



Five tips for first-time HOME OWNERS

With the SA Reserve Bank's repo rate currently at **3.5%** and the prime lending rate at **7%**, the property market has suddenly become more accessible to more South Africans. In particular, younger South Africans may consider this the best time to finally make that big purchase, as they no longer need to pay transfer costs for houses bought for less than R1 million. But before jumping into ownership because the offers look like once-in-a-lifetime opportunity, it's vital to make sure that certain boxes are ticked. **Other than your actual bond repayment, rates and taxes and possibly levies, and your electricity and water bills, what else should you be ready for?**

The Basics

Repairs

Make sure that all damages to the property are fixed before you move in, as a condition of offer.

Roof and ceiling

Have a registered builder come in to inspect the overhead structures. You can pick up lot of tell-tale signs about a risky structure from above.

Geyser

Ensure it's in top shape. Geysers are expensive to replace, and the mess left behind by a broken one is expensive to deal with.

Garden

A large, luscious garden and a swimming pool might be very appealing, and certainly enhances quality of life. But do consider the financial cost of an expansive garden or a pool's upkeep.

Insurance

The basic goal behind buying any insurance is to protect you financially in the event of loss. Considering what an enormous financial commitment owning a home is, it's vital to your future financial stability to have sufficient homeowner's insurance in place. **Even with this, you will still be liable for any excess payments, so it's a good idea to have an emergency fund in place.** The bank will also probably require you to take out life insurance, which will settle your bond in the event of your death. Remember to factor all these costs in when calculating how much you can afford in terms of monthly repayments and premiums.

Take your time

The pressure to act quickly may be giving you anxiety about finalising the deal as soon as possible. Don't allow this to make you miss important steps in the process of purchasing your first home. Evaluating all your risks is foundational to all large financial decisions, and purchasing a home is among the largest and most important.



Remember that current owners are as eager to sell as buyers are to buy, so vetting your investment and scrutinising your agreements are vital. Whenever in doubt, it is best to get the assistance of a financial advisor to ensure that your dream home is what you are both expecting and deserve.

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