



DYKES VAN HEERDEN GROUP OF COMPANIES
professionals striving for excellence

EXPERIENCE SHOWS THAT A SPEEDY AND EFFICIENT REGISTRATION OF TRANSFER PROCESS PLACES YOU, THE AGENT IN THE BEST POSSIBLE POSITION AND LIGHT:

A property transaction is more than a transaction, it is an experience for both the seller, the buyer and even the agent.

A smooth transfer process which runs like clockwork fills an agent with pride, improves the agent's reputation, fires up-agents and boosts their confidence and market presence. This confidence and success leads to increased productivity and ultimately results in better prosperity.

Stressful or delayed transactions do agents more harm than they realize. These transactions destroy of your most valuable assets as an agent, namely:

- * Reputation;
- * Client relationships;
- * Focus;
- * Time;
- * Energy;
- * Productivity; and
- * Confidence.

Assisting your clients in selecting the right transferring attorney is far more important than you realise. Too often small details are neglected, or overlooked in a transaction by an attorney and invariably when a seller or buyer has a bad experience during the transfer process they automatically project their dissatisfaction to their relationship with the agent as well, regardless of how good the agent may be!

The market is changing at an unbelievable pace, buyers have become very fickle and sellers have come to expect far more from their agents than before. The real estate profession is under threat and it has become vital for agents to prove that they are valuable to their clients and deserving of their full fee.

CONCLUDING A SMOOTH TRANSACTION IS EASIER THAN IT MAY SEEM:

Concluding a smooth property transaction is a lot easier than it may seem. There are things that a top agent can do when partnering with an exceptional transferring attorney that will make your property transactions register in the shortest amount of time, in a hassle free manner which will create the best possible impression of you with your clients.

Below we have briefly outlined strategies you may wish to implement in order to improve the experience for yourself and your clients.

Upon Signing the Marketing Authority

We can as a starting point assist you by performing a Deed Search on your behalf to establish:



- Whether the client has the authority to sign the mandate at all or whether additional signatures are required (spouses, co-owners, proof of authority if the seller is a juristic person etc.)
- Whether there are any interdicts over the property. Some interdicts can be lifted rather easily whilst you are marketing the property. This can have a drastic effect on how long the transfer procedure takes and could save you weeks.

In the case of erven (full title properties), please obtain a copy of the client's water and lights account. With this we can assist you to establish whether their water and lights account is linked to their rates account. Often accounts are not linked and where the accounts are not linked it could cause unnecessary delays in the transfer process, we however can remedy this problem before it causes delays in your transactions.

It is important to note the marital status of your client whether they are sellers or buyers as for example if the parties are divorced the absence of a copy of a divorce order can cause delays in your transactions delaying the matter by weeks.

Ask your seller to obtain an electrical compliance, gas compliance or electric fence compliance certificate as applicable. Obtaining these prior to securing an offer on a property could save time.

It would also be prudent to obtain copies of the building plans for the property as purchasers are increasingly requesting copies of the building plans.

It is extremely important to obtain the FICA documents of the parties to the mandate as quickly as possible. It must be stressed to the sellers at this stage that the immediate supply of these documents will assist in ensuring that no delays are created in the transaction. The following is a list of essential documents and information from the seller

Seller Documents:

- 1) Current bond account number;
- 2) ID copy;
- 3) Municipal rates statement;
- 4) Income tax number;
- 5) Marriage certificate if applicable;
- 6) Ante nuptial contract if applicable;
- 7) Details of the body corporate / managing agents (if applicable);
- 8) Details of the Home owner association (if applicable).

Upon Concluding the Offer to Purchase (OTP)

When it comes to signing up an OTP the following factors are important to bear in mind to ensure that your transaction proceeds smoothly:

The OTP acts as a set of instructions to the paralegals according to which they draft their documents. Always ensure that the handwriting on your OTP is neat and easily legible, this really can have a dramatic effect on how quickly and easily documents are drafted.

It is extremely important to obtain the FICA documents of the parties to the OTP as quickly as possible. It must be stressed to the purchaser at this stage that the immediate supply of these documents will assist in ensuring that no delays are created in the transaction. The following is a list of essential FICA documents and information to be obtained from the purchaser:

Purchaser Documents:

- 1) ID copy;
- 2) Proof of residence;
- 3) Income tax number;
- 4) Marriage certificate if applicable;
- 5) Ante nuptial contract if applicable;
- 6) Details of the bond originator if applicable; and
- 7) Details of the bond attorneys once the bond is granted if applicable.

We trust that the above information will be of use to you in ensuring that your transactions will be a pleasant experience for all of the involved parties and that your transfer will be effected quickly and efficiently. Below we have outlined the steps taken to effect the transfer of a property. You will clearly see how the above ties into the steps below.

Steps Taken by the Conveyancers to Effect Transfer of a Property

1. Receive instructions to attend to the transfer.
2. Immediately request the original title deed, original mortgage bond and the cancellation figures from the existing bondholder. The cancellation figure is the amount which the existing bondholder requires to be paid before it will cancel the bond over the property.
3. Immediately request a statement from the local authority setting out the rates and taxes payable for a period of approximately five months in advance. No transfer can be effected until the Registrar of Deeds is satisfied that the rates and taxes have been paid up to date of transfer.
4. Immediately obtain the relevant information from either the purchaser or the agent or the mortgage originator regarding where the bond has been granted.
5. Obtain payment of the deposit in terms of the Agreement of Sale (if applicable).
6. Once the purchaser's bond has been granted, one then has to request guarantees from the attorneys attending to the registration of the bond and draw the transfer documents. The guarantees are letters from the financial institution concerned guaranteeing that payment of certain monies will be made on registration of the property. One of the guarantees is utilized to guarantee the payment to the existing bondholder in respect of the cancellation figures. A second guarantee is normally issued in favour of the transferring attorney and represents the seller's proceeds.

7. Call upon the purchaser and seller to sign the documents drafted to give effect to the transfer of the property. The purchaser is required to pay the transfer duty, the transfer fees and other costs upon signature of the documents.
8. The transfer duty is then paid to the Receiver of Revenue in order to obtain a transfer duty receipt as proof of such payment.
9. Payment is made to the Local Authority for the rates and taxes as per the statement in order to obtain a clearance certificate as proof of payment.
10. Upon receipt of the guarantees from the bond attorneys, the guarantee required to cancel the existing bond is sent to the attorneys attending to the cancellation of the bond.
11. Once the transfer duty receipt and the clearance certificate have been obtained, arrangements are made with the attorneys involved to have all the documents lodged simultaneously in the deeds office.
12. After examination of the documents by the deeds office (which takes approximately 7-10 working days) the transfer will be registered.
13. Upon registration of the transfer the purchaser then becomes the owner of the property.
14. The guarantees are then presented at the various financial institutions and after the guarantees have been cashed, the seller receives payment of the balance of the purchase price after payment of the monies which have to be paid on behalf of the seller. This normally takes place on the first working day after the registration date.

The above is only a brief guide and should not be interpreted as being an extensive lay-out of all the steps to be taken to effect transfer of a property. 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.

Please feel free to contact our offices should you wish to obtain further information or to book or attend training on a number of topics including our current training series on:

- ✓ FICA;
- ✓ POPI;
- ✓ Successful vs Unsuccessful Agents;
- ✓ Fraud on the Rise;
- ✓ Loopholes (1 to 5) (one of our most popular and informative training series);
- ✓ Resolutions for CCs, Trusts and Companies;
- ✓ Economic Prospects (in the real estate sector).

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