

Advice to property sellers

Graham Leslie*
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Graham Leslie argues you should get your buyer's deposit as and when agreed.

Property sellers must insist on a deposit being paid in the sale agreement and ensure that the buyer pays the full deposit - as soon as the agreement is concluded and the deed of sale signed.

This is, in fact, stipulated in most sale documents but it is surprising how often buyers will try to back out of this obligation and delete the clause and how often sellers accept this deletion.

If the buyer does pay on the due date, it is a good indication that he is a really committed purchaser. It also encourages the banks to look more favourably on the awarding of a bond to the buyer.

Very seldom does a sale in which the deposit has been paid fall through but all too often where the deposit has not been paid, the buyer will wriggle out of the agreement. There are certain "buyers" who have done this on several occasions, even though they have a signed agreement in place.

Such dicey clients are seldom prosecuted because prosecution is a long, drawn out and expensive process.

Once a deposit is paid, it gives the seller some means of obtaining redress should the buyer renege on other conditions, eg, the non-payment of occupational rent or a decision to walk away from the property.

Where this happens the legal system will in majority of cases countenance the seller retaining all or most of the deposit.

In tough economic times like the present it is understandable that buyers, who may have ample resources, can have difficulty getting their cash quickly - as their funds may be tied up in shares or other investments.

Such buyers have the option of applying to "Deposit Advantage" or other funding agencies that, for a fee, are willing to guarantee that the deposit sum is covered until transfer. They will, of course, have first made a very thorough inspection of the client's financial situation.

**Graham Leslie is MD of Greeff Properties*