

The Property Transaction Process



1. The parties agree to a price and the payment schedule.
2. The agent/transfer attorney drafts a Sales Agreement (Deed of Sale / Offer to Purchase) to reflect the price and all the conditions of the sale.
3. Both parties (Buyer and Seller) sign every page of the contract.
4. Copies of the contract go to the Buyer, the Seller, the Agent and the conveyancing attorney.

CASH DEAL

- Buyer will transfer the purchase price as well as all the legal costs to the conveyancing attorney. (The attorney will provide a bill of costs)
- This money is normally held in an interest-bearing account for the duration of the process, which interest is for the benefit of the buyer.
- The attorney will proceed to draft all the necessary transfer documentation; one set for signature by the Buyer and another set for the Seller.



BANK FINANCING

- The buyer applies for a loan at the bank.
- The bank will evaluate the buyer as a prospective buyer.
- If the bank feels that the buyer poses an acceptable risk, they will send a valuator to assess the property to see whether it offers sufficient security for a bank loan.
- Loan gets approved subject to certain conditions (signing of documents, possible life insurance, etc.)
- Bank issues a bank guarantee to the conveyancing attorneys.)
- The bank's own attorneys will draft bond (mortgage) documents for signing by the buyer.

5. Both Buyer and Seller will be presented with a FIA (Finance Intelligence Act) questionnaire to complete. This is to confirm that the purchase is a lawful transaction.
6. The Seller has to arrange for the municipal Building Compliance Certificate (N\$360)
7. A building inspector will inspect the property to make sure that the actual buildings correspond with the approved building plans.
8. Before they issue their certificate, they would need an Erongo RED COC (Certificate of Compliance) which has to be arranged through a local certified electrician.
9. In the event of an existing bond over the property, the conveyancing attorneys will ask the bank for the final cancellation balance.
10. The conveyancing attorney will pay to the Ministry of Finance all relevant duties and taxes.
11. They will also obtain clearance certificates from the Municipality and Erongo RED to make sure the Buyer will not inherit any debt at those institutions.
12. Upon receiving the official Receipt from the Ministry of Finance, the attorney will submit all documents to the Deeds office for registration of the transfer of the property into the name of the buyer.
13. When the transfer is registered, the attorneys will pay out the purchase price to the Seller, less the agent's commission, which will be paid to them directly.
14. A few weeks after registration, the buyer will receive the "Deed of Transfer" (Title Deed) from the attorneys unless the purchase is bank financed in which case the bank will hold it together with the bond documents until the bond is paid off.