



FNB Homebuyers User Guide

Your complete journey to
owning property

FNB Homebuyers User Guide, walks customers through the full lifecycle of purchasing a home in Namibia, from first considerations to securing financing, ownership, and even future renovations. Our guide will provide you with the answers to the most frequently asked questions around the journey to property ownership.

To get started with your home loan application, email the FNB Home Loans department at fnbpreapprovals@fbnamibia.com.na or visit your nearest FNB Namibia branch today.

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1 Understanding property as an investment

Purchasing property is not just about securing a place to live; it's a long-term investment that builds financial stability.

Key Benefits:

- Builds equity over time
- Potential for rental income
- Tax benefits for homeowners and investors
- Control over your living space and future

Here are the key takeaways for first-time buyers looking to understand why property is considered a solid investment for long-term financial growth.

Q How does purchasing a property contribute to long-term financial security and wealth building, especially for first-time buyers?

A Purchasing property is one of the most effective ways to build long-term financial security. As you pay down your mortgage, you increase your equity in the property. Over time, this equity becomes a valuable asset, which may grow even further if the property appreciates in value. Owning property also provides opportunities for rental income and tax benefits, which can further strengthen your financial position. Additionally, property ownership offers stability and control over your living environment – a significant factor for those looking to settle down and build a future. For first-time buyers, this combination of equity growth, income opportunities, and security makes real estate a particularly solid investment.

Q What economic factors should first-time buyers consider when deciding to invest in property?

A First-time buyers should evaluate several economic factors before investing in property. Interest rates, for instance, directly impact mortgage costs and should be carefully considered to determine affordability. Another key factor is the current state of property prices and market trends, which can indicate the potential for appreciation over time. Local economic conditions, such as job growth and income levels, are also important indicators of market strength. Buyers should also be aware of property taxes and their impact on the overall cost of ownership. Finally, personal financial stability – including credit scores, savings for a down payment, and emergency funds – are critical components of a successful investment. Taking all of these into account will help ensure that first-time buyers make a sound and sustainable financial decision.

Q What exactly is meant by an “investment property”?

A An investment property is real estate purchased primarily to generate income or profit rather than for personal use. This can include rental properties, commercial real estate, or properties bought to renovate and resell. The goal is to earn rental income or benefit from property value appreciation, making the property a strategic asset for building wealth.

Q Is it worth investing in a property with a backyard flat to earn extra rental income?

A Yes, investing in a property with a backyard flat can be a worthwhile decision. It provides additional rental income, which can increase your return on investment. Furthermore, it offers flexibility—you can use the flat for short-term rentals, guest accommodation, or even personal use.

However, there are several important factors to consider:

- **Location:** Is there demand for rental units in the area?
- **Maintenance:** A backyard flat will require upkeep and management.
- **Regulations:** Ensure you comply with any zoning laws or municipal rules.

If these factors align with your goals, the flat can be an excellent way to boost your investment returns.

2 Are you ready to rent or buy?

Before entering the market, ensure you're financially and mentally prepared.

Checklist:

- Solid income and employment history
- Emergency savings and stable expenses
- Understanding of credit score and loan affordability
- Clear long-term goals (e.g. raising a family, rental income)

When faced with the choice, Rent or Buy? Consider the following factors:

Factor	Renting	Buying
Upfront Costs	Low	High (deposit, legal fees, etc.)
Flexibility	High	Lower
Wealth Building	None	Equity and property appreciation
Stability	Temporary	Permanent

Q How should someone decide between renting and owning a property?

A The decision between renting and owning comes down to several factors. Renting typically offers more flexibility and fewer upfront costs but does not build equity. On the other hand, owning a home offers long-term stability and the chance to grow your wealth through equity, but it also requires a significant financial commitment and ongoing maintenance. Ultimately, the right choice depends on your personal financial situation, long-term plans, and how much control you want over your living space. Those who prioritise stability and wealth-building may lean toward owning, while those who need flexibility might prefer renting.

