

## Essential information for buying properties in South Africa



Buying property abroad is not necessarily the same as buying in the UK, there is other essential information you need to be aware of both before and during your property purchase.

- It is of paramount importance to seek independent advice from an overseas solicitor.
- You need to ensure that you will have full title to the property on completion and that you have the appropriate documents available for the lender.
- Before signing the sales contract, the bank will require a copy of this document to be forwarded with the relevant application form. However you are able to sign this contract with the clause "subject to mortgage finance" as the contract, once signed is legally binding.
- You should check with the estate agent and/or your lawyer that you are aware of the costs charged by legal and Government authorities for buying a South African property. The lender will also have their own legal costs for assigning the loan, the cost of which they will normally advise you when they issue the mortgage offer. These associated fees/taxes are typically between 10% - 15% of the properties purchase price.
- Be aware that the solicitor or notary may be incorporating costs for assigning the mortgage within his charges, and you should establish the actual cost before proceeding with a loan application.
- Properties can be purchased individually, in joint names, or partnerships as well as through Limited Companies and Closed Corporations (CC's). An Offer to Purchase (OTP) on a property needs to be signed in the name of the legal entity the purchaser is buying through, and Limited Companies need to be set up prior to signing the OTP.