



**SELLING YOUR PROPERTY
9 THINGS YOU WILL HAVE TO PAY FOR!
(WITH REAL WORLD EXAMPLE)**

When you sell your property, you might think that you will only receive money in this process. Obviously, you are aware that you will have to pay the Estate Agent.

BUT, you will be responsible and called upon to pay for so much more than that.

So, what will you have to pay for?

1. **BOND NOTICE** - There could be a penalty if you do not give 90 days' notice.
2. **BOND REMAINDER** - You will have to pay off your bond - whatever is left on it.
3. **BOND CANCELLATION** - When your bond is paid off, it must be cancelled.
4. **CERTIFICATES OF COMPLIANCE** - For the electricity, gas, electric fence, etc.
5. **REPAIRS FOR CERTIFICATES OF COMPLIANCE** - Repairs if necessary and applicable.
6. **ESTATE AGENT** - Calculate the % into rands to really see how much.
7. **MUNICIPAL CLEARANCE** - This must be paid up front for 3 months.
8. **LEVY CLEARANCE** - With Home Owners Association and Body Corporate if applicable.
9. **CAPITAL GAINS TAX** - Have a chat with your auditor to be sure.



1. **BOND NOTICE**

Your bank requires 90 days' notice when you want to sell your property – actually – when you want to cancel your bond. This must be your first step. If the 90 days have not passed, there is a penalty. Just do it.

2. **BOND REMAINDER**

Obviously, you have to pay off whatever is left on your bond. This could be a very large chunk of the purchase price.

3. **BOND CANCELLATION**

Your bond must be cancelled at the Deeds Office by a cancellation attorney. This could be anywhere between R4000 and R5000.

4. **CERTIFICATES OF COMPLIANCE**

Depending on the province in South Africa, there are multiple certificates of compliance that you, as the Seller, will have to provide. You must always provide the electricity certificate, the gas certificate and for the electric fence (if applicable). In certain provinces a plumbing certificate and wood borer certificate could be applicable as well. They are around R1000 per certificate.

5. **REPAIRS FOR CERTIFICATES OF COMPLIANCE**

The certificates of compliance do not just get handed out 'willy nilly'. If and when repairs and maintenance need to be done, it must be done first.



6. ESTATE AGENT

Usually there is an estate agent involved. You have negotiated a % of the selling price. Calculate the price in rands as well – just be sure you are really aware how much it is. R195,000.00 looks a lot different than 7% + VAT.

7. MUNICIPAL CLEARANCE

You will have to pay the municipal clearance figures for about 3 months ahead. Sometimes this can be a lot.

8. LEVY CLEARANCE – For Home Owners Association and Body Corporate if applicable.

If there is a Home Owners Association and/or Body Corporate applicable, you will have to pay the clearance figures for about 3 months ahead. Sometimes this can be a lot.

9. CAPITAL GAINS TAX – Have a chat with your auditor to be sure.



This is all good and well, but what does this entail in the real life. Here we have a quick real-world example of the costs to sell your R2 700 000.00 house in 2022.

This is an exact example of one of the transfers that we did:

ACCOUNT:

Nr.			
1.	<u>Received:</u> Purchase price		2 700 000.00
2.	<u>To pay:</u> Rest of Bond (Will differ)	1 000 000.00	
3.	<u>To pay:</u> Certificate of Compliance: Electricity. Together with some repairs.	2 540.00	
4.	<u>To pay:</u> Gas Certificate	1 000.00	
5.	<u>To pay:</u> Cancellation of Bond	4 710.00	
6.	<u>To pay:</u> Estate Agent	125 000.00	
7.	<u>To pay:</u> Clearance Municipality	12 000.00	
8.	<u>To pay:</u> Clearance at Body Corporate, if applicable	4 000.00	
	TOTAL	2 700 000.00	2 700 000.00
	<u>Due to you</u>		<u>R1 550 750.00</u>

SURPRISE – You only get R1 550 750.00 from your R2 700 000.00 sale.

Numbers 3, 4, 5, 7 and 8, more often than not, have to be paid in advance by you. This catches a lot of sellers off guard and unprepared.

Another kicker that you have to be prepared, for is the fact that there could be repairs to be done before the various certificates of compliance can be issued. That would entail further costs.



**FRANCOIS
VORSTER**
ATTORNEYS

*WHERE LAW AND
FINANCE COLLIDE*

Before you formally commit to anything, make sure that you are aware off and prepared for all the hidden costs.

Be pro-active. Be prepared. Where law and finance collide.

You are welcome to contact us should you require assistance with the selling off, and transfer of your property. [Click here](#) to send us a message or get our details.

We look forward to assisting you.

~Francois