Q Why is financial planning important when buying property?

A Financial planning is essential for navigating the complexities of the property market and ensuring buyers make informed decisions. Here's why it matters:

1. Budgeting:

Planning helps buyers set a realistic budget that includes not just the purchase price but additional costs like rates, taxes, insurance, and maintenance.

2. Understanding Hidden Costs:

Buyers must account for transfer duties, legal fees, and registration costs, which can significantly impact the total cost of the property.

3. Mortgage Planning:

Evaluating creditworthiness, understanding mortgage options, and assessing the impact of interest rates help buyers make better financial decisions.

4. Long-Term Goals:

A sound financial plan ensures the property purchase aligns with goals such as retirement savings or children's education.

5. Emergency Fund:

Buyers should set aside funds for unexpected expenses like repairs or temporary income loss.

6. Risk Management:

Insurance products can protect buyers against risks and safeguard their financial position.

7. Investment Returns:

For those buying property as an investment, planning helps assess rental income potential and property value appreciation.

8. Informed Decision-Making:

A well-structured plan gives buyers confidence and reduces stress throughout the home-buying process.

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3 Getting pre-approved with FNB

Pre-approval is a free, non-binding estimate of your borrowing power.

Documents Needed:

- ID or passport
- Work/residence permit (if applicable)
- Latest Payslip, (1–6 months' payslips for variable income earners)
- Marriage/ ANC contract / divorce documents (if applicable)
- Bank statements for 6 months (if non-FNB)
- Income & expense summary

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Q What exactly is a pre-approval?

A A pre-approval, sometimes called an “upfront bond,” is a certificate that shows how much financing a bank has approved in principle for a potential buyer. This amount is based on the customer’s income and debt, giving a realistic picture of affordability. With a pre-approval certificate, buyers have a stronger position when negotiating with estate agents or sellers.

It’s important to note that this is not the final approval; the certificate remains valid for 12 weeks and helps streamline the process once a property is chosen.

Q How does a pre-approval help in the home buying process?

A A pre-approval provides a clear idea of what you can afford, helping you focus on properties within your price range. This clarity saves time for everyone involved—buyers, sellers, and even the bank—and keeps the home-buying process on track.

When selecting a home or investment property, focus on:

- Location (schools, transport, low crime areas)
- Condition and age of the property
- Potential for rental income or appreciation
- Compliance with municipal regulations

Q What are the key financial decisions when deciding to buy a new or existing property?

A When purchasing or building a home, budgeting is crucial. When building, your budget should be divided into three main categories:

1. Buying an Erf / Plot:

Allocate funds for purchasing land, as this sets the foundation for your future development.

2. Physical Construction Costs:

Set aside a separate budget for building materials, labor, transport, and any specialist services like joinery. Always include a contingency fund for unexpected costs.

3. Professional Fees:

Any new development or renovation requires approval from the City of Windhoek. This involves architects, quantity surveyors, and engineers. Without proper approvals, your construction project will be illegal.

To avoid surprises, consult a property agency to find plots within your budget and work with an architect for a preliminary design and cost estimate.

Q What should buyers consider when choosing a new erf or plot?

A Selecting the right plot is essential for both functionality and resale value. Consider these key factors:

1. Location & Amenities:

Choose a plot near schools, malls, and hospitals. These add value to your property.

2. Land Conditions:

Steep plots allow for unique designs but require higher construction costs due to excavation and retaining walls. A flat plot is more cost-effective.

3. Shape of the Plot:

The layout affects how efficiently you can use the land. Square-shaped plots maximize space, while panhandle plots may come with hidden costs.

4. Erf / Plot Size:

Larger plots provide more development potential but come with higher maintenance and construction expenses.

Q What are the key characteristics that make a property a good investment?

