

YOUR FIRST HOME

A plain-language guide to buying your first property in South Africa — from zero to keys in hand.



CAN YOU ACTUALLY AFFORD TO BUY?

Before you fall in love with a property, understand what the bank will lend you — and what that means for your monthly budget. These are the numbers that matter.

INCOME

Banks look at gross monthly income from all sources. Salaried employees need 3 months' payslips. Self-employed need 2 years of financials and 6 months bank statements.

CREDIT SCORE

Your credit history is everything. A poor score (below 600) can kill your application. Check yours at ClearScore, TransUnion or Experian before you apply.

EXPENSES

All fixed monthly commitments: car repayments, credit cards, store accounts, school fees, medical aid. These reduce what the bank will lend you.

DEPOSIT

Most banks prefer 10–30% deposit. A bigger deposit gets you a better interest rate and lower monthly repayments. Even 5% helps.

The 30% Rule

A general guideline: your total bond repayment should not exceed 30% of your gross monthly income. If you earn R30,000/month, your maximum comfortable bond repayment is around R9,000/month — which at current rates (prime 10.25%, 20-year term) supports a bond of approximately R920,000.

What Does a Bond Actually Cost Per Month?

PROPERTY PRICE	10% DEPOSIT	BOND AMOUNT	APPROX. MONTHLY REPAYMENT
R800,000	R80,000	R720,000	R6,946
R1,200,000	R120,000	R1,080,000	R10,419
R1,500,000	R150,000	R1,350,000	R13,024
R2,000,000	R200,000	R1,800,000	R17,365
R3,000,000	R300,000	R2,700,000	R26,048

Based on prime rate (10.25%), 20-year term, no additional fees. Get a personalised quote from a bond originator.

GOVERNMENT HELP FOR FIRST-TIME BUYERS

The Finance Linked Individual Subsidy Programme (FLISP) is a government housing subsidy available to first-time homebuyers in South Africa. If you qualify, it can significantly reduce your bond amount or deposit requirement.

WHO QUALIFIES — South African citizens or permanent residents, first-time homebuyers, earning between R3,501 and R22,000 gross per month.

WHAT IT GIVES YOU — A once-off subsidy applied directly to the purchase price or bond. Subsidy ranges from approximately R27,960 to R121,626 depending on your income.

HOW TO ACCESS IT — Apply through your bank when you apply for your home loan. The bank submits the FLISP application to NHFC on your behalf.

PROPERTY PRICE LIMIT — The subsidy applies to properties valued up to R1,000,000. This threshold is reviewed periodically.

FLISP is one of the most underutilised financial benefits available to South African first-time buyers. If you earn under R22,000/month and have never owned property, ask your agent and bond originator about it before you apply.

GETTING YOUR CREDIT IN ORDER

Your credit score is one of the most important numbers in your life as a first-time buyer. Here's what banks look at and how to improve it:

What hurts your score:

- Defaults and judgements — these stay on your credit record for 5 years
- Late payments on any account — even one month late shows up
- Too much debt relative to your income (high credit utilisation)
- No credit history at all — counterintuitively, this can also be a problem
- Multiple credit applications in a short period (each application leaves a footprint)

How to improve it:

- Pay every account on time, every month — set debit orders
- Clear any defaults or judgements — negotiate settlements in writing
- Reduce credit card and store card balances to below 30% of the limit
- Don't close old accounts — length of credit history matters
- Check your credit report at least 6 months before applying for a bond
- Dispute any incorrect listings on your report with the credit bureau

Never apply for a home loan without checking your credit first. A declined application goes on your record and makes the next application harder.

THE BUYING PROCESS — STEP BY STEP

Here's the full journey from decision to keys, in plain language.

STEP 1 — GET PRE-APPROVED: Contact a bond originator (BetterBond or your bank directly). They run your credit and income and give you a pre-approval certificate. This tells you your maximum purchase price.

STEP 2 — FIND YOUR HOME: Work with your Leapfrog agent. Tell them your budget, your must-haves, and your areas of interest. They'll do the legwork.

STEP 3 — MAKE AN OFFER: When you find the right property, your agent helps you submit an Offer to Purchase (OTP). This is a legal document — read every line.

STEP 4 — BOND APPLICATION: Once the OTP is accepted, submit your formal bond application immediately. The bank values the property and issues formal approval — typically 7–14 working days.

STEP 5 — TRANSFER PROCESS: Attorneys manage the legal transfer. You sign documents, pay transfer duty and costs, and wait for registration at the Deeds Office — typically 6–12 weeks.

STEP 6 — KEYS IN HAND: Transfer registers. You are now a homeowner. Change the locks. Start building equity.

COSTS TO BUDGET FOR

The purchase price is not the only amount you need.

Budget for these additional costs — typically 8–10% of the purchase price in total.

COST	WHO PAYS	ROUGH ESTIMATE
Transfer Duty	Buyer, to SARS	0% under R1.21m. Sliding scale to 13% above R13.31m.
Conveyancing Fees	Buyer, to transferring attorney	Approx. 1–1.5% of purchase price.
Bond Registration Fees	Buyer, to bank's attorneys	Approx. 0.8–1% of bond amount.
Deposit	Buyer, held in trust	Typically 10% of purchase price. Paid on signing OTP or as specified in OTP.
Compliance Certificates Electrical, Gas, Plumbing	Seller (confirm in OTP)	If not provided, budget R2,000–R10,000.
Moving Costs	Buyer	R5,000–R25,000+ depending on distance and volume.

READY FOR YOUR FIRST HOME?

Your Leapfrog agent guides first-time buyers through every step.

No jargon. No pressure. Just results.

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