

# Understanding Property Transfer Costs in South Africa: What Buyers Need to Budget For

Buying a home is exciting! But beyond the purchase price and your home loan, there are crucial extra costs. Budgeting for these upfront ensures a smooth, stress-free transaction.

At Du Plooy Inc., we believe in clear communication. Let's break down the main costs buyers face when purchasing property.

## Key Costs to Budget For:

### 1. Transfer Duty (SARS Tax)

This is a tax paid to SARS on property acquisition, calculated on a sliding scale based on the purchase price.

- **Who pays?** The buyer.
- **Exemption:** Properties **R1,210,000 or less are exempt** (as of April 1, 2025). For properties above the threshold, the duty is calculated as a percentage of the value exceeding the threshold, with higher percentages for more expensive properties.
- **VAT vs. Transfer Duty:** If buying a new property from a VAT-registered developer, you pay VAT (usually included in price) instead of transfer duty.

### 2. Conveyancer Fees (Legal Fees for Transfer)

These are paid to the **transferring attorney** (like Du Plooy Inc.) for legally transferring the property into your name.

- **Who pays?** The buyer.
- **Regulation:** Fees are guided by the Legal Practice Council (LPC) tariff, based on the property's purchase price.
- **What's included?** Drafting documents, liaising with banks and the Deeds Office, FICA compliance, and managing the overall legal transfer. Small disbursements (Deeds Office fees, etc.) are also included.

### 3. Bond Registration Costs (If You Have a Home Loan)

If you're getting a home loan, these cover the legal process of registering that loan against the property.

- **Who pays?** The buyer is responsible for these costs, which are paid to the **bond registration attorney** (appointed by your bank).
- **Components:** These costs include the bond registration attorney's fees (also based on a sliding scale according to the bond amount), Deeds Office fees for registering the bond, and a bank initiation fee (a once-off fee charged by the bank for processing your loan).
- **Fixed Fees:** While scaled, these fees are also regulated and depend on the value of your bond.

#### Other Potential Costs:

Also consider these smaller, but important, expenses:

- **Bank Valuation Fee:** Your bank might charge a fee to value the property before approving the loan.
- **Occupational Rent:** If you move into the property before the transfer is registered, you'll likely pay occupational rent to the seller.
- **Pro-rata Rates & Levies:** You may be required to pay an advance portion of municipal rates/taxes or complex levies to ensure the accounts are clear for transfer.
- **Homeowners Association (HOA) Consent Fee:** If the property is in an estate or complex with an HOA, there might be a small fee to obtain their consent for the transfer.

### Planning Your Budget

It's clear that the total additional costs can add a significant amount to your property purchase. To avoid any surprises, we highly recommend:

- **Getting Pre-Approved:** Understand what home loan amount you qualify for.
- **Using a Cost Calculator:** Many online tools (and your conveyancer) can provide an estimate of your total transfer and bond costs based on the property price.
- **Consulting Your Conveyancer Early:** The best way to get an accurate breakdown is to speak to a conveyancing attorney directly.



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At **Du Plooy Inc.** we provide clear, professional guidance for your property purchase.

Ready to budget confidently for your new home? Contact **Du Plooy Inc.** today for expert advice on property transfer costs.