

TRANSFER PROCESS



NR NAGEL
ATTORNEY | CONVEYANCER | NOTARY

The Transfer Process briefly comprises of the following steps:

1 RECEIPT OF OFFER TO PURCHASE BY THE TRANSFERRING ATTORNEY

The transfer process commences with the transferring attorney receiving the signed and accepted offer to purchase (OTP) from the Seller, or the estate agents office.

Once we have received the OTP, we will then proceed to open our file and send our initial letters to the Seller, Purchaser and Estate Agent. In these letters we request the required FICA and other documentation that will be essential during the transfer process. We further administer the agreement between the Seller and Purchaser to ensure that all the conditions of the OTP are timeously adhered to. Once we have received all the required documentation from the parties, we will proceed to request bond cancellation figures from the Seller's bank, which will act as the Sellers notice to cancel his bond and limiting the early termination penalty levied by the bank.

2 FULFILMENT OF SUSPENSIVE CONDITIONS

Most Offers to Purchase are subject to one or more suspensive condition that must be met before a valid and binding agreement of sale will come into force and effect. A common example of a suspensive condition is that the Purchaser must obtain bond approval for a specified amount on or before a specific date. Upon fulfilment of such a suspensive condition, the formal transfer will commence and the Bond Attorneys will be appointed by the Purchaser's bank.

3 DRAFTING AND SIGNING OF DOCUMENTS

Once the suspensive conditions of the OTP have been met, both our office and the bond registration attorneys will proceed in drafting the respective registration documents and arrange signature thereof by all parties.

During this stage we will request guarantees to secure the Purchase Price from the bond attorneys, rates clearance figures from the municipal council and if the property is situated within an estate or sectional title complex, levy clearance figures from the Home Owners Association or Body Corporate.

4 PERFORMANCE BY THE PURCHASERS AND SELLERS

After the documents have been signed, both the Seller and Purchaser is obligated to perform their respective obligations to ensure that all the required documents and certificates are obtained by our office to proceed with lodging of the documents for registration at the deeds office. The following documents and certificates are required for lodgement purposes:

Guarantees securing the Purchase Price: The bond registration attorney will be able to issue the required guarantees upon signature of their bond registration documents by the Purchaser. Guarantees are an irrevocable promise, given by the bank, that the Seller's existing bond will be settled and the remainder of the purchase price will be paid to the transferring attorneys' trust account.

Attorney Registration Fees: The Purchasers will attend to the payment of the transfer and bond registration fees to the relevant attorneys. Upon receipt of the transfer fees the transferring attorneys' office will be able to pay the Transfer Duty to SARS. Transfer Duty is a tax levied on the purchase price of the property acquired by the Purchaser, and is calculated using the Transfer Duty scale published by the South African Revenue Service. SARS will issue the transfer duty receipt upon payment of the amount due. In some instances, the property transfer is exempted from transfer duty and in such an event a transfer duty exemption certificate will be issued by SARS.

Rates Clearance Certificate: Before transfer of the property is effected, the Seller is required to attend to the payment of the rates clearance figures containing all arrear municipal accounts together with 4 months rates and taxes in advance, before the rates clearance certificate will be issued by the City Council. This certificate certifies that all municipal accounts for the preceding two years is paid in full by the Seller.

Levy Clearance Certificate: The same principal, as with the municipal accounts, apply to the levies of the Body Corporate for a sectional title scheme or Home Owners Association. The levy clearance certificate certifies that all arrear levies together with levies paid up to date of registration, has been paid by the Seller and that provision from date of registration has been made by the Purchaser.

It should be noted that with both the rates and levy clearance payments, the Seller will be refunded any amounts overpaid to the relevant authorities after registration of transfer is effected.

Compliance Certificates: The Seller is obliged to provide compliance certificates for the electrical, gas and electric fence installations certifying that these installations are safe, in working order and installed in accordance with the prescribed regulations. The compliance certificates will be delivered to the Purchaser after registration of transfer has been completed.

5 LODGEMENT IN THE DEEDS OFFICE

Once all the documents required for lodgement have been prepared by the various attorneys, the transferring attorney will liaise with the bond registration and bond cancellation attorneys to arrange simultaneous lodgement of the registration documents at the deeds office.

After the registration documents are lodged at the Deeds Office, the documents will follow an examination process consisting of 3 levels, which will take approximately 7 to 10 business days.

6 REGISTRATION OF TRANSFER

Once all 3 levels of examination have been completed and the documents are deemed correct by the deeds office, the documentation will be sent for "DEEDS PREPARATION" to be prepared for registration by the Registrar of Deeds. During this period all the attorneys involved with the transfer of the property will ensure that their financial position is fully guaranteed and that the transaction is ready for registration. The attorneys will then confirm that the matter may be put forward for registration on the following day.

7 FINALISATION OF PAYMENT

Upon confirmation of registration of transfer by the Registrar of Deeds, the Purchaser's bank will release the payment of the guarantees enabling the transferring attorney to finalize the financials for the transaction and attend to the final payments to the Seller, Purchaser and Estate Agent.

At NR Nagel, we are driven to complete all these steps in record time to ensure service excellence every step of the way.