



## Buyers run the gauntlet and sellers enjoy the spoils

May 2014 Newsletter

From the Principal's Pen:

Lew Norgarb from Norgarb Properties reports continued frustration from buyers in Harfield Village and the surrounding Southern Suburb areas. With a continued shortage of property and additional purchasers entering the market, things are getting desperate. "I really feel for the buyers in this current market" says Lew. The last few properties we listed were snapped up in days or even hours and sold for very close to, or for the full asking price. For example **23 Third Avenue, Harfield** and **1 Somerset Rd, Harfield** (both 2 bed semis), were snapped up for full asking price and **25 Prince Avenue, Plumstead** listed at R1.595 was sold in 3 days for R1.550.

With cash buyers a plenty sellers are the only ones enjoying the spoils. So how do bond buyers, let alone those who need to sell first, possibly compete in this aggressive arena?

For bond buyers one of the most prudent steps one can take is to get your finances in order. Not only does this mean having all the **costs** ready on the side, but also have a pre-assessment of your buying power. A prequalification from an experienced and reputable bond consultant will weigh heavily in your favour with agents and sellers alike. **Anne-Marie Bamber** from **Better Bond** has an outstanding track record and offers free friendly advice with no obligations. You can call her on 082 071 1665 or mail her on [anne-marie.bamber@betterbond.co.za](mailto:anne-marie.bamber@betterbond.co.za) or click [here](#) for an overview.

If you need to sell first, things can be far more tricky. First and foremost if the intention is to use the proceeds of your sale to buy your next property you need to be sure that you are running the right numbers. An over inflated opinion of the value of your own home could lead to complications in that one's buying budget is out of sync, but also your house is not likely to be sold quick enough to secure your new purchase. Contact **Norgarb Properties** for a free valuation with no further obligations on 021-6741120 or [info@norgarb.co.za](mailto:info@norgarb.co.za).

As it only takes one buyer to close the deal, it is common place for others to be left frustrated and kicking themselves for either not being prepared, not acting quickly enough or for being too cheeky with their offer amount. Norgarb suggests a few pointers that could save some heartache for buyers running the "gauntlet" in what is clearly very much still a sellers market.

1. **Get your financials in order** - Ensure you understand the costs associated with buying. The big ones include deposit (usually 10%, but this can be negotiable), transfer duty, legal fees plus bond attorney registration fees and bank valuations if taking finance. Cash buyers are often surprised to find out that they are charged a fee for the guarantees, which can be a couple of thousand rand. Buyers often don't realise that a lot of these fees are over and above the purchase price, and not able to be included in the bond, but more importantly the money needs to be available as it will be called for prior to the property transferring into their name.
2. **If you are selling as well** - Don't forget to factor in costs such as commission, VAT, beetle, electrical, plumbing and gas compliance fees. Electric fencing is another one! In most cases penalties apply if one cancels your bond without a minimum of 90 days notice. So don't forget to get going with the cancellation if you are thinking of selling, you can always change this if you don't sell down the line. Also you will be obliged to pay a few months rates in advance and this money will need to be available too.

3. **Act fast** – Don't wait for the weekend papers, this can often be too late. Sign up for our [show house/property alerts](#) and enquire quickly if you see something that you like.
4. **Offer fast** - Once you have visited the property don't drag your heels. If it's love at first sight and you feel it checks all the boxes get your offer in fast, especially if you ascertain that the seller has some sense of urgency to sell.
5. **Get pre-qualified for finance** -This can't be stressed enough. We highly recommend [Anne-Marie from Better Bond](#) for free advice and assistance with no obligations. Being pre-assessed from an [experienced and reputable bond originator](#) elevates not only your worthiness, but also your commitment in the eyes of the seller and his/her respective agent. If you were a seller and you received competing offers, you would be likely to accept the highest and least risky one too. Sellers frequently consider lower offers, because they are less risky. Being pre-qualified is just another feather in your cap and could be the deal breaker or deal maker when the pressure is on and Mr or Mrs Seller is debating your offer.
6. **Don't go it alone** – Further to pre-qualifying your finances, good experienced bond originators also offer remarkable support prior to and during the application process. Having someone on speed dial that you can trust and rely on during that nail biting hurry up and wait period is invaluable. Apart from quicker turn around times and the obvious convenience, bond originators are able to apply to multiple banks thereby leveraging competitive interest rates often not achievable when going it alone. For self employed individuals, contract workers, ex pats and anyone with unusual or irregular income, this support is invaluable.
7. **Sell first** – Yes this is a scary thought to many. But the harsh reality is that conditional offers are up against cash and pre-approved offers and are less likely to be accepted. Even if they are accepted it is likely that the continued marketing clause, and the 72 hour clause, are likely to be recorded in the sales agreement. In most cases this means that although your offer has been accepted there is still a chance of you losing your dream home unless you can sell yours within 3 days if put to terms. These clauses are often unknown to the buyer and can be quite daunting. Please feel free to [contact us](#) should you have any queries or need any advice on this matter.
8. **Be flexible on conditions in favour of the seller** – While certain conditions might be unavoidable, being flexible on other matters could just help clinch the deal. Transfer and or occupation dates that suit the seller could for example be very helpful, or perhaps the exclusion of movable property that might be of financial or sentimental value to the seller.

#### **Quick links:**

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