A Several factors contribute to a property being a smart investment:

1. Location Appeal:

Look for properties near amenities, good schools, public transport, and in low-crime neighborhoods. These factors attract tenants and increase demand.

2. Value Appreciation Potential:

Research areas with growth potential where property values are likely to rise over time.

3. Rental Income Potential:

Properties with solid rental yields ensure consistent cash flow.

4. Low Maintenance Costs:

Choose properties in good condition to minimize future repair expenses.

5. Positive Cash Flow:

Ensure that your rental income covers expenses, including mortgage repayments, insurance, and maintenance.

6. Market Trends:

Conduct thorough market research to understand local trends and ensure the property aligns with your investment strategy.

5 Working with a real estate agent

Choose a registered agent from the Namibia Estate Agents Board (NEAB).

They will:

- Assist with property searches and negotiations
- Ensure legal compliance and guide you through the offer process
- Provide market insights

Q What is the role of a real estate agent in the home buying process?

A A real estate agent is a licensed professional who assists the public in buying, selling, and leasing properties. Agents facilitate the process by providing marketing strategies, conducting market analysis, and offering various services to help clients make informed decisions. Essentially, an agent handles the physical work involved in property transactions to ensure a smooth experience for buyers and sellers alike.

Q How can homebuyers ensure they're working with a registered real estate agent?

A Every registered estate agent is issued an annual license and an identification card. By law, agents must display their license in their office, allowing the public to confirm their credentials. Additionally, agents are required to present their identification card when transacting with clients, giving buyers peace of mind that they're working with a bona fide agent.

Q What recourse do buyers have if they feel they've been wronged by an agent?

A The Namibia Estate Agents Board (NEAB) enforces a code of conduct for all estate agents. If a client believes they've been wronged, they should contact the NEAB as soon as possible. The board can provide guidance and support to address any issues and ensure that agents adhere to professional standards.

6 Securing a home loan or additional finance

FNB assesses your application based on the 7 Cs of Credit:

1. Character (Employment history, qualifications, and income stability)
2. Capacity (repayment ability)
3. Capital (Financial habits, such as spending and investment behavior.)
4. Collateral (the property)
5. Conditions (economic outlook, with stress testing for interest rate increases.)
6. Cashflow (especially for self-employed, banks assess the profitability, solvency, and cash flow of their business.)
7. Credit (Past repayment history and reports from credit bureaus (ITC).)

Q Why is having a good financial profile important when securing a mortgage?

A A strong financial profile increases your chances of getting approved for a mortgage and securing favorable loan terms. Here's what matters:

1. Credit Score:

Banks look at your credit history, including unpaid debit orders and loan repayments, to assess creditworthiness. A solid credit score makes you a more attractive borrower.

2. Down Payment or Deposit:

Having a substantial deposit reduces the lender's risk and can lead to better loan terms, such as lower interest rates.

3. Income Stability:

Lenders prefer applicants with stable incomes and employment histories, as this ensures reliable mortgage payments.

4. Savings Reserves:

Additional savings demonstrate financial responsibility and the ability to handle unexpected costs, assisting you in the application process.

Q What is ITC, and why is it important in the mortgage process?

A ITC, now known as TransUnion, is a credit bureau that provides Individual Trace Information Reports (credit reports). When applying for a mortgage, banks conduct a credit check to assess your financial health. This report contains information about previous credit applications, outstanding debt, and payment history.

Here are some tips for managing your credit report:

- **Build Your Credit History:**
Regularly using and repaying credit demonstrates good debt management.
- **Check for Errors:**
Review your credit report for any inconsistencies or negative entries that could affect your application.
- **Stay on Top of Payments:**
Missing payments or paying late can harm your credit score, reducing your chances of securing a mortgage.

A good credit status can result in better loan terms, such as higher borrowing limits or favorable interest rates. On the other hand, lenders may decline additional credit facilities if existing debts are not managed properly.

Q If someone's home loan application is declined, what steps can they take to improve their chances of approval in the future?

