

THE 'BIG 5' CERTIFICATES OF COMPLIANCE IN PROPERTY TRANSACTIONS

Sale agreements can provide for up to five different types of compliance certificates to be obtained by the seller before a property transfer is registered. These may be required in both conventional and sectional title transactions.

Here follows a summary of the important aspects of each compliance certificate.

1. ELECTRICAL

- Certifies that the electrical installation on the property complies with the required safety standards.
- Governed by the Occupational Health and Safety Act.
- Valid if issued less than 2 years prior to transfer. However, if any modification was made to the installation after the certificate was issued, a new certificate must be obtained.
- Best for the inspection and remedial work to be carried out as soon as possible after the deal is concluded, and prior to the purchaser moving in.

2. ELECTRIC FENCE

- The certificate must be obtained on installation, and if any change or amendment is made, a new certificate must be obtained.
- Certifies that the electric fence installation complies with the required safety standards.
- Governed by the Occupational Health and Safety Act.
- An existing certificate may be transferred by the seller to the purchaser. A seller need only provide a new certificate to the purchaser if a change was made to the installation after the current certificate was issued.
- The requirement also applies to sales of sectional title units if there is an electrical fence system situated on common property.

3. GAS

- The certificate must be obtained on installation, and if any change or amendment is made, a new certificate must be obtained.
- Certifies that the gas installation on the property complies with the required safety standards.

- Governed by the Occupational Health and Safety Act.
- A new certificate must be obtained every time there is a change of ownership.
- Parties cannot contract out of this or agree to waive.
- Seller is required to obtain the certificate prior to transfer.

4. WATER/PLUMBING

- Certifies that the water installation at the property is in line with municipal and building guidelines.
- Governed by the City of Cape Town Water By-law. Only applicable to transfers within the municipal jurisdiction of the City of Cape Town.
- A new certificate must be obtained upon change of ownership.
- Parties cannot contract out of this or agree to waive.
- Seller is required to submit the certificate to the City of Cape Town municipality prior to transfer.

5. BEETLE

- Usually valid for 3 to 6 months only.
- When there is a change of ownership this certification is often called for; it is not obligatory.
- Certifies that the accessible wood of permanent structures on the property is free from certain wood destroying beetles.
- Not governed by any specific law, but a practice that has evolved over the years.
- Parties can contract out of this; however, if parties agree that no certificate is necessary and bank requires it for purchaser's bond, then this is for the purchaser's expense.

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