

# COSTS BROCHURE



MEUMANN WHITE

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A T T O R N E Y S

EST. 1970



# The Transfer Process

## THE SALE AGREEMENT

Buying or Selling property is the biggest financial commitment most of us will ever undertake. It is thus very important that the Estate Agent and Conveyancers are chosen carefully. The Estate Agent will explain the terms of the sale agreement to the parties- who must ensure that they ask questions and understand all the terms before signing the agreement. Once the sale agreement is signed, it is a binding contract between Seller and Purchaser.

## WHAT ARE SUSPENSIVE CONDITIONS?

The Sale Agreement may contain "Suspensive conditions". These are conditions which must be fulfilled before the transfer process can begin. The most common suspensive condition is the granting of a loan to the Purchaser on the security of a bond to be registered over the property to enable the Purchaser to meet the purchase price. Another common suspensive condition is that the agreement is subject to the sale of the Purchaser's existing property. This happens when the Purchaser is selling his property and needs the funds from the sale of that property to pay for the new property. The Seller in this case must realize that the transfer of the Purchaser's property will have to be registered before or simultaneously with the transfer of the Seller's property. The conveyancers will then correspond closely with and usually obtain an undertaking from the conveyancers who are attending to the transfer of the Purchaser's property to pay over the proceeds of that sale on registration.

Once the suspensive conditions are fulfilled, the Conveyancer will be instructed to proceed with THE TRANSFER PROCESS This involves specific steps.

## CANCELLATION OF THE EXISTING BOND

If the Seller still owes money to his bank in respect of his bond, because he borrowed money to buy the property himself, then that bond will have to be cancelled at the same time as the property is transferred to the Purchaser. The Conveyancer must obtain the original title deed to the property from the Seller's bank, which will be holding the title deed as security. The Seller's bank will also let the Conveyancer have the "cancellation figures" i.e.; the exact amount still owed by the Seller under his bond. When the property is registered in the name of the Purchaser and the Seller's bond is cancelled, the Seller's Bank will be paid the outstanding amount and the balance of the purchase price will be paid to the Seller. The cost of cancelling the bond is payable by the Seller and is deducted from the proceeds payable to the seller's registration. The seller's bank decides which Conveyancer will attend to the cancellation of the bond. If this is not the same Conveyancer attending to the transfer of the property, then the Transferring Conveyancer must correspond closely with the Cancellation Conveyancer to ensure that the transfer documents and the cancellation documents are lodged in the Deeds Office together.



## **TRANSFER OF THE PROPERTY**

To enable the Conveyancer to prepare the transfer documents, he will require a copy of the Purchaser's and Seller's Identity Documents, marriage certificate, ANC's, divorce order, etc. After receiving these documents and the Title Deed, the Conveyancer will prepare the transfer documents and the proforma account. The Parties will then be called upon to sign the documents and The Purchaser will also be called upon to pay the Conveyancing costs. These costs will include: -

- The Conveyancer's Fees.
- Transfer Duty: This is a tax payable to the State on transfers of immovable property. It is calculated as a percentage of the purchase price. No transfer can be registered until the Deeds Office have proof that the transfer duty has been paid.
- Rates: The Purchaser will be liable for rates from the date of registration of the property in his name. Approximately 3 months' payment in advance will be required by the Conveyancer to enable him to obtain a revenue clearance certificate from the rates department. However, on receipt of the rates figures the Seller will be required to effect payment of the amount due and will be refunded the Purchaser share in the final statement of account. No transfer can be registered until the Deeds Office has proof that the rates have been paid. If the property is a sectional title unit, then a levy clearance certificate must ALSO be obtained.
- Deeds Office fee: the Deeds Office charge a fee for all documents lodged for registration. Once the costs are paid and the documents are signed, the Conveyancer will apply for a revenue clearance certificate and transfer duty receipt. Once these other formalities are complied with, and the purchase price has been secured in full (by receipt of cash payments from the Purchaser and guarantees from the Purchaser's bank and/or undertakings by other conveyancers) the documents will be sent to the Deeds Office for lodgment.

