CLAUSE IN SECTIONAL TITLES AGREEMENTS REQUIRED IN TERMS OF THE SECTIONAL TITLES SCHEMES MANAGEMENT ACT

The Sectional Titles Schemes Management Act 8 of 2011 (the “Act”) which came into operation on 7 October 2016 had the impact of amongst other amendments repealing section 37 of the Sectional Titles Act 95 of 1986 which section dealt with special levies.

We suggest that Sectional Titles Agreements of Sale be amended by inserting the following clause dealing with special contributions in terms of section 4 of the Act. This clause should replace existing clauses which deal with the payment of special levies by the parties. The suggested clause reads as follows:

“The Seller shall not be liable for the levies to the Body Corporate as from the date of registration of transfer into the Purchaser’s name. Accordingly, the Purchaser shall be liable and shall pay levies due to the Body Corporate from the date of registration of transfer. If before registration of transfer of the Property, the Body Corporate imposes a “special contribution” (as defined in section 3(4) read with section 3(1) of the Sectional Title Schemes Management Act 8 of 2011), the Purchaser shall be liable for the pro rata payment of such special contributions calculated from the date of transfer of the Property into the name of the Purchaser.”

Please note that the use of and capitalisation of certain terms may need to be varied in accordance with the terms used and defined in the relevant Sectional Titles Agreements of Sale .

This newsflash has been prepared for information purposes only and does not constitute legal advice, or a legal opinion, the practical application of the provisions of this newsflash will vary depending on the facts of each case.

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