



OFFER TO PURCHASE (OTP)

WHAT EVERY ESTATE AGENT NEEDS TO KNOW

FROM OFFER TO TRANSFER – GET THE OTP RIGHT FROM THE START



WHAT IS AN OTP?

An Offer to Purchase (OTP) is the document recording the agreement between the purchaser and seller.

The purchaser makes an offer on the terms contained in the OTP.

Once the seller properly accepts the offer, the document can become a **binding agreement of sale**, subject to the terms and conditions contained in it.



THE OTP DETERMINES IMPORTANT MATTERS SUCH AS:



✓ Who is buying



✓ The purchase price



✓ When occupation takes place



✓ Who is selling



✓ How the purchase price will be paid



✓ What happens if conditions are not fulfilled



✓ What property is being sold



✓ Whether the purchaser requires a bond



✓ What happens if a party breaches the agreement



What has been disclosed about the property

IMPORTANT



The OTP is **not** simply an administrative form.

IT IS A LEGAL DOCUMENT.

THE GOLDEN RULE



Your job is to know what must be checked – and when you need to ask the conveyancer.



CHECK IT THOROUGHLY



ASK QUESTIONS



EXPLAIN THE BASICS



REFER WHEN IN DOUBT

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≡ OFFER TO PURCHASE (OTP) ≡

WHO ARE THE PARTIES?

KNOW WHO YOU ARE DEALING WITH.
GET THE DETAILS RIGHT.



1. WHO ARE THE PARTIES?

It is essential to know exactly who the buyer(s) and seller(s) are – and in what capacity they sign.

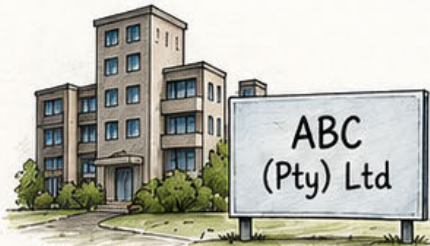
INDIVIDUALS



- ✓ Full names (as per ID)
- ✓ ID numbers
- ✓ Marital status
- ✓ Capacity in which they sign
- ✓ Contact details
- ✓ FICA documentation



COMPANIES



- ✓ Registered company name
- ✓ Registration number
- ✓ Who is authorised to sign?
- ✓ Board resolution / Power of Attorney
- ✓ FICA of the company and authorised signatory
- ✓ Contact details



TRUSTS



- ✓ Name of the trust
- ✓ Trust registration number
- ✓ Name of the trustees
- ✓ Authority to sign (Trust deed / resolution)
- ✓ FICA of the trust and the trustees
- ✓ Contact details



Always confirm who your **CLIENT** is, and, where applicable, **WHO IS BEHIND THE TRANSACTION.**

2. WHAT EXACTLY IS BEING SOLD?

Be 100% sure what property is included in the sale.

GET THE DESCRIPTION RIGHT.

ERF / STAND	SECTIONAL TITLE UNIT	GARAGE	PARKING BAY	STORE ROOM	EXCLUSIVE USE AREA (E.U.A.)
Vacant land. Check the erf number and extent (m ²).	Includes the unit, an undivided share in the common property and exclusive use areas.	Make sure the garage number is specified.	Check if it is exclusive use or common use.	Specify the storeroom number.	Garden, patio – balcony or other area reserved for the exclusive use of the owner.

★ THE GOLDEN RULE ★



Know who the parties are.
Know exactly what is being sold.

**IF IT'S NOT CLEAR,
IT CAN CAUSE
BIG PROBLEMS LATER.**



Double-check the property description on the title deed.
If you are unsure – **ASK THE CONVEYANCER.**



WHAT TO DO BEFORE ANYONE SIGNS



Ask the right questions.



Collect the correct docs & FICA.



Verify the property details.



Don't assume – confirm.



Refer when in doubt.

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OFFER TO PURCHASE (OTP)

PURCHASE PRICE, DEPOSIT, GUARANTEES,
CASH & FINANCE

GET THE MONEY PART RIGHT –
AVOID DELAYS, DISPUTES AND LOST DEALS.



