

RE/MAX
OF SOUTHERN AFRICA
BUYER'S GUIDE



Each Office Independently Owned and Operated

BUYER'S GUIDE

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MONEY MATTERS

Check Online Affordability Calculators

The very first step in the home buying process is to evaluate your finances. The various online affordability calculators will do a great job to provide you with a rough idea of what you can afford, factoring in your Net salary and other fixed expenses.

NOTE: These are rough indications and not official pre-approval.

Acquire Pre-Bond Approval

Financial institutions provide a pre-approval facility that allows you to discover what you can truly afford. The pre-qualification will state the bond amount, interest rate and instalment amount for which you qualify. You can either apply at banks directly and do all the leg work yourself, or you can work through a bond originator like BetterBond who will do the checks for you for free and will provide the pre-approval certificate within 24 hours.

How to Apply?

The whole process can be done online. You will need:

- 1) Your latest payslip
- 2) Three months' worth of bank statements
- 3) A copy of your ID

NOTE: These amounts are only 100% finalised after the bank has completed a property valuation and has received a signed Offer to Purchase on the property in question.

Why should I get it?

- Provides you with the assurance that you can afford the homes you're viewing.
- Lets sellers know that you are a serious buyer.
- Should it come to the point where more than one buyer has put in an offer, the pre-approval will boost the chances of your offer being the one that is accepted.

Additional costs to include in your budget:

As a rule of thumb, you should allow for an additional 8%-10% of the amount of the purchase price of the property for all the other costs involved in purchasing a home. This excludes the deposit and covers costs such as Registration and Transfer Fees.



PARTNER WITH A PROPERTY EXPERT

Why Should I Use One?

Save Yourself Time

Just as any other service, real estate agents do the work so that you do not have to. But, unlike other professions, real estate agents aren't charging you for this service.

See Unlisted Properties

Real estate agents are also often privy to listings before they are uploaded to a property portal, which allows you first pick of any suitable listing as soon as they enter the market.

Avoid Catfish Listings

Estate agents are likely to have seen the property in person and will know if the property lives up to its online listing.

Draw On Years Of Experience

Through experience, good estate agents will also know which sorts of homes might blow a buyer's checklist out of the water and become the perfect match despite not meeting all the initial criteria.

Help You Negotiate The Best Price

Having an estate agent on your side during this negotiation process will save you both the stress of having to deal with it yourself and the financial burden of fumbling the offer.

How Do I Choose One?

Below are a few questions you can ask to find out with whom to partner:

1. Is this person qualified with a valid FFC and registered with the EAAB which regulates the industry?
2. Does this person listen and care about my needs?
3. Is this person more interested in helping me or helping themselves?
4. Is this person easily contactable?
5. Is this person knowledgeable about the local market and the real estate industry in general?
6. Is this agent affiliated with an established brand whose resources can be tapped into in order to help me find a home in the quickest amount of time?

Why Choose RE/MAX?

RE/MAX is the largest real estate brand in the world. In Southern Africa, we outnumber our closest competitor by nearly 1,000 agents. Most agents means most listings, which increases your chances of finding your dream home. Our agents also have access to internationally acclaimed training resources and the largest network of colleagues to call on for advice. Quite simply, you could not be in safer hands when working with a RE/MAX agent.

FIND YOUR PERFECT MATCH

Here's how to simplify your house hunting to ensure that you find your dream home before your patience runs out:

Get real with your agent

The quickest way to find a home is to make sure your estate agent has a true understanding of what you're searching for. Explain anything and everything that could be useful to your agent.

**Turn for a property wishlist questionnaire you can fill out for your agent.*

Disclose non-negotiables

Make sure you save both yourself and your agent some time by setting out all your non-negotiables up front (for example, number of bedrooms or budget).

Limit Property Portal Searches

While it's good to keep an eye out for new stock that your agent might not have access to, buyers most often purchase on emotion and then justify with fact and reason, so spending too much time online and not enough time physically going to view properties will hurt your chances of finding your dream home.



CREATING YOUR PROPERTY WISHLIST

To help you find your ideal home, complete the following questionnaire to hand to your agent:

Buyer Details:

What will you be using the property for?

Primary Residence Investment Property Holiday Home

Are you a first-time buyer? YES NO

Do you have children? YES NO

If yes, how many and what age bracket are they in?

Do you wish to be close to schools both now and in the future?

What area/s are you looking at?

What are your standard commuting routes?

Preferred Property Type?

House Apartment Security Complex Semi-detached Free standing

Short term letting allowed eg. AirBnB? YES NO

Size: BEDS _____ BATHS _____ PARKING _____ GARAGE _____

Finance Questions

Investment range (Budget): R _____

Cash or finance? Cash Finance

If financing, are you pre-approved? NO Yes, R _____

Details of pre-approval

Do you have a deposit? YES NO Yes, R _____

Do you know the Transfer Duty & Bond Registration cost for your budgeted price?

