

Blue Skies Ahead for Property? Be Prepared with this Buyer's Checklist

“Don't wait to buy land, buy land and wait.” (Will Rogers)

Summer's a great time to look for property. With the year winding down and the holiday season upon us, many sellers who've been holding back are now putting their properties back onto the market, so expect to see some great new buys out there.

But that's not the only reason...

Blue skies ahead?

The recent interest rate cut, which hopefully heralds more cuts to come, will not only make bond repayments more affordable, but it should also help stimulate our economy generally. If these positive trends hold, the resultant uptick in economic activity, with reduced pressure on consumers and higher earnings for businesses and individuals, should increase demand for property. And that, of course, would see prices move into an upward phase.

So, if you have any thoughts at all of buying a new home or investment property, now could be the perfect time to do it. If you wait too long, prices could really jump.

It is of course essential to go into the process well-prepared. We're talking about one of your most important long-term investments, after all. So, here's our checklist.

Your buyer's checklist

Every buyer and every buying situation will be different, so do bear in mind that this list is just a rough guide to some of the more important factors to consider when looking for a property and/or making an offer.

1. Location is key

When it comes to real estate, location is one of the most critical factors. You can change a lot about a property, but you can't change its location. Consider the following:

Johannesburg

Unit 7, Visiomed Office Park, 269 Beyers Naude Dr, Northcliff 2195.

Tel: 011 431 3739

Email: admin@duplooyinc.co.za

Hermanus

3B Village Lane, Hemel & Aarde Village, Sandbaai, 7200

Tel: 028 316 3707

Email: info@dpincct.co.za

- **Work and schools:** Is the property close enough to your place of work and your children's schools?
- **Local amenities:** Are there shopping centres, medical facilities and other amenities nearby?
- **Safety:** Research the crime statistics in the area. How secure is it?
- **Growth and resale potential:** Historically, have prices risen in line with other areas? Are there any planned developments in the area, such as new roads, malls, or housing estates?

2. Budget wisely

Be clear about your budget before you start looking at properties. Don't only consider the price of the property but also the additional costs involved:

- **Transfer costs:** These include transfer duty, conveyancing fees, and other legal costs associated with the purchase.
- **Bond registration costs:** If you're taking out a home loan, you'll need to pay bond registration fees.
- **Rates and levies:** Investigate the monthly rates you'll need to pay, plus levies if the property is part of an estate or complex.
- **Maintenance:** Be realistic about the maintenance costs you may face after purchasing the property. The 1% rule advises setting aside at least 1% of the home's value every year for upkeep.

Put all those costs, and other items like deposits that need to be paid, into a cash flow forecast so you aren't caught short at any stage of the process.

3. Beware online fraud!

When it comes to paying the deposit and then, later, the costs and balance of the purchase price, be very aware of the dangers of phishing and fake emails. Don't pay a cent to anyone without personally phoning them to confirm their banking details!

4. Conduct a thorough inspection

Before making an offer, it's crucial to inspect the property carefully. Look for any signs of wear and tear that could lead to costly repairs down the line:

- **Structural issues:** Cracks in the walls can be a warning sign of bigger problems.
- **Damp and leaks:** Check for signs of damp, especially in bathrooms and kitchens.

- **Electrical, plumbing and gas:** Ensure that the wiring, gas and plumbing systems are in good working order.

Consider getting a professional inspection done to avoid surprises after the purchase. Pay close attention to the “mandatory disclosure form” that the seller must give you – it should list all known defects, boundary line disputes, building plan issues and the like. Also have a close look at all the compliance certificates that the seller is obliged to obtain – electrical, beetle, gas (if applicable), electric fence (if applicable) and water installation (Cape Town only).

5. **Who’s the buyer?**

Consider also who is going to be the buyer? You? Your spouse or life partner? Both of you? A trust? Another entity?

6. **Buying into a complex?**

If you’re buying into a complex, have you checked what rules and regulations you’ll be bound by? What levies you will pay, what special levies may be on the horizon, and whether the scheme’s finances are sound?

7. **Beware nasty surprises...**

Make sure there are no nasty surprises lurking in the shadows. Like servitudes or restrictions in the title deed, or undisclosed tenants or unlawful occupants on the property.

If you plan to extend or subdivide the property, or to use it for anything other than residential purposes, check both the local zoning regulations and the title deeds for restrictions.

And if that beautiful sea or mountain view is important to you, what will happen if the neighbours suddenly decide to go double or triple storey? Does the zoning allow that? Is it a realistic risk? What about other risks like a busy Airbnb or home business opening up next door?

Ask for a copy of the occupancy certificate and of building plans, and check with the local municipality that all structures are legal and built as per approved plans. Otherwise, your friendly local authority might suddenly be knocking on your door with a not-so-friendly demolition order – as happened in a recent case in the Pietermaritzburg area.

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8. Understand the terms of the offer

When you're ready to make an offer, ensure you understand the terms of the agreement. Pay close attention to:

- **Suspensive conditions:** These are conditions that must be met before the sale goes through, such as securing a home loan. Check the wording carefully, the "bond clause" in particular is often a source of confusion and dispute.
- **Occupational rent:** If the seller remains in the property after the sale, you may be entitled to receive occupational rent until you take possession. If, on the other hand, you take possession prior to transfer, you'll probably have to pay occupational rent to the seller.
- **Deposit:** Know how much deposit is required and when it must be paid.

9. Get professional help

Since buying property is one of the biggest financial decisions you'll make, it's essential to have experienced professionals guiding you through the process – from finding the right property to ensuring all the paperwork is in order.

The bottom line

There is a myriad of important factors at play, and you only get one shot at getting this right. So, before you agree to or sign anything, contact us.

Let us help make your property purchase stress-free and rewarding!