1. THE PURCHASE PRICE – WHAT WAS AGREED?



CHECK THAT THE OTP STATES:

- ✓ The purchase price in figures and in words.
- ✓ What is INCLUDED in the sale.
- ✓ What is EXCLUDED from the sale.
- ✓ Whether the price includes VAT.
- ✓ Who is responsible for VAT (if any).

AGENT TIP



Don't assume.
If it was agreed,
PUT IT IN WRITING.



2. HOW WILL THE PURCHASE PRICE BE PAID?

A. DEPOSIT

Money actually paid
by the purchaser.



- ✓ State the amount.
- ✓ State when and how it must be paid.
- ✓ State where it must be paid.
- ✓ Specify what happens if it is not paid.

No deposit =
higher risk!

B. GUARANTEE

A written undertaking
to pay the money.



- ✓ State the amount.
- ✓ Who gives the guarantee?
- ✓ Who benefits from the guarantee?
- ✓ When must the guarantee be provided?

A guarantee is not
the same as money.

C. CASH

Paid from the purchaser's
own funds.



- ✓ Require proof of available funds.
- ✓ Confirm the source of the funds.
- ✓ Funds must be legit and traceable.

Ask for proof of
funds early.

D. FINANCE (BOND)

A loan from a financial
institution.



- ✓ State the amount of the bond.
- ✓ State the finance institution.
- ✓ State the time period within which the bond must be approved.
- ✓ State what happens if the bond is not approved.

Know the deadline.
Diary it. Follow up.

E. COMBINATION

Often a mix of the
above.



- ✓ Specify each component.
- ✓ State the total purchase price.
- ✓ Make it crystal clear.

Get the mix right –
get it in writing.

DON'T SAY:



INSTEAD:

- ✓ Know the contractual deadline.
- ✓ Diary it.
- ✓ Follow up regularly.
- ✓ Get feedback.
- ✓ If there is a problem – act early.
- ✓ Refer to the conveyancer if needed.



IMPORTANT REMINDERS



Know the dates
in the OTP.



Act before deadlines
are missed.



Communicate with
all parties.



Refer any uncertainty
to the conveyancer.



THE GOLDEN RULE

If it was agreed on price or payment –
PUT IT IN THE OTP.



CHECK
EVERY DETAIL



ASK QUESTIONS



RECORD
EVERYTHING



REFER WHEN
IN DOUBT

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= OFFER TO PURCHASE (OTP) =

CONDITIONS, OCCUPATION, DISCLOSURE & CERTIFICATES

KEY POINTS AN AGENT MUST CHECK



1. SUSPENSIVE CONDITIONS

These are things that **MUST** happen before the deal becomes final.

Common conditions:

- ✓ Bond approval
- ✓ Sale of another property
- ✓ FICA compliance
- ✓ Body Corporate / HOA approval
- ✓ Municipal consent / waiver
- ✓ Special levies



Check the deadline for each condition.
Diary it. Follow it up. Don't assume!

2. OCCUPATION

When does the buyer get the keys?

Make sure the OTP states:

- ✓ Date of occupation
- ✓ Whether occupation is immediate or on transfer
- ✓ Who pays rates, levies and utilities and until when
- ✓ What fixtures and fittings stay (or are excluded)



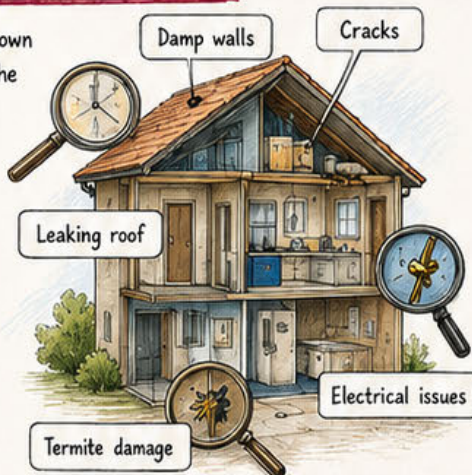
Clarity now = no arguments later.
Spell it out in the OTP.