A If an application is declined due to unaffordability, the bank conducts an in-depth interview to clarify the expenses that exceed income. A more affordable loan amount might be suggested, or the applicant may need to settle certain debts to improve their financial standing. If the decline is due to issues on the credit report, such as defaults or judgments, these must be resolved with the relevant credit providers.

Q Why do customers need to pay deposits on home loans?

A A deposit reduces the bank's risk and shows that the buyer is committed to the purchase. It also lowers the total amount financed and, in many cases, reduces interest over time. FNB typically requires a 10–20% deposit, depending on your financial profile, the loan size, and property type. First-time buyers may be eligible for more tailored options.

Q Can I get a home loan if I'm self-employed?

A Absolutely. FNB works with self-employed individuals and understands their unique circumstances. You'll need to provide documentation showing stable income, such as tax returns or business financials. The bank will work with you to find a tailored loan solution that fits your situation.

Additional Home Financing options

Q What are the different options for additional home financing?

A Homeowners who need access to extra funds have three main financing options:

1. Prepaid Funds:

If a homeowner has made extra deposits into their home loan account, they may have access to these prepaid funds. This allows them to withdraw the extra payments they've made over time.

2. Readvance:

A readvance allows a homeowner to borrow the difference between the original bond amount and their current outstanding balance. This can be useful for renovations or debt consolidation.

3. Further Bonds:

This refers to a second, third, or subsequent mortgage bond taken out on the same property, allowing homeowners to borrow additional funds.

Q Can a homeowner have more than one bond on a property?

A No, a property can only have one registered bond at a time. However, a homeowner can own multiple properties, each with its own bond.

Q What should homeowners consider when looking into further financing options?

A The most critical factor is affordability. Before taking on additional debt, homeowners should evaluate:

- Their income stability
- Their current loan repayments and overall debt exposure
- The long-term financial impact of additional borrowing

- Valuation is an independent assessment of a property's worth
- Private Valuations help parties agree on a purchase price
- Banks typically complete their own valuations to independently assess risk

Q What is a property valuation, and why is it important in the property buying or selling process?

A A property valuation is a formal assessment of a property's monetary worth, conducted by a qualified valuer. This is distinct from the price a real estate agent might suggest or a seller's asking price, which can be subjective and influenced by emotions or negotiation strategies.

Valuations are critical for several reasons:

- They provide an accurate, unbiased estimate of the property's value for buyers and sellers.
- For buyers, they ensure the property is a sound financial investment.
- For banks, valuations help assess risk by determining how much they can lend while securing the property as collateral.

Additionally, valuations can help buyers negotiate a fair price if the valuation is lower than the seller's asking price.

Q What are the typical steps involved in the property valuation process?

A The process involves several key steps:

1. Request and Assignment:

A valuation request is made, and a valuer is assigned—either internal or external, depending on availability.

2. Inspection:

The valuer inspects the property, noting its condition, features, room count, and other details, while gathering market data on comparable sales in the area.

3. Report Compilation:

The valuer compiles a detailed report, which undergoes review and approval.



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This process typically takes 3–4 working days, but it may extend to 5 days for properties in remote areas.

Q What are the differences between bank valuations and private valuations?

A While both bank and private valuations aim to determine the property's market value, their purposes differ:

- **Private Valuation:**
Typically requested by individuals for sale or purchase decisions.
- **Bank Valuation:**
Conducted as part of the mortgage or lending process to assess risk.

Despite these differing goals, the methodologies and outcomes should be the same if performed by a skilled and impartial valuer. Objectivity and professionalism are critical to ensuring consistent and reliable valuations.

8 After loan approval: What's next?

Timeline: 8–10 weeks

- Bond attorneys prepare legal documents
- You sign documents and provide proof of insurance and life cover
- Property is registered with the Deeds Office
- FNB opens your loan account and disburses funds

Q Once a home loan is given final credit approval, what happens next?

