

Buying your dream home: Getting it right first time



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Do your homework and mitigate your risks when buying a residential property.

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Buying a home is one of the most important financial decisions you are likely to make in your lifetime. It is not surprising therefore that most South Africans take the buying of residential property extremely seriously and look to obtain the best possible advice before taking such a giant leap of faith.

Jonathan Davies, Pam Golding Properties (PGP) joint area manager Hyde Park, says that there are a myriad of aspects to consider when purchasing a home. Careful and thorough forward planning can, however, shed light on the buying process while revealing everything you need to know about a particular home before committing yourself. It can also help make the entire home buying process both trouble free and exciting.

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“However, don’t hesitate in doing your own research. For example, reputable residential real estate companies such as PGP list properties for sale nationwide and very useful information regarding price, suburbs, photographs, and even videos in some cases, can be found on their informative website. It is also well worth scouting newspapers for the latest listings in your chosen area,” observes Davies.

What are your needs?

For Davies it is critical to first consider what you require from your property. “Think about what stage you are at in your life and what your exact requirements are,” he advises. “This may sound rather obvious but is vital to consider as it will assist in clarifying your thinking while helping you to plan your purchase properly. Be sure to buy a property that is likely to grow in value, so that you will realise a return on your investment when you choose to move on to a new stage in life,” adds Davies.

The importance of proper planning

PGP’s New Business executive in Gauteng, Trish Luthuli, points out that many aspirant purchasers do not have the money available to buy a home that meets their every dream and need, particularly when they are starting out. However, with proper planning, that fantasy home is very much within reach. She advises budget-conscious home seekers to list what they consider to be “must haves” and what they would “like to have” in a prospective home.

“This helps to keep you focused when you start looking at homes to buy,” she observes. “If you enjoy swimming and think a pool would be great to have although you cannot afford it, list it as a ‘nice to have’. This will allow you to see what kind of home you should be aiming for.”

The right area

The idea of ‘location, location, location’ has become something of a cliché in the property market, but Luthuli suggests that a property’s positioning is as important today as ever, if not more so.

“It is important to choose an area where homes hold their value well,” she advises. “Therefore do your research on the area in question thoroughly. For example, have the property values in the area increased in recent years? What possible threats may be posed to the value of the property into the future? These are questions that you should carefully consider before purchasing any residential property.”

“It is wise to buy in an area with good schools and other educational facilities nearby, as these homes are always in demand among those with children and tends to help boost property values,” notes Luthuli. “Easy access to your workplace, good transport, educational facilities (schools and tertiary institutions), shopping and entertainment centres, highways and healthcare facilities adds further value to a property.”

She suggests that you should always look at how secure both the area and the property itself are because security issues can have an impact on property values. In addition, if you have set your heart on a home and it is bordered by large open areas, ask questions about the zoning of the adjacent properties and find out what the land is being earmarked for.

The right property for the right price

Luthuli adds that homeseekers should look for a home in the right price bracket to suit their budget from the outset and in an area that best complements their lifestyle. She says that if your budget does not allow you to buy in your preferred area, you may consider looking for a property in an adjoining area.

“Purchasing a home with great potential and which can be enhanced is a further option, as such a property can be more affordable initially as improvements can be undertaken over a period of time. However, keep in mind that building, maintenance and alterations come at a cost, so always factor this into your planning. It is never wise to overcapitalise on a property. Always ensure that you can recover funds that you have spent.”

Luthuli reminds those who wish to enter the residential property market that the costs of a home do not end with the payment of a deposit and the monthly bond. “There are additional costs in purchasing a home such as property transfer duties. There will also be additional bills for rates, taxes, water and electricity, levies to the managing agent in the case of sectional title properties and maintenance costs.”

“It is important to make a list of all your monthly expenses for your new home and to ensure you can afford everything you have listed,” advises Davies.

Check for defects

Luthuli advises the buyer to be on the lookout for cracks, damp and termites, all of which can devalue a home and be expensive to correct. It is also imperative to check garage motors, automatic gates, intercoms, security, swimming pool pumps and irrigation systems.

The ‘voetstoots’ clause, which comes into effect when purchasing a property, means that you purchase a property as it stands. It is therefore wise to compile a checklist to go through with your agent and owner. Remember that the onus is on the purchaser to carry out a reasonable inspection.

Building plans and compliance certificates

“Ask about approved building plans and check that these match the current dwelling,” suggests Davies. “It is becoming standard procedure for financial institutions to request updated plans in order to safeguard your and their investment.”

It should be noted that electrical, electric fence and gas compliance certificates are mandatory. All these certificates must be obtained by the seller prior to registration. Ask in advance about clearance certificates for electricity and water, as well as rates and taxes.

Making that offer

When you have finally decided that you have found your special home you will want to put in an offer. According to Davies, your research and agent should provide you with data on recent sales in the area and current property market conditions in your selected area, and this should guide you when making an offer.

“Once you have decided which property you want to buy, the estate agent will help you complete an Offer to Purchase, a document that contains all the terms and conditions of the sale, the purchase price, the payment terms, the date you will take occupation of the property, and, if applicable, occupational rent.”

Forewarned is forearmed

“Before signing anything, find out as much about the property as possible. Visit the house for a second time, perhaps at a different time of the day. Ask your estate agent as many questions as possible to ensure that you obtain clarification on issues that may concern you,” concludes Luthuli.