3. MANDATORY DISCLOSURE

The seller must disclose known defects that could affect the buyer's decision.

Examples:

- ✓ Structural defects
- ✓ Water / damp
- ✓ Electrical faults
- ✓ Pest infestation
- ✓ Boundary disputes
- ✓ Previous building work without approval



If in doubt – **ASK** the seller.
If the seller is unsure – **DISCLOSE** anyway.

4. CERTIFICATES & COMPLIANCE

Check which certificates are required and who must pay.



ELECTRICAL COMPLIANCE CERTIFICATE (CoC)

Required for all properties.
Valid for 2 years.



ELECTRIC FENCE CERTIFICATE

Required where an electric fence is installed.



GAS CERTIFICATE

Required for gas installations and appliances.



SOLAR / INVERTER COMPLIANCE

Ensure installations are compliant and approved.

AGENT TIP ★

Confirm which certificates are required, who will supply them and who pays.



QUICK AGENT CHECKLIST



- ✓ All conditions listed?
- ✓ Deadlines diarised?
- ✓ Occupation date clear?
- ✓ Rates & levies – who pays until when?
- ✓ Seller's disclosure complete?
- ✓ All required certificates identified?

RED FLAGS – STOP & CHECK

VAGUE CONDITIONS



Unclear or broad conditions cause delays and disputes.

NO OCCUPATION DATE



Always record the occupation date.

DISCLOSURE MISSING



If disclosure is incomplete, the OTP is at risk.

MISSING CERTIFICATES



May delay transfer or cause legal problems.

ASSUMPTIONS



Never assume anything. Check and confirm.



THE GOLDEN RULE

If it is important to the parties,
IT MUST BE IN THE OTP.



Ask the right questions



Get the facts in writing



Communicate clearly



Refer when in doubt.

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OFFER TO PURCHASE (OTP)

FICA, POPIA & BANKING FRAUD

PROTECT YOUR CLIENTS. PROTECT YOURSELF. DO IT RIGHT.



1. FICA – KNOW YOUR CLIENT

WHO IS YOUR CLIENT?

And, where applicable,

WHO IS BEHIND THE TRANSACTION?

Different structures – different checks.

INDIVIDUAL



- ✓ SA ID / Passport
- ✓ Proof of address
- ✓ Contact details
- ✓ Source of funds

COMPANY



- ✓ Company registration documents (CIPC)
- ✓ ID of directors
- ✓ Proof of address
- ✓ Source of funds

TRUST



- ✓ Trust deed
- ✓ ID of trustees
- ✓ Proof of address
- ✓ Source of funds



If you don't know who the client is – **ASK QUESTIONS.** Don't guess.

2. POPIA – PROTECT INFORMATION

DO



Check the email address carefully before sending.



Send documents only to people who need them for the deal.



Store documents securely. Keep info safe – on and off the system.



Delete / shred personal information that is no longer needed.

DON'T



Don't send IDs, proof of address or bank details unless necessary.



Don't forward confidential documents or emails.



Don't send information to the wrong recipient.



Don't share information on unsecured or public platforms.



POPIA isn't just a law – it's a sign of professionalism and respect for your clients.



3. BANKING FRAUD – BE ALERT!



Our banking details have changed.

Fraudsters are clever. Don't become their victim or put your client at risk.

THEIR TACTICS:

- Emails that look real
- Urgent requests
- Slightly different bank details
- Pressure to act fast

They don't need to break in. They just need you to click or trust.

YOUR DEFENCE PLAN



INDEPENDENTLY VERIFY EVERY TIME.

Always confirm any change in banking details via a trusted, independent channel.



USE TRUSTED CONTACTS

Phone the party or their conveyancer on a known number.



DON'T RELY ON EMAIL ALONE.

Email can be hacked. Don't rely on it as your only check.



NEVER SHARE OTPs OR BANK DETAILS ON INSECURE PLATFORMS.

Be cautious with WhatsApp, social media and public Wi-Fi.