A After final credit approval, here are the key steps in the process:

1. **Condition Review:**

The approved conditions are unpacked by the sales consultant, and the client signs the final quote.

2. **Instruction to Bond Attorneys:**

The bank instructs a bond attorney to register the bond in favor of FNB.

3. **Documentation and Compliance:**

The bond attorneys prepare all necessary legal documents for the client to sign in wet ink. These are then submitted to the bank's compliance department.

4. **Account Opening:**

The client's home loan account is opened to facilitate the loan disbursement and repayments.

Q How long does it take to complete the remaining steps after credit approval?

A The process typically takes 8 to 10 weeks, but the timeline can vary depending on the type of transaction:

- **Sectional Title Development:**

May involve delays due to shared ownership documentation.

- **First Bond:**

Straightforward, often quicker.

- **Building Loan:**

Longer due to additional inspections and documentation.

Q What documents are required from the homebuyer to proceed after final approval?

A The bond attorneys will request the following documents:

- ID or passport
- Marriage certificate (if applicable)
- Proof of residence
- ANC contract (if applicable)
- Life cover equal to the loan amount
- Fire cover or body corporate cover, including NASRIA
- Copy of deed of sale or offer to purchase
- Tax registration number (NAMRA)
- Account confirmation letter
- Signed final quote

These documents are essential to ensure compliance and allow the attorneys to proceed with registering the bond.

9 The legal and compliance side

Documents & certificates required:

- Deed of Sale (Offer to Purchase)
- Title Deed
- Compliance Certificate (zoning, building plans)
- Completion Certificate (final building approval)
- Who helps?

A conveyancer handles all legal documentation and ensures a smooth transfer of ownership.

Q What is the role of a conveyancer in the home-buying process?

A A conveyancer is a legal practitioner specialising in property transactions. Their role is to ensure the smooth transfer of ownership while safeguarding the interests of all parties involved. From managing large sums of money to ensuring legal compliance, conveyancers handle a variety of tasks, including:

- Preparing and reviewing legal documents
- Ensuring municipal rates and taxes are paid
- Registering mortgages and canceling existing bonds
- Paying transfer duties and stamp duties to NAMRA

Ultimately, a conveyancer acts as a neutral third party, ensuring buyers receive their property and sellers receive their payment securely.

Q Can juristic entities purchase property?

A Yes, non-natural entities—or juristic entities—can purchase immovable property in Namibia. These include:

- **Close Corporations (CCs):**
Governed by the Close Corporations Act and administered by BIPA.
- **Companies:**
Various forms are recognised under the Companies Act, also overseen by BIPA.
- **Trusts:**
Governed by the Trust Administration Act, trusts are quasi-juristic and managed by the Master of the High Court.

- **Partnerships:**
Though not juristic entities, they can own property under the name and style of the partnership based on the common law of partnerships.

These entities or legal forms as explained above in the context of trust or partnerships, can own property in their own name or in combination with other natural persons or juristic entities, providing flexibility for buyers and investors.

Q What are the benefits and disadvantages of purchasing immovable property through a juristic entity?

A The benefits and disadvantages depend on the type of entity and its purpose:

Benefits:

1. **Limited Liability:**

CCs and companies separate the liabilities of the entity from its members or shareholders, protecting personal assets.

2. **Asset Protection (Trusts):**

Insolvency remote discretionary Trusts offer insolvency protection, keeping critical assets safe from creditors.

Disadvantages:

1. **Legislative Changes:**

The Transfer Duty Act of 2024 has significantly reduced the financial benefits of owning residential property in a CC, Trust or company.

2. **Administrative Costs:**

Entities like CCs, Trusts and companies incur ongoing costs, such as accounting services and compliance fees.

Q How have recent legislative changes impacted these entities?

