

Body Corporates Beware – Clearance Certificates from the Municipality

THE SCENARIO

An owner in a Sectional Title Scheme has sold his unit and transfer of the unit to the purchaser is underway at the transferring attorneys.

The transferring attorneys apply to the Municipality for a rates clearance certificate (as now a separate rates clearance certificate has to be obtained from the Municipality and a separate levy clearance certificate from the Managing Agent of the Body Corporate).

On the rates clearance certificate received from the Municipality, the Municipality lumps onto the individual owners certificate, the entire arrear amount owed by the Body Corporate to the Municipality (this may include historical rates and taxes and consumption charges, interest and other amounts).

RECENT EVENTS

This scenario seems to be a new policy of the sorts that has been implemented by the Johannesburg Municipality where the Body Corporate is 90 days in arrears with them. It has been reported to have occurred on repeated occasions recently by Conveyancer' s around Johannesburg.

Currently the Johannesburg Attorneys Association is investigating the matter.

ADVISE

I would suggest Managing Agents and Conveyancer' s to scrutinize the clearance certificates received for rates and taxes from the Johannesburg Municipality.

Should Managing Agents become aware of any clearance certificates where amounts owing by the Body Corporate have been lumped onto the clearance certificate for a specific owner, they should contact the Municipality and Alan Levy of Alan Levy Attorneys.

Alan Levy is an attorney at Alan Levy Attorneys who specialises in Sectional title Law and arrear levy collections as well as landlord tenant law, evictions and rental collections and other property matters and are situate at Johannesburg, Alan can be contacted on 083 968 5045 or alan@alattorneys.co.za and visit <http://alattorneys.co.za/>