

OCCUPATIONAL RENT

The basics every owners
and prospective buyer
should know about
occupation ...



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Our Services:

- Drafting of Agreements of Sale
- Property Transfers and Registrations
- Subdivisions and Consolidations of Properties
- Registration of Mortgage Bonds
- Opening of Township Schemes
- Developments
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In a contract of sale occupation can be dealt with as either:

The date on which the Property registers
or
An agreed specific date

Both options have advantages and disadvantages.

If the occupation date is agreed on as a specific date, both the buyer and the Seller will know exactly when they will move, which is convenient and allow sufficient time to make all the arrangements for the move.

The occupation date will not always fall at the same time as registration, and the parties will have to make provision for the payment of occupational rent.

Occupational rent should be ideally calculated on the same basis as if the property would be rented to a tenant, as occupational rent is the fair compensation for the right to occupy the property before the purchase price has been paid. The Seller must also bear in mind that due to unforeseen circumstances registration might occur prior to the occupation date, in which case the Seller will have to pay occupational rent to the buyer.

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“It is strongly advised that occupation to a buyer will only be given once the buyer paid all the monies due...”

It is strongly advised that occupation to a buyer will only be given once the buyer paid all the monies due to the transferring attorneys in respect of the purchase price or any balance thereof, guarantees have been delivered and all transfer costs have been paid.

If the Buyer occupies the property on registration, the full purchase price have been paid to the

Seller, and there is little chance for anything to go wrong. However, the timing of such occupation can be difficult, as the attorneys attending to the transfer, will only be able to estimate the date of registration once the transaction is almost ready to be lodged in the Deeds Office. Even then, such estimate dates can be missed due to factors such as the Deeds Office or even delays with the bond or

bond cancellation attorneys.

If a contract specifies the date of occupation as the registration date, it is advisable to liaise with the transferring attorneys as well as the agent and to reach an agreement regarding an occupation date as close as possible to the anticipated date of registration.

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WE MOVE YOUR PROPERTY

