

# CITY OF JOHANNESBURG

## OPENING OF NEW ACCOUNTS BY THE PURCHASER

Should the property transferred be a sectional title unit, no action needs to be taken and the city council will transfer the rates account in the ordinary course.

There are different types of accounts at the city council, these being the rates account and the service accounts.

Purchasers will not receive rates or services accounts for some time after registration of the transfer and as such need to make provision for these anticipated costs.

On registration of transfer the conveyancers send a letter to the City Council notifying them that the transfer has taken place. The conveyancers will advise the city council of all relevant information relating to the transfer and the date of registration.

The Deeds Registry also independently notifies the city council of the transfers that have taken place.

### Rates Accounts

After transfer the city council will transfer the rates account from the Seller to the Purchaser. The transfer of this account should be done by the city council without the need for any intervention from the parties. This process should take approximately 30 days from registration of transfer but could take several months.

To check when the rates account has been transferred Purchasers can call 011 375 5555 and log a service request to have the rates account transferred.

As an alternative Purchasers can visit the city council's premises at Thuso Property, 61 Jorrisson Street or any Regional Service Centre.

Details of the nearest regional service centre are available online at [www.joburg.org.za](http://www.joburg.org.za). There are over 20 options available for the greater Johannesburg area. Purchasers can visit the centre most convenient regardless of where the property is situated. Note that service levels and advice given by the city council will vary.

### Services Accounts

The Purchaser must open up the applicable service accounts.

Service accounts include Water, Pikit-up, Electricity supplied by City Power. Should electricity be supplied by Eskom please refer to the Eskom procedure to open and close an account. In some instances water will be supplied directly by the properties home owners association or body corporate in which case the home owners association or body corporate must be referred to.

In order to open the service accounts Purchasers can visit the city council's premises at Thuso Property, 61 Jorrisson Street or any Regional Service Centre (as above).

Note that the city council no longer allows for tenant accounts to be opened and accounts can only be opened in the registered owner's name (thus the city council's reason for insisting the rates account be first transferred to the Purchaser before new service accounts be opened).

The Purchaser will need the following in order to open an account:

#### **Individual Applicant**

An application form for the service (available at the municipal offices)
Copy of the Identity Document of the applicant
Next of kin details
Meter readings and numbers (please remember to take these on registration of transfer and on occupation if different)
Copy of spouse's Identity Document and spouses details (if required)
Applicant's bank account details, spouses employer details and monthly income (if required)
A letter from the Conveyancer stipulating the registration date / deeds office report
Sufficient funds to pay a deposit which will be equal to the average of the Seller's service charges for the 2 (two) months immediately preceding the opening of the account (cash or cheque only). Obtain this estimate from the information given to you by the conveyancer or ask your conveyancer for this amount.

#### **Company, Close Corporation and Trusts**

The information above for individuals (Members, Directors or Trustees) as may be applicable:
Company, close corporation or trust documents
Identity Documents of all directors/trustees/members
A letter/resolution authorizing the signatory to open the account and sign all the necessary documents

#### **CLOSING ACCOUNTS**

For rates accounts, the Seller is not required to do anything. For service accounts the Seller should complete a 'Cancellation of Consumer Agreement Form' at the regional service centre or Jorrisson Street.

Provided that the rates have been transferred and the Purchaser has paid a deposit and opened the services account, the city council will bill the Purchaser for rates and services from the date of registration of transfer and debit the Purchasers new account accordingly.

Until this point in the process the Seller would still be receiving accounts from the City Council and would have noted that the credit on the account is being used up by the Purchaser's rates and consumption charges. In other words until the Purchaser has opened new accounts all charges on the account, for example, for rates, water, electricity, sewerage and refuse will be billed to the Seller's municipal accounts and the Seller will continue to receive monthly statements.

When the city council debits the Purchasers new accounts, the Seller's accounts will be credited. It is at this stage that the Sellers refund is processed and paid out.

#### **OCCUPATION BEFORE REGISTRATION OF TRANSFER**

Should the Purchaser occupy the property prior to registration of transfer, the Purchaser is liable for electricity and water consumed. These individual arrangements are not accounted for by the city council and as such the parties should make provision for the Purchaser to reimburse the Seller directly for any consumption charges incurred prior to registration of transfer.

#### **OCCUPATION AFTER REGISTRATION OF TRANSFER**

Should the Seller likewise remain in occupation of the property after registration of transfer the Purchaser will be liable directly to the city council for these charges. As such the Seller should pay to the Purchaser the consumption costs even though the Seller may have paid his own account in advance.

#### **GENERAL**

In order to draft this article the City of Johannesburg was approached for information as were various city council consultants and other sources. The information offered by the City of Johannesburg varied from person to person.

It is to be understood that in dealing with the City of Johannesburg sellers and purchasers are not going to always find consistency. The various time periods and procedures are going to vary to some degree.

Should a satisfactory result not be achieved it is recommended that the services of a city council consultant be utilised. Please contact us for recommendations in this regard where necessary.