RED FLAGS

- Urgent request to change details
- New account name that doesn't match
- Slight spelling changes in email address
- Pressure to pay immediately
- Stories that don't add up



QUICK AGENT CHECKLIST

- ✓ I know who my client is.
- ✓ I've done the right FICA checks.
- ✓ I only send info to the right people.
- ✓ I keep information secure.
- ✓ I verify banking details independently.
- ✓ I stay alert for fraud.

THE GOLDEN RULE



VERIFY. PROTECT. QUESTION.

WHEN IN DOUBT – CHECK IT OUT!

WHY THIS MATTERS



Protects your clients' money and personal information.



Protects you – your reputation and your agency.



Professional agents go the extra mile.



ASK QUESTIONS



VERIFY INDEPENDENTLY



COMMUNICATE CLEARLY



REFER WHEN IN DOUBT

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OFFER TO PURCHASE (OTP)

THE FINAL AGENT CHECKLIST

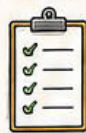
TRAFFIC LIGHT SYSTEM – KNOW WHAT TO DO AND WHEN TO REFER



GREEN – DEAL WITH IT



You can handle these.
Normal admin and missing information.



GENERAL ADMIN

Missing IDs, addresses, contact details, FICA documents.



DOCUMENTATION

Missing certificates, levy statement, rates info.



TIMEFRAMES

Deadlines not yet due or still in progress.



COMMUNICATION

Waiting on information from parties or service providers.



FOLLOW UP

Chase outstanding documents and confirm details.

Keep the deal moving.
Keep records and follow through.

ORANGE – CHECK BEFORE SIGNATURE



Important issues – clarify and confirm before the OTP is signed.



DEPOSIT / PAYMENT

Amount, timing and proof of payment.



OCCUPATION

Occupation date, who pays rates & levies, fixtures & fittings.



MARITAL STATUS

Correct status confirmed? Spouse consent needed?



PROPERTY DETAILS

Erf/Section number, size, inclusions / exclusions, E.U.A.



FINANCE (BOND)

Bond amount, institution, deadline, approval requirements.



VAT & TRANSFER DUTY

VAT registered seller? Transfer duty payable?



BODY CORPORATE / HOA

Levies up to date? Rules, pets, parking, approvals.

Check. Confirm. Clarify.
Get it right before signature.

RED – STOP & REFER



High risk – do not sign.
Refer to the conveyancer.



COMPANY DOESN'T EXIST

No registration or inactive / deregistered.



OWNERSHIP UNCERTAINTY

Seller not the registered owner / no proof of authority.



FAILED SUSPENSIVE CONDITION

Condition not met or deadline missed.



CONCEALED DEFECT

Known defects not disclosed.



CHANGE OF PURCHASER AFTER SIGNATURE

Not allowed without written consent and legal checks.



LEGAL DISPUTE / CLAIM

Disputes, court orders or claims affecting the property.



TAX / VAT UNCERTAINTY

Unclear VAT status or transfer duty implications.



UNCLARITY OF TERMS

If you're unsure – don't guess.

Stop. Do not sign.
Refer to the conveyancer.

WHEN IN DOUBT – ASK!



It's better to ask first than to fix problems later.

AGENT REMINDER



- ✓ Read the OTP carefully.
- ✓ Check every detail.
- ✓ Get everything in writing.
- ✓ Keep communication clear.
- ✓ Record & file everything.
- ✓ Refer when unsure.
- ✓ Protect your clients and yourself.

REMEMBER



A well-drafted OTP today leads to a smooth transfer tomorrow.



THE OTP GOLDEN RULE

NO BLANKS.



Fill it all in.

NO ASSUMPTIONS.



Check it.
Confirm it.

NO SIDE DEALS.



If it's not in the OTP, it doesn't exist.

WHEN IN DOUBT – ASK THE CONVEYANCER.



Protect the deal.
Protect yourself.



ASK QUESTIONS



RECORD INFO



COMMUNICATE



REFER WHEN IN DOUBT



PROTECT CLIENTS



STAY PROFESSIONAL

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