## **REGISTRATION OF A NEW MORTGAGE BOND**

If the Purchaser is obtaining a bond to pay the purchase price this bond will also have to be registered simultaneously with the registration of the transfer and the cancellation of the Seller's bond. The bank which is granting the bond will appoint the Conveyancer who is to attend to the registration of the bond. If this is not the same Conveyancer attending to the registration of the property, then the transfer conveyance must cooperate closely with the bond Conveyancer to ensure that the bond and transfer documents are lodged at the deeds Office together. If the Bank appoints the same conveyancer who is attending to the transfer, then the process is made much simpler and quicker - because the bond and transfer documents will be prepared and signed at one office. MEUMANN WHITE registers bonds for all the major banks. The Conveyancer attending to the transfer will obtain guarantees from the purchase r's bank to ensure that the money being lent to the Purchaser is available on the date of registration of the bond. The various banks have different conditions which must be met before the bond can be registered. These conditions include the signing of various documents by the Purchaser; obtaining insurance on the building that is erected on the property; obtaining and ceding life assurance policy, the signing of suretyships etc. The Bank will not allow the bond to be registered until all the conditions are met and it is thus in the interest of the Purchaser to take all steps necessary to comply with the Bank's requirements.

## **REGISTRATION**

The transfer, bond & cancellation documents must be lodged in the Deeds Office at the same time to ensure simultaneous registration. If different conveyancers are attending to the registration of the Purchaser's bond, the cancellation of the Seller's bond and/or the transfer of the property, then all these conveyancers must collaborate. From the date of lodgment, it usually takes 7 to 10 working days until the date of registration. The parties are notified on the day of registration and the Seller is paid out on the following day. The parties are furnished with final accounts reflecting the final adjustments between the parties in respect of rates, levies and occupational rent.



## Transfer Costs

Price/Value	Transfer Fees	Vat @ 15%	Deeds Office Levy	Transfer Duty	TOTAL
100,000,01	6 620,00	993,00	101,00	-	7 714,00
150,000,00	7 085,00	1 062,75	101,00	-	8 248,75
200,000,00	8 060,00	1 209,00	101,00	-	9 370,00
250,000,00	9 035,00	1 355,25	642,00	-	11 032,25
300,000,00	10 010,00	1 501,50	642,00	-	12 153,50
350,000,00	10 985,00	1 647,75	800,00	-	13 432,75
400,000,00	11 960,00	1 794,00	800,00	-	14 554,00
450,000,00	12 935,00	1 940,25	800,00	-	15 675,25
500,000,00	13 910,00	2 086,50	800,00	-	16 796,50
550,000,00	14 885,00	2 232,75	800,00	-	17 917,75
600,000,00	15 795,00	2 369,25	800,00	-	18 964,25
650,000,00	15 795,00	2 369,25	1 126,00	-	19 290,25
700,000,00	17 680,00	2 652,00	1 126,00	-	21 458,00
750,000,00	17 680,00	2 652,00	1 126,00	-	21 458,00
800,000,00	19 565,00	2 934,75	1 126,00	-	23 625,75
850,000,00	19 565,00	2 934,75	1 293,00	-	23 792,75
900,000,00	21 450,00	3 217,50	1 293,00	-	25 960,50
950,000,00	21 450,00	3 217,50	1 293,00	-	25 960,50
1,000,000,00	23 335,00	3 500,25	1 293,00	-	28 128,25
1,100,000,00	25 220,00	3 783,00	1 453,00	-	30 456,00
1,200,000,00	25 220,00	3 783,00	1 453,00	3 000,00	33 456,00
1,300,000,00	27 105,00	4 065,75	1 453,00	6 000,00	38 623,75
1,400,000,00	27 105,00	4 065,75	1 453,00	9 000,00	41 623,75
1,500,000,00	28 990,00	4 348,50	1 453,00	12 000,00	46 791,50
1,600,000,00	28 990,00	4 348,50	1 453,00	17 625,00	52 416,50
1,700,000,00	30 875,00	4 631,25	1 453,00	23 625,00	60 584,25
1,800,000,00	30 875,00	4 631,25	1 453,00	29 625,00	66 584,25
1,900,000,00	32 760,00	4 914,00	1 453,00	35 625,00	74 752,00
2,000,000,00	32 760,00	4 914,00	1 453,00	41 625,00	80 752,00
2,100,000,00	34 645,00	5 196,75	2 014,00	47 625,00	89 480,75
2,200,000,00	34 645,00	5 196,75	2 014,00	55 275,00	97 130,75

