

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 transfer of the property is registered. These may be required in both conventional and sectional title transactions.

Here follows a summary of the most 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.
- A current certificate is valid if it was 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.
- It is best for the inspection and remedial work to be carried out as soon as possible after the sale is concluded, and prior to the purchaser moving in.
- (Fixed system) inverters also require COCs which are valid up until any changes are made to the electrical board or when the property is sold where updated COCs are required.

2. ELECTRIC FENCE

- This certificate must be obtained upon installation of an electric fence and if any change or amendment is made, a new certificate must be obtained.
- It certifies that the electric fence installation complies with the prescribed 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 obtain a new certificate 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 the common property.

3. GAS

- This certificate must be obtained upon installation of a gas appliance

on premises, and if any change or amendment is made, thereto a new certificate must be obtained.

- It certifies that the gas installation on the property complies with the prescribed safety standards.
- Governed by the Occupational Health and Safety Act.
- A new certificate must be obtained every time there is a change of ownership.

4. WATER

- 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 and is only applicable to transfers within the municipal jurisdiction of the City of Cape Town.
- A new certificate must be obtained every time there is a change of ownership.
- The 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.
- It certifies that the accessible wood of permanent structures on the property is free from certain wood-destroying beetles.
- There is no legal provision making this certificate compulsory, but it is 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 in respect of the purchaser's bond, then this is for the purchaser's expense.