



SA Property Investment Checklist 2026

47 due-diligence checkpoints across 7 categories — tick each box as you complete it.

Prime rate: 10.50% (SARB, May 2026) · Transfer duty threshold: R1,210,000 (SARS)

1 — Financial Analysis

- 1. Calculate gross rental yield**
Divide annual rent by the purchase price and multiply by 100. The SA national average is approximately 10.93% (Global Property Guide, 2025/26) — use this as your comparison benchmark.
- 2. Calculate net yield after all costs**
Deduct rates, levies, insurance, maintenance and management fees from gross yield. Net yield is the number that actually reflects your return.
- 3. Model cash-on-cash return at current prime rate**
Include your bond repayment at 10.50% (SARB, May 2026) to see your real cash return on the deposit invested, not just the property's yield.
- 4. Stress-test the bond repayment at prime + 1% to +2%**
Interest rates move. Confirm the property still cash-flows if prime rises 1–2 percentage points from today's level.
- 5. Confirm the deposit amount and its source**
Know exactly how much you're putting down and where it's coming from before you make an offer, not after.
- 6. Budget bond registration and transfer costs separately**
These are paid in cash before registration and cannot usually be added to the bond — budget them apart from your deposit.
- 7. Compare against comparable rental yields for the suburb**
A property's own numbers mean little without a benchmark. Check what similar properties nearby are actually achieving.

2 — Financing

- 1. Get pre-qualified with a bank or bond originator**
A free pre-approval shows sellers you're a serious buyer and surfaces any credit issues while there's still time to fix them.
- 2. Compare rate offers from at least 3 lenders**
Use a bond originator to get multiple banks competing for your business at no cost to you.
- 3. Confirm the bond term and total interest cost**
A longer term lowers the monthly repayment but increases total interest paid over the life of the loan — know both numbers.



- 4. Check whether FLISP First Home Finance applies**
First-time buyers earning R3,501–R22,000/month may qualify for a subsidy of R38,911–R169,265 (NHFC, 2026).
- 5. Confirm the bank's valuation matches the offer price**
If the bank values the property below your offer, expect a lower approved amount and a shortfall to cover.
- 6. Understand the suspensive condition deadline**
Know exactly when your bond approval must come through under the Offer to Purchase, or the contract may lapse.

3 — Property Due Diligence

- 1. Obtain the full title deed**
Check for registered restrictions, servitudes or conditions that could affect your use of the property.
- 2. Check for outstanding rates or municipal accounts**
Unpaid accounts against the property can delay or complicate transfer — confirm the account is current.
- 3. Confirm zoning matches your intended use**
Verify residential zoning explicitly permits letting if you're buying to rent out.
- 4. Inspect or commission a professional inspection**
Check the roof, damp, plumbing and electrical systems thoroughly before committing — or pay for an independent inspection.
- 5. Confirm a valid electrical compliance certificate will be provided**
Required on every SA property sale by law — confirm it's included in the seller's obligations.
- 6. Confirm gas, electric fence and beetle certificates where applicable**
These apply depending on the property's features and region — check which apply to this specific sale.
- 7. Get a written fixtures and fittings list**
Put exactly what stays (light fittings, blinds, etc.) in writing in the Offer to Purchase — verbal promises don't survive transfer.
- 8. Check flood, subsidence or geotechnical risk**
Relevant if the area or specific site has any known history of these issues.

4 — Sectional Title Additional Checks

- 1. Obtain the latest body corporate financial statements**
Review the reserve fund report to understand the scheme's financial health before buying in.
- 2. Check for any special levies raised or planned**
A healthy-looking monthly levy can hide a large special levy about to be raised — ask directly.



- 3. Review the conduct rules for letting restrictions**
Check minimum lease terms, pet rules, and any other restriction that could affect your investment plans.

- 4. Confirm what the levy amount includes**
Water, refuse, insurance and other inclusions vary by scheme — know exactly what you're paying for.

- 5. Check the sectional title register for disputes or litigation**
Ongoing body corporate disputes can affect both cost and your experience as an owner.

- 6. Confirm exclusive use areas are correctly registered**
Parking, garden or storage areas you believe come with the unit must be registered, not just verbally agreed.

5 — Location & Market

- 1. Check historical price growth for the suburb**
Look at 3–5 years of price trends, not just the current asking price, to judge growth potential.

- 2. Check average time-on-market for similar properties**
A suburb where similar homes sell quickly signals healthy demand; a stagnant market is a warning sign.

- 3. Assess proximity to employment, schools and transport**
These fundamentals drive both tenant demand and long-term capital growth.

- 4. Check crime statistics for the immediate area**
Look at the specific street or block, not just the general suburb reputation.

- 5. Assess the tenant demand profile**
Understand who is likely to rent this property — students, young professionals or families — and whether the property suits them.

- 6. Check planned developments or rezoning nearby**
New developments can boost or depress value depending on what's being built.

6 — Tax & Legal

- 1. Understand how rental income is taxed**
Rental income is added to your income and taxed at your marginal rate — know your bracket before committing.

- 2. Confirm which expenses are tax-deductible**
Bond interest, rates, levies, insurance, maintenance and management fees are typically deductible against rental income.

- 3. Understand your Capital Gains Tax exposure on sale**
A R40,000 annual exclusion applies for non-primary-residence property — factor eventual CGT into your investment math now.



- 4. Confirm VAT status if buying from a developer**
New-build purchases include VAT in the price and attract no transfer duty; resale purchases attract transfer duty instead.
- 5. Check whether Section 13sex allowance applies**
A tax allowance may be available for new-build residential units used for letting — confirm eligibility.
- 6. Confirm FICA and compliance requirements with your attorney**
Have your documentation ready early so it doesn't delay the conveyancing process.
- 7. Have the Offer to Purchase reviewed professionally before signing**
Once signed by both parties it is legally binding — review every clause before you commit.

7 — Post-Purchase Setup

- 1. Arrange homeowner's insurance from registration date**
Cover must be in force from the day ownership transfers to you, not after.
- 2. Set up municipal accounts in your name immediately**
Do this straight after transfer to avoid billing gaps or disputes.
- 3. Draft or commission a compliant residential lease**
Ensure the lease aligns with the SA Rental Housing Act before a tenant moves in.
- 4. Conduct a professional incoming inspection with photos**
Document the property's exact condition before the tenant moves in, to protect the deposit process later.
- 5. Set up a separate account for rental income and expenses**
Keeps your records clean for tax purposes and makes annual filing far simpler.
- 6. Register for provisional tax if required**
Check whether your rental income level requires provisional tax registration.
- 7. Build a maintenance reserve fund from month one**
Start setting aside funds immediately rather than waiting for the first major repair to catch you unprepared.

■ ■ Disclaimer

This checklist is provided for general information only and does not constitute financial, legal or tax advice. Figures shown (prime rate, transfer duty threshold, FLISP subsidy range) are current as at July 2026 and subject to change. Always consult a qualified professional — attorney, bond originator, or tax practitioner — before making a property investment decision.