## Bond Costs

Bond Fees	Vat @ 15%	Deeds Office Levy	TOTAL
6 620,00	993,00	496,00	8 109,00
7 085,00	1 062,75	496,00	8 643,75
8 060,00	1 209,00	642,00	9 911,00
9 035,00	1 355,25	642,00	11 032,25
10 010,00	1 501,50	642,00	12 153,50
10 985,00	1 647,75	800,00	13 432,75
11 960,00	1 794,00	800,00	14 554,00
12 935,00	1 940,25	800,00	15 675,25
13 910,00	2 086,50	800,00	16 796,50
14 885,00	2 232,75	800,00	17 917,75
15 795,00	2 369,25	800,00	18 964,25
15 795,00	2 369,25	1 126,00	19 290,25
17 680,00	2 652,00	1 126,00	21 458,00
17 680,00	2 652,00	1 126,00	21 458,00
19 565,00	2 934,75	1 126,00	23 625,75
19 565,00	2 934,75	1 293,00	23 792,75
21 450,00	3 217,50	1 293,00	25 960,50
21 450,00	3 217,50	1 293,00	25 960,50
23 335,00	3 500,25	1 293,00	28 128,25
25 220,00	3 783,00	1 453,00	30 456,00
25 220,00	3 783,00	1 453,00	30 456,00
27 105,00	4 065,75	1 453,00	32 623,75
27 105,00	4 065,75	1 453,00	32 623,75
28 990,00	4 348,50	1 453,00	34 791,50
28 990,00	4 348,50	1 453,00	34 791,50
30 875,00	4 631,25	1 453,00	36 959,25
30 875,00	4 631,25	1 453,00	36 959,25
32 760,00	4 914,00	1 453,00	39 127,00
32 760,00	4 914,00	1 453,00	39 127,00
34 645,00	5 196,75	2 014,00	41 855,75
34 645,00	5 196,75	2 014,00	41 855,75



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ATTORNEYS

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For values not reflected,  
please use our online costs  
calculator at  
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Additional Costs Payable

Purchaser  
Transfers

Rates clearance certificate	R1250.00		
To the administration, legislative compliance, and sundries	10% of the normal conveyancing fee subject to a minimum of R750 excluding VAT		
Deeds Office search fee	R150.00	excl	VAT
Elect document preparation fee	R650.00	excl	VAT
Electronic transfer duty fee	R150.00	excl	VAT

Additional for Sectional Transfers

Pro-rata levies (estimate)	± R2000.00		
Annexure A	R500.00	excl	VAT
Exclusive use area (If applicable)	± R3700.00	excl	VAT
Levy Clearance Certificate	± R2000.00		

Bonds

To the administration, legislative compliance, and sundries	10% of the normal conveyancing fee subject to a minimum of R750 excluding VAT		
Bank electronic connection fee	R600.00	excl	VAT
Elect document preparation fee	R650.00	excl	VAT
Any additional certificate required	R1500.00	excl	VAT
Bank document upload fee	R900.00	excl	VAT
Supervision of sale agreement fee	R750.00	excl	VAT

Seller

Admin and postages	R250.00	excl	VAT
Cancellation costs	± R5300.00	excl	VAT
Deeds office search fee	R300.00	excl	VAT
Entomologist insp fee	± R650.00	excl	VAT
Electrician insp fee	± R750.00	excl	VAT



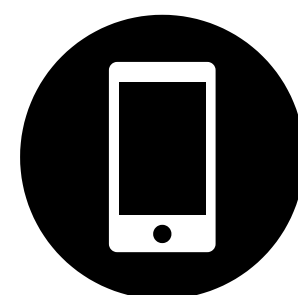
Additional for Sectional Title Bond

Insurance Certificate/Confirmation of Insurance	± R1500.00	excl	VAT
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- Berea
- Amanzimtoti
- Bluff
- Hillcrest



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