

South African property terminology and the British equivalent - made simple

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South Africans thinking of [investing in UK property](#) may be slightly reticent when they start looking into the industry and discover new terms they may not have come across before. Below we identify the most commonly used terms in property that are used in South Africa, and the British equivalent.

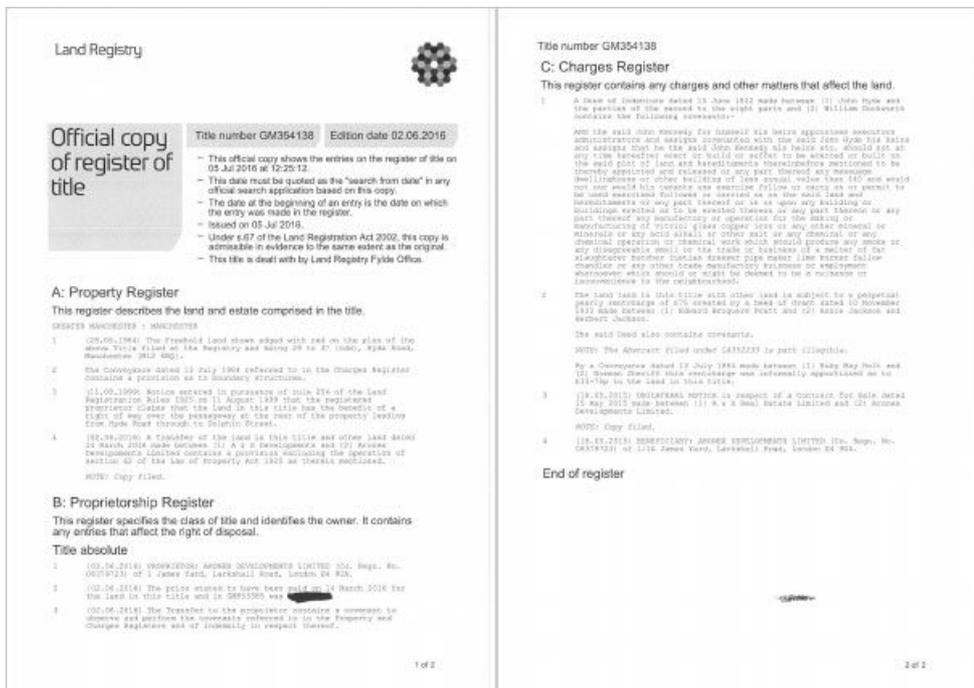


Costs of buying property in South Africa

When you buy property in South Africa, you'll typically need to pay transfer duty plus a registration fee and conveyancing fee.

UK solicitors

SA Deeds Registries where documents are available for public viewing. UK has a database holding digital records of all [UK property titles deed to search online](#) and that can be downloaded for only £3. This is one of the most advanced and transparent deeds registry systems in the world.



SA transfer duty = Stamp duty

SA transfer duty is not applicable in all property sales, as it depends on the property price:

- Up to ZAR 750,000: 0 percent
- ZAR 750,000–1,250,000: 3 percent
- ZAR 1,250,000–1,750,000: 5 percent
- ZAR 1,750,000–2,250,000: 8 percent
- ZAR 2,250,000+: 11 percent

Transfer duty is often paid through your conveyancer at the point of purchase, otherwise it must be paid within six months of agreeing to buy your home (not the date of the completed sale). If you don't pay on time, you'll be subject to interest at 10 percent per annum each month.

UK stamp duty

Band	Normal Rate	Additional Property
less than £125k	0%	3%*
£125k to £250k	2%	5%
£250k to £925k	5%	8%
£925k to £1.5m	10%	13%
rest over £1.5m	12%	15%

Property for sale South Africa

Registration fees are also due to finalise the property transfer:

- Up to ZAR 150,000: ZAR 70
- ZAR 150,000–300,000: ZAR 350
- ZAR 300,000–500,000: ZAR 450

- ZAR 500,000–1,000,000: ZAR 550
- ZAR1,000,000 – 2,000,000: ZAR 650
- ZAR2,000,000 – 5,000,000: ZAR 1,050
- ZAR 5,000,000+: ZAR 1,250

UK title register fees £50 - £150

SA taking transfer = UK exchange of contracts

The difference in South Africa is when you make an offer and it is accepted it is a binding offer. In UK, it is only at the point of the formal exchange of contracts that the sale becomes a binding legal agreement. This is important for the off-plan residential property investments that we source at One Touch. The developers of [buy to let property](#) that we work with normally require a 30% deposit and the balance at completion. All the details about the specification are documented in the purchase agreement and the developer has an obligation to meet the contracted standard at completion thereby giving overseas investors peace of mind.

Taking occupation = completion in the UK

This is concerning properties which are off plan. Completion is when the building is finished to the specification of contract at exchange. Final payment needed either by cash or mortgage.

Sectional title – Leasehold

In South Africa, a sectional title means that an individual owns a unit within a communal building and a portion of the communal areas. In the UK, the equivalent is a leasehold, where an individual owns a flat or apartment within a complex. In the UK the freeholder (who owns the ground the building is built upon) retains ownership of the communal areas.

Levy = service charge

In South Africa the governing body looks after the procurement and maintenance of the communal areas of the property complex. In the UK the freeholder installs their own management company and the leaseholder is bound to pay for these via a service charge. In the UK, leaseholders are protected by the Leasehold Tribunal, which sets the maximum leaseholders can be charged for services. In South Africa, people are granted no such protection.

One Touch Property make quarterly visits to South Africa to discuss [UK property investments](#) in one-to-one consultations and group presentations. Their next trip to South Africa is in February 2019. If you want assistance deciphering the property terminology and to discuss UK property investments then [contact us today](#) to make an appointment.

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