

Property Outlook May 2005

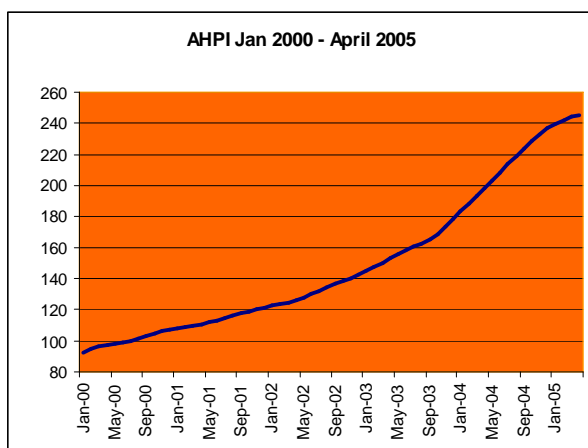
Property Transfer Process

Homebuyers are often puzzled by the length of time it takes before they take ownership of their new property and they go through "unnecessary anxiety" because they do not understand the conveyancing process. A broad understanding of the timescales and some of the pitfalls involved will make the waiting period less stressful. The legal process involved in property conveyancing calls for over 50 steps to be completed, from receipt of the signed deed of sale to lodgement at the Deeds Office. The conveyancing process normally takes a minimum of eight to ten weeks if the buyer's bond has been approved and there is no other suspensive condition in the Offer to Purchase.

Are "Clean Offers" really "Clean"?

If you don't want to sell your property subject to the sale of another property, make sure that there isn't an implied "subject to" in the transaction. This can happen in a situation where a "clean" Offer to Purchase (without a subject to clause) is accepted but the bond of the purchaser is granted **subject to the sale of another property**. Normally the seller will not be aware of this. Confirm with your real estate broker under what conditions if any, a bond has been granted. In this scenario, the seller is still protected, but it can cause lengthy delays in the transfer process.

Should you require any further information regarding the conveyancing process, please feel free to contact us.



Investor Column

The declining trend in year-on-year house price growth, which commenced late last year continued in April this year. According to the latest Absa House Price Index (AHPI), nominal year-on year growth of 23.6% in house prices was recorded in April. On a month-on-month basis, nominal growth in house prices was 0.6% in April which is the lowest since September 1999. If we annualize the growth in the property market from January to April 2005 we are looking at an annual growth rate of 9.67%. The slow down in the growth rate can mainly be attributed to the changes on the supply side of the market.

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Prime interest rate: 10.50%

USD/ZAR: Stable

Interest Rate Outlook: Sideways to down

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