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PROPERTY SIGNPOST NEWSLETTER

Email: berry@propertysignpost.co.zaWeb Site: www.chaseveritt.comSubscription: [Click Here](#)**Chas
Everitt****Berry
Everitt****Barry
Davies****Your Area Specialist:**

Chas Everitt International sales agents have all the latest market information regarding local property values at their fingertips – and are committed to the highest standards of personal service when it comes to selling your home. In addition, the Chas Everitt International property group offers you, the homeowner, the best possible exposure for your property in both national and international markets. So if you are thinking of selling your home, call your nearest Chas Everitt International office today for the name of your local area specialist - or visit www.chaseveritt.com

Every month the **Property Signpost Newsletter** will be issued to all our subscribers, filled with real estate information to help you make an informed decision, whether you are buying or selling a property.

Contents

1. [Welcome By Publisher](#)
 2. [Homeowners: Winter months a good time for home maintenance](#)
 3. [Sellers: Honesty really is the best policy](#)
 4. [Buyers: All the insurance you need](#)
 5. [Make sure the memories really last](#)
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Developments

1. Welcome By Publisher

If, like me, you have been watching the build up to the Soccer World Cup in Germany over the past few weeks, you will also have got a foretaste of the huge economic benefits this event brings to any country lucky enough to host it – and not least in the real estate sector.

It is estimated that the tournament will pump more than 10 billion Euros into Germany's economy, with the bulk of it going to the companies that have upgraded and expanded the infrastructure and built the new stadiums, hotels, restaurants and shops.

Two or 3-billion Euros have also already been spent on special World Cup goods and services and the whole tourism sector – not only the operators in the 12 cities that will host matches – will share in the bounty of an expected 1-million foreign visitors, each spending between 800 and 1000 Euros a day while they are in Germany.

And of course, anyone with a suitable property to rent during the tournament will also be raking it in – but the benefits to the country's real estate sector will go much further than that. Apart from the additional exposure and attraction of foreign investors that comes through the media coverage of the tournament, it stands to get a huge boost once all the fans have gone home from local buyers that are newly employed or have got better jobs as a result of the overall boost to the economy, which the experts reckon will be equivalent to a rise of 0,5 percent in Germany's GDP.

I expect that this is also the sort of outcome we can expect when the beautiful game comes to SA – and 2010 is really not that far away any more.

Meanwhile, despite some recent reports to the contrary, property prices in SA are showing no signs of falling – although they may not be growing as fast as last year or the year before. Indeed, if they are read properly, the latest statistics from the banks and the deeds office show that house prices are still showing double-digit increases year-on-year, which means growth in the real estate sector is still well ahead of inflation.

Not to mention the fact that anyone who bought a home three or four years ago and is selling now will still get the benefit of all the growth since, not just this year's gain. In short, it really is time now to stop anticipating a famine and start planning for the feast.

[| Back to Top |](#)

2. Homeowners: Winter months a good time for home maintenance

Cooler winter months are the ideal time to tackle home maintenance – there is less work to do in the garden, and the dry weather in most parts of the country offers an opportunity to finish exterior paint and varnish jobs without interruption.

And if you don't have a maintenance programme in place, this is the time to sit down and draw up a practical plan that will keep your home in good condition all year round. Start by thoroughly inspecting your home and listing all jobs to be tackled, such as flaking paint work, cracks that need to be repaired, cracked window putty, loose roof tiles or missing roof screws. Check for roof leaks and note the condition of gutters.

Also inspect the plumbing by checking visible water pipes for cracks, leaks or rusting and make sure taps are not dripping and cisterns are not leaking. Inspect the electrical distribution box, look out for any signs of shorting or exposed wires and check that your earth leakage is still functioning by pushing the test button.

Once you have done this you can decide what needs to be done first - a faulty electrical system obviously being more urgent than faded paint work – and also which jobs you can do yourself and which would be better left to the professionals.

But whatever you decide, remember that a *regular* maintenance programme will make your home much easier to sell when you are ready to move, and save you a small fortune in repairs in the meanwhile. The old adage, a stitch in time saves nine, still holds true for homeowners – it is much cheaper to clean out gutters regularly, for example, than to replace gutters that have

been neglected and rusted through.

| [Back to Top](#) |

3. Sellers: Honesty really is the best policy

Making a clean breast of any defects or drawbacks in a property when it is offered for sale is still the best policy.

It may be very tempting to try and hide rising damp beneath a fresh coat of paint and hope the deal is concluded and signed before the buyer notices – but the chances are good that he will and that, at best, you will lose the sale.

At worst, the buyer who is taken in and does go through with the purchase could well have grounds for legal action against you when the deception comes to light, and may well succeed with a claim for damages that could easily wipe out any profit you made on the sale.

Obviously the best course of action is to properly repair any defects you know about before the property is marketed. But if time does not allow this, you should fully disclose any defects to your agent and then let him or her negotiate a fair price.

In such cases, it is more important than ever to appoint an ethical and professional agent to advise you. Such an agent will be able to distinguish between serious and inconsequential defects and will be able to assess which problems should be rectified before marketing the property.

He or she will also be able to help you set a fair price for the property as it is, which will, in the long run, save you time and money – especially if it helps you avoid a protracted legal dispute.

| [Back to Top](#) |

4. Buyers: All the insurance you need

If you are buying a property with the aid of a home loan (like most people) you will probably require the following three different types of insurance:

* Homeowner's insurance, which provides cover against damage to the structure of a home in the event of disasters such as fire, flood, wind and hail. This type of policy protects the bank from loss of the "asset" that secures the home loan, and protects the homebuyer against possibly having to pay the outstanding balance of the loan even when the home has been badly damaged or destroyed.

* Homebuyer's insurance, sometimes also called "bond insurance", which is life insurance specifically intended to settle any outstanding balance on the home loan if the borrower dies or is incapacitated, and so relieve the family of a debt they may not be able to pay. Your lender might not insist on this cover but most would certainly prefer you to have it.

* Householder's insurance, which quite simply covers the contents of your home, whether owned or rented, to the extent that you decide. Most companies providing such cover offer a choice of comprehensive insurance including theft or insurance limited to damage only, and in most cases will also provide vehicle cover.

It is important to note that you are free, as a homebuyer, to purchase all or any of the three forms of insurance above from any provider of your choice – but that home loan lenders are also free to withhold loans from those they consider under-insured.

| [Back to Top](#) |

5. Make sure the memories really last

Many young couples dream of a wedding with all the trimmings, but with even a modest reception costing many thousands of rands, they might be better advised to skip the imported champagne and the chocolate fountain and put the savings towards a deposit on their first home.

Buying a home is still the best way for most people to build a financially secure future, with their monthly payments going towards the purchase of an asset rather than just paying a landlord.

And if the newlyweds can afford even a small additional amount per month over and above the minimum repayment, they will quickly build equity in the home, giving them increasingly significant financial leverage.

Of course remaining in credit on a mortgage will save money over the years, since interest will be substantially reduced and the property paid off more quickly. But homeowners can also borrow against equity to pay for other expenses, such as their children's education or home improvements that will, in turn, add value to the property.

However, despite the current low interest rates, steadily rising property prices mean that the longer they delay, the harder it is for newlyweds to get on to the real estate ladder.

There is thus also much to be said for the old custom of giving a bridal couple a gift of money towards a deposit on a home. While it may not be as fashionable as some of their other presents, it will certainly be remembered a lot longer.

| [Back to Top](#) |

