

Here are the 8 do's that the Property Practitioners Act prescribes regarding the Property Condition Report when concluding sale or lease agreements.

01

DOWNLOAD

Section 67 of the Act makes it mandatory for a property practitioner to procure a completed Disclosure Form (Property Condition Report) regarding the condition of the property from a seller and/or landlord.

02

WHEN

The Act states that a "property practitioner must ... not accept a mandate unless the seller or lessor of the property has provided him or her with a completed and signed mandatory disclosure in the prescribed form". In other words, the Disclosure Form must be completed and signed by the seller or landlord **before conclusion of the mandate.**

03

SHARE WITH BUYERS (AND TENANTS)

The prescribed wording contained in the Condition Report includes a statement to the effect that the owner authorises the appointed property practitioner "marketing the property for sale to provide a copy of this statement, and to disclose any information contained in this statement, to any person in connection with any actual or anticipated sale of the Property."

04

ATTACH TO SALE AGREEMENT

A copy of the Disclosure Form **must be supplied to prospective purchasers or lessees** if they intend to make an offer for the purchase or lease of a property. It does not have to be furnished to all and sundry that make enquiries, but must be furnished to those who are serious about the property and wish to conclude an agreement. The signed completed Disclosure Form **must be attached to any agreement of sale or lease.**

05

FAILURE TO COMPLY WITH THIS REQUIREMENT

If the Disclosure Form was not completed, signed or attached, the agreement must be interpreted as if no defects or deficiencies of the property were disclosed to the purchaser. The relevant property practitioner who failed to comply with this requirement may be held liable by an affected consumer.

06

ADVISE BUYER AND LESSEE OF OPTION TO CONDUCT OWN INSPECTION:

The Act and regulations state that a buyer (and lessee) must be advised of his or her right to arrange for a separate inspection of the property, if required, and for his own account. The property practitioner must advise the purchaser/lessee hereof. (A clause to this effect is included in the Disclosure Form that we have provided in par 1 above.)

07

OWNER CERTIFIES THE INFORMATION

The signature clause in the Disclosure Form provides for signature by the owner or by person who completes it on his/her/its behalf, as well as the signature of the property practitioner and purchaser/lessee. The owner is required to certify that the information provided is, to the best of the owner's knowledge and belief, true and correct as at the date of signature.

If a person other than the owner of the property provides the required information, that person must **certify** that he/she is duly authorised by the owner to supply the information and that he/she has supplied the correct information on which the owner relied for the purposes of the report and, in addition, that the information contained therein is, to the best of that person's knowledge and belief, true and correct as at the date on which that person signs the report.

08

THE PROPERTY CONDITION REPORT MUST BE KEPT FOR 5 YEARS

Together with all the other documents that property practitioners must retain. (This is discussed in more detail in a later installment in this series.)

For more information, contact us at info@stbb.co.za