YES NO

Special Requirements

ITEM	Non-negotiable	Nice to have	ITEM	Non-negotiable	Nice to have
No Stairs	<input type="checkbox"/>	<input type="checkbox"/>	Pet-friendly	<input type="checkbox"/>	<input type="checkbox"/>
Security Features	<input type="checkbox"/>	<input type="checkbox"/>	Gardens	<input type="checkbox"/>	<input type="checkbox"/>
Close to Schools	<input type="checkbox"/>	<input type="checkbox"/>	Views	<input type="checkbox"/>	<input type="checkbox"/>
Pool	<input type="checkbox"/>	<input type="checkbox"/>	Flatlet	<input type="checkbox"/>	<input type="checkbox"/>
Close to Transport	<input type="checkbox"/>	<input type="checkbox"/>	Balcony	<input type="checkbox"/>	<input type="checkbox"/>
Staff Quarters	<input type="checkbox"/>	<input type="checkbox"/>	Solar Heating	<input type="checkbox"/>	<input type="checkbox"/>
Dual Living	<input type="checkbox"/>	<input type="checkbox"/>	Other:		

Additional Questions

(Regarding the buyers existing home), What changes/alterations would you make to your existing home if you were to stay there instead?

What did you like most about your current property?

What are your style preferences?

Modern Traditional (specify the era: _____) Minimalist Industrial
Bohemian Rustic Coastal Other: _____

VIEWING FEEDBACK CHECKLIST

After viewing a home, fill out this checklist to keep track of which listings are your favourite.

Overall Impression: Excellent Good Needs Improvement

Rating out of 10: _____

LOCATION

Street Address: _____

Things I love about this location: _____

Things I would change: _____

LIVING SPACES

Overall Impression: Excellent Good Needs Improvement

Living Room Dining Room Family Room/Great Room Other _____

Things I love: _____

Things I would change: _____

KITCHEN

Overall Impression: Excellent Good Needs Improvement

Ample counter space Updated counters/cabinets Updated appliances

Things I love: _____

Things I would change: _____

BEDROOMS

Overall Impression: Excellent Good Needs Improvement

Number of rooms: _____

Ample closet space YES NO

Things I love: _____

Things I would change: _____

NAME YOUR PRICE

1) **Adopt a three-tier approach**

Set three budget targets: the highest offer you can afford to make, your ideal offer, and your low-ball offer. Depending on the market and the various other factors discussed below, you can reach a decision regarding which of these three numbers you would like to put forward as your initial offer.

2) **Clean up your conditions**

Apart from price, the offer that presents the lowest possibility for the sale to fall through is usually the one that a seller goes for. Here are a few ways to clean up your offer:

- Make sure you have pre-qualified bond approval.
- Sell your current property and have the funds readily available.
- Cash in any investments needed to cover the purchase price.

3) **Know your market**

Be aware of the kind of property market in which you currently find yourself:

- **Seller's market:**
There will not be much room for price negotiations and you will have to put your best offer forward if they want to secure the property.
- **Buyer's market:**
You'll have a little more room in which to negotiate and can go in lower with your initial offer.

4) **Involve an agent**

Your best bet would be to involve your agent in your decision-making process. As industry and suburb experts, they will be able to guide you into choosing an amount that will be appealing to the seller and will still suit your budget.



READ THE FINE PRINT

What is an OTP?

An offer to purchase (OTP) is essentially an agreement that lays out the terms and conditions of the property transaction between the buyer and seller. As with any contract, an OTP serves to protect the parties involved in the transaction and ensure that nothing is left to interpretation. If there is any ambiguity it could lead to a misunderstanding or conflict, so is best to be avoided. Once the OTP has been concluded and signed by each party, it becomes the deed of sale on the property.

What should I include?

1) Fixtures & Fittings

Both parties must be in agreement as to what items are included in the sale of the property and what aren't. As a rule of thumb, any fixtures or fittings that have been attached to the property (nailed, bolted, glued or screwed down) will stay.

2) Suspensive Conditions

These include any pending conditions such as the sale of a buyer's current home, bond approval, and passing a home inspection. Once the suspensive condition has been fulfilled, the real estate agent should be notified so that the OTP can be made unconditional. This step is vital because the contract could become null and void and the whole transaction could fall through if the requirements are not met within the allotted time.

3) Date of Occupation

This stipulates the date on which the seller will vacate the property, and you will take occupation, as well as the rates for occupational rent should you wish to move in before the property is transferred into your name (see step 8).



HIRE INSPECTOR HOMES

Understanding Your Rights

The voetstoots clause protects the seller against all defects — including defects that he does not know about. In the instance that a seller is aware of a defect and conceals it, you will be able to take action against the seller, provided you can prove that the seller deliberately hid it, which is not an easy task. This is why a thorough inspection is so important. Having the home inspected will provide you with an estimated cost of any repairs that are necessary before committing to the sale. Knowing whether there are any underlying problems with the house will provide you with the opportunity of making a more informed decision.

