

In our last edition, Roshgold News brought you insights into first-time home owners with ARM Attorneys. In this issue, we unpack an equally important aspect of the home ownership journey: the hidden costs of buying a home.

Understanding these costs upfront can help you plan better and avoid unexpected financial strain.



THE HIDDEN COSTS OF BUYING A HOME: WHAT FIRST-TIME BUYERS SHOULD BUDGET FOR

By Attorney Abdul Rahman Mahommed

Buying a home is one of the most exciting milestones in life — but for many first-time buyers, it also comes with unexpected financial surprises. While most people focus on the purchase price and the bond repayment, the real cost of becoming a homeowner includes a range of additional expenses that can easily catch buyers off guard.

Understanding these hidden costs upfront can make the difference between a smooth, stress-free transfer and a financial shock. Here's what every first-time buyer should know.

Transfer Costs: More Than Just the Purchase Price

Many buyers are surprised to learn that transfer costs are not included in the property's price. These expenses usually cover transfer duty, a tax payable to SARS on properties above a certain threshold, as well as conveyancing fees charged by the attorney responsible for transferring the property and Deeds Office fees for registering the transfer. Although these charges are regulated and calculated on a sliding scale, they can still add up to tens of thousands of rands, making it essential for first-time buyers to budget for them upfront.

Bond Registration Costs

If you're taking out a home loan, you'll also need to budget for bond registration attorney fees as well as the bank's initiation fees. These charges are completely separate from the transfer costs and are often overlooked by first-time buyers.

While some banks may allow certain fees to be added to the loan amount, this isn't always possible, so buyers should be prepared to cover some of these expenses upfront.

Compliance Certificates

Before a property can be transferred, the seller must provide certain compliance certificates — electrical, beetle, plumbing, gas, and electric fence, depending on the province. While these are usually the seller's responsibility, any repairs required to obtain the certificates may be negotiated or shared.

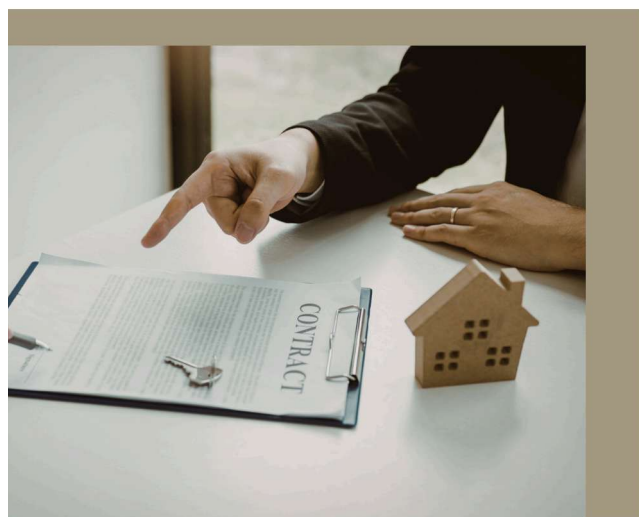
Buyers should be aware that older homes often require more work to pass compliance inspections.

Moving and Immediate Repairs

Once the excitement of signing the offer wears off, reality sets in as buyers begin to face the practical costs of moving. These can include paying for a moving company, replacing locks or installing security upgrades, tackling painting or minor repairs, and arranging cleaning or garden services to get the property ready for occupation. Even a well-maintained home usually needs a few touch-ups before you move in, and these expenses can add up quickly.

Levies, Rates, and Utilities

Your first month of homeownership comes with its own set of municipal and community expenses, including rates and taxes, which are usually payable in advance, sectional title levies if you're buying in a complex, and utility deposits for water and electricity accounts. These upfront payments can easily add a few thousand rand to your moving month, so it's important for buyers to factor them into their initial budget.



The Cost of Delays

If the transfer process is delayed — whether due to bond approval issues, outstanding compliance matters, or municipal backlogs — buyers may find themselves facing additional expenses such as extended rental payments, storage costs, and extra interest on the bond. These unforeseen costs can add up quickly, so planning for the possibility of delays is an important way to avoid unnecessary financial strain.

Buying a home is a major investment, and understanding the full financial picture is essential. First-time buyers who budget for these hidden costs are far better prepared for the journey to homeownership. With the right guidance and a clear understanding of the process, the dream of owning a home becomes far more achievable — and far less stressful.

Contact AR Mahomed Attorneys on 011 025 1437 or visit their offices for a consultation.