

How Can I Buy Property in South Africa as a Foreigner?

"I never knew of a morning in Africa when I woke up that I was not happy."
(Ernest Hemingway)

Are you a visitor dreaming of waking up with giraffes on your lawn and wondering how to make it happen? Or a local being asked by overseas friends and relatives: "This country's magic, how can I buy myself a property here?" We have all the answers...

First up, can you even buy as a foreigner?

The good news here is that we're as welcoming to property buyers as we are to visitors! Foreigner or local, there are very few restrictions on buying SA property – and many reasons to do so.

Why buy South African property?

Whether you're looking for a holiday home, an emigration or retirement option, or just an investment, there are a host of advantages to buying a property in South Africa:

- **Affordability:** South Africans have become used to the rand consistently underperforming against most other currencies. The latest "Big Mac Index", for instance, shows the rand as 50% undervalued, making it the ninth weakest currency on the index. The stronger your home currency, the more affordable even very high-end South African properties will be for you.
- **Blue skies ahead for property:** For a variety of economic and political reasons, the general consensus is that 2025 should present significant growth opportunities in both the residential and commercial sectors.
- **Options, options, options:** South Africa offers a wide range of properties, with popular options including coastal homes, secure complexes, luxury suburban houses, vibey city apartments, bushveld estates, and retirement communities. You're sure to find something to meet both your preferences and your investment goals.
- **Capital growth potential:** Property provides a stable asset in South Africa, with great potential for capital appreciation.

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- **Strong legal protections for property owners:** Our legal system, with an effective land registration process at its core, provides robust property rights for both foreign investors and locals.
- **Potential for rental income:** Our strong tourism sector and consistent demand for rental properties, combined with the affordability aspect we touched on above, provide attractive opportunities to generate rental income.

How can you finance the purchase?

Foreign buyers can obtain mortgage bonds from South African banks, typically financing up to 50% of the property's purchase price, with the balance funded through foreign currency brought into the country. Some banks are more flexible than others in this regard, with non-residents who live and work here qualifying for up to 75% loans (possibly even more if motivated) with some lenders.

You must transfer the monies from abroad via a bank or other authorised dealer. To simplify the process of repatriating funds when you eventually sell the property, ensure that your title deed is endorsed "Non-Resident" and keep proof of the original inflow of funds.

Make it clear in the sale agreement that you will be importing funds from overseas – and be sure that the deadlines set for you to pay the deposit, to get bond approval, and to pay the balance of the purchase price, are all realistic. It goes without saying that you should get a local lawyer to check every aspect of the agreement carefully.

How does the registration process work?

It all begins with you making an offer, which – if accepted by the seller – becomes a deed of sale or sale agreement. This is followed by the transfer of ownership of the property to you in the local Deeds Office in a process managed by a conveyancing attorney. Count on it taking about three months – perhaps a bit less if all goes smoothly or a bit more if there are unexpected delays.

If you won't be here that long, you will need to sign transfer and bond documentation overseas – normally at a South African embassy/consulate or (in some countries) before a Notary Public or other authorised person. Ask the conveyancer for advice specific to your country.

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Taxes and other costs to consider

Foreign buyers are subject to local taxes, including transfer duty (a government tax levied on property transactions) and other costs of transfer. A cash flow projection will ensure that you are able to pay these as they fall due. If you sell your property at some point, Capital Gains Tax may apply to the profit you make from the sale.

Will I still need a visa?

Owning property here does not give you any form of residency status, so you will still need a valid visa, work permit or residence permit as applicable.

Ask us for the details. We'll help you to understand all the legal and financial requirements, and to navigate the processes involved.