

PROCESS OF BUYING A HOME

Purchasing a home and registering a bond can be quite confusing. However with Bond Gallery, your consultant will simplify the process, keeping you informed throughout the property transfer and will be on hand to give you professional advice until the day you move into your new home.

Here are some pointers that describe the house buying process and your involvement in it, as well as give you insight into some of the behind the scenes activities.

Assess your financial position

As buying a property can be the biggest purchase you make in your lifetime, assess your financial position first and make sure you are ready for this commitment.

See how much you can afford

It's very important to know exactly what you can afford before you start house hunting. Bond Gallery can offer you a free affordability assessment. We will also explain all the costs involved in buying a home, including up-front payments, monthly repayments and any other costs that may occur as a part of the property transaction. Follow the guide on the Cost of Financing a Home page to obtain an understanding of the costs involved in buying a home. It is important as the new National Credit Act wants to ensure you do not overspend and we can assist with a basic guideline on how to calculate the loan amount you can afford to repay monthly.

Choose an agent and view properties

Register with a few agents to ensure you are exposed to a variety of properties in your chosen area. Visit a number of homes before you make a decision. A Bond Gallery consultant can assist you in finding a suitable agent in your area and will explain the different ownership options to you.

Sign an Offer to Purchase

Once you have decided on a property and signed an Offer to Purchase and the seller has accepted the offer and signed the document, the offer becomes binding by law and the transfer process can begin. There is however a cooling off period of 5 days for properties which are sold for less than R250 000, to allow you a grace period to review the property and the costs involved.

Obtain finance through Bond Gallery

Your Bond Gallery consultant will submit your application and the relevant FICA documents to one or more banks, which will assess the value of the property as well as your financial position. The bank will apply the credit assessment criteria as required by the National Credit Act and the financial risk criteria as stipulated in the bank's terms and conditions for lending.

Your Bond Gallery consultant will then advise you of the offers they have obtained for interest rate and available loan amount, and will give you an informed recommendation.

Pay your deposit

Once you have chosen a bank, you will then (in most cases) be expected to pay your deposit to the attorneys dealing with the registration of your bond.

The property transfer begins

The bank will grant the loan and instruct the attorneys to start with the registration of the bond and transfer of the property into your name, as well as the cancellation of the seller's bond. They will also obtain the title deeds and the transfer and tax clearance certificates. Registration, transfer and cancellation take place simultaneously and require the services of up to three different specialised attorneys.

Transfer documents signed and fees paid

The attorneys will complete the necessary administration. You and the seller will need to sign the transfer documents. At this time you will be expected to pay the transfer costs, registration fees and an estimated share of the rates.

Registration documents are lodged at the Deeds Office. This is where the property will be registered in your name. Congratulations, the property now belongs to you!

Home loan comes into effect

Once you have received notification of the registration, your bank will pay the seller, or their bank, and your home loan will come into effect. The bank will notify you of this in writing and inform you when your first monthly instalment is due.

Taking occupation

You may take occupation as per the date agreed on your sales agreement. If you are already occupying the property, you will no longer have to pay occupational rent.

Who is involved in the purchase of a property?

- You (the buyer)
- The seller
- The estate agent
- The transferring attorney (also known as the conveyancer) - appointed by the seller
- The bond attorney - appointed by the bank granting the bond
- The cancelling attorney - appointed by the seller's bank, to cancel their bond

How can you speed things up?

- Get pre-approval for your home loan
- Provide all requested personal and financial information
- Pay your deposit, if any, as well as bond and transfer costs on time
- Sign all documents when requested