Once the home inspection is completed, purchasers should instruct the conveyancer to furnish them with the original ECOC before (to check that the property has indeed passed all the necessary checks) and after registration, since the legislation requires a property owner to be able to produce a valid certificate of compliance on request to an inspector.

How does it work?

Sellers are contractually required to have all their compliance certificates in order for the property transfer process to go ahead. Some of these certificates include:

- an Electrical Compliance Certificate (ECOC) issued by a duly qualified electrician
- an Electrical Fence certificate (if the property is protected by an electrical fence and the electrical pulse emanated from the property)
- a Gas Certificate (if the property has permanent gas installations such as stoves, geyser etc.)
- Beetle certificate
- Plumbing certificate

Note: the certificates required may vary depending on the features of the home and municipal by-laws.

An estate agent may recommend their preferred electrician and home inspector to help a seller acquire these necessary documents. A seller is then free to choose his/her own if they prefer, arrange the inspection, and send the ECOCs to the transferring attorney. An agent merely acts as an intermediary here – the legal responsibility is ultimately that of the seller, not the estate agent.

A desk with a pen, keys, and a home inspection report. The report is titled 'HOME INSPECTION REPORT' and 'RESIDENTIAL REAL ESTATE PROPERTY CONDITION REPORT'.

HOME INSPECTION REPORT

RESIDENTIAL REAL ESTATE PROPERTY CONDITION REPORT

This document is furnished for the use of the client only. It is not to be used for any purpose other than that intended. This inspection was conducted in accordance with the agreement. The agreement is a copy of the agreement.

SET A DATE WITH BETTERBOND

Using a bond originator will take the hard work out of the bond application process, without costing buyers a cent. Bond originators services include:

- Assessing the buyer's financial situation and level of affordability.
- Advising them on the best way to finance their new home.
- Explaining all the different banks' home loan options and assist with the paperwork when applying for a bond.
- Liaising with all of the major banks and will negotiate the best possible deal on the buyer's behalf.

Who to choose?

Choose a brand that is reputable and respected in the industry, such as BetterBond. Avoid originators who do any of the following:

1. Request an administration fee, as this service is normally free.
2. Buyers are not obliged to sign any agreement with the bond originator.
3. There should be no obligation for buyers to accept any of the offers that the bond originator comes back with.

How do I apply?

Buyers will need to provide the originator with all their personal information such as their contact details and a copy of their ID document. They will also require the buyer's banking details, financial information and a copy of their latest salary slip or audited financials if the buyer is self-employed. The originator will complete the bond applications and will submit them to the banks on the buyer's behalf. Once the applications are submitted to the banks, the buyer should hear from the originator in the next three to five working days, provided the information given is correct and accepted by the banks.

Why should I use them?

BetterBond has found that on average, buyers who work through them save up to 0.5% on their interest rate just by shopping around. To put this in rand value, on a R1.5 million home loan over 20 years, this would save you up to R120,000.



SCHEDULE THE MOVING DATE

Below are the facts you will need to consider when setting a moving date:

1) **Length of Transfer Process**

Be sure to factor in the time it will take to register and transfer the property into your name before agreeing upon a moving date. This process, which includes registering for the new owner's bond, cancelling the previous owner's bond, and registering the sale at the Deeds Office, can take anywhere around three months. If you wish to move into the home before it is registered in your name, then you will be liable for occupational rent set by the original owner.

2) **Legally Binding Contracts**

If you already own a property which you sold in order to purchase a new property, you will have had to agree to a moving date with the buyer for his current home. Likewise, if you are renting, you will have to vacate the premises before the end of your lease agreement.

3) **External Factors**

You should also consider various other factors which might not be in your control, for example, the weather and the availability of professional movers. It is always wise to allow for some flexibility around the moving date. If, for example, you have to be out of your current property by the 31st, then ideally you would set the moving date a few days before this so that you will not be out on the streets if for whatever reason the moving date gets pushed back a bit.



MOVING CHECKLIST

Change of Address

- Post Office
- Accounts & Bank
- Magazines/newspaper Subscriptions
- Relatives & Friends
- Insurance & Doctors

Services to Cancel/Transfer

- Water & Electricity
- Telephone
- DSTV
- Security Company
- Other _____

Transfer Memberships

- Church
- Schools
- Civic Organizations

Pre-move Organising

- Make arrangements with moving company.
- Check with insurance agent on coverage of life, car & household goods en route to new home.
- Obtain medical records to share with your new doctor.
- Have medical prescriptions refilled so that you have enough while you search for a new pharmacy.
- Collect and label all spare keys to hand over to the new owner.
- Prepare frozen meals that can simply be reheated after the move.
- Keep a box or two in your car with all the things you will need on your first night in your new home.

Moving Day!

- Draw cash to pay the movers.
- Drop off young children and pets at a friend/relative for the bulk of the move.
- Dispose of trash at the local dump so the new owners don't arrive to full bins.
- Turn off your geyser or heat pump.
- Switch off all lights.
- Do a final walk through, checking all cupboards and corners for anything left behind.
- Check the post box for any last mail.