A The Transfer Duty Act of 2024 and other recent legislation have reshaped the property landscape:

- CCs, trusts and companies owning residential properties now face transfer duty, making them less attractive for this purpose as they no longer offer a mechanism for avoiding the amounts associated with an outright transfer.
- Individual buyers benefit from increased transfer duty exemptions, saving costs on properties up to N\$1.1 million, which is not enjoyed by juristic entities.
- Trusts remain effective for asset protection but are not cost-saving entities due to higher administrative overheads.

- Transfers in members interest in close corporations, shares in companies or an interest in trusts, which own properties other than residential i.e industrial/ commercial properties, still offers a massive costs saving without the application of transfer duties.

Q What is a compliance certificate, and why is it necessary when buying or selling property?

A A compliance certificate is a legal document issued by a local authority certifying that a property meets applicable laws, regulations, and standards. It ensures that the building adheres to:

- The Building Regulations
- Town planning and zoning laws
- The approved building permit without deviations

A compliance certificate is necessary for a property to be legally transferred from a seller to a buyer.

Q Why is a compliance certificate important in property transactions?

A It serves as a safeguard for buyers by:

- Ensuring the property is legally compliant and free from structural or legal issues.
- Protecting the buyer from future liabilities such as outstanding municipal account arrears or penalties.

Without this certificate, the new owner may inherit problems that could delay property registration or lead to costly corrections.

Q What is a completion certificate, and how is it different from a compliance certificate?

A A completion certificate is issued after a building or renovation project is finished. It confirms that:

- The construction adheres to the approved layout and structural safety standards.
- All necessary inspections have been conducted by municipal building inspectors or a professional engineer.
- The property is legally fit for occupation (sometimes called an occupancy certificate).

In contrast, a compliance certificate ensures an existing building aligns with the original approved plans, allowing its legal transfer to a new owner.

Q What is the process for obtaining these certificates, and what are the costs involved?

A The process differs for each certificate:

Completion Certificate:

- Requested after final construction is completed.
- A final inspection is conducted by municipal inspectors.
- Issued free of charge upon approval.

Compliance Certificate:

- The seller must submit an application form to the municipality.
- Application fees apply, depending on the suburb and property usage.
- A site inspection is conducted to verify compliance.



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10 Insurance and risk cover

Compulsory:

- Life Cover (equal to loan amount)
- Homeowners Insurance (for the building)

Optional but recommended:

- Household Contents Insurance
- Short-term insurance for theft, fire, and power surges

Q What is life cover insurance, and what are its key benefits?

A Life cover provides financial support to loved ones in the event of the policyholder's death. Its primary benefit is ensuring that your family is financially taken care of, even after you're no longer around.

Q Why is life cover insurance particularly important for homeowners?

A Life cover acts as a financial safety net. If a homeowner passes away, the insurance ensures that the mortgage can be paid off, allowing their family to continue living in the home without financial strain. This protection can mean the difference between keeping the family home or losing it.

Q How does life cover secure a family's financial future?

A Life cover provides peace of mind by covering:

- Funeral expenses
- Estate costs
- Outstanding debts
- Daily living expenses, including school fees, food, transport, and accommodation

This ensures that your family's financial well-being is protected and that your passing doesn't create additional financial burdens.

Q What does the application process for life cover involve?

A The application process includes:

1. Quotation Stage:
Insurers assess the risk you present based on factors like age, occupation, income, and lifestyle.
2. Medical Underwriting:
Most policies require medical questions and exams to evaluate health risks.
3. Policy Issuance and Cession:
Once approved, a cession is registered on the policy for the home loan. You can cede multiple debts, such as a personal loan and a bond, under one policy.

Homeowners should note that this process can take time and should confirm if employer-provided bond insurance policies are already in place.

Q What is homeowner's insurance, and what does it cover?

A Homeowner's insurance, often referred to as fire cover in the past, is much more comprehensive. It protects the fixed structure of your home, including built-in cupboards, boundary walls, and geysers.

At FNB Insurance, clients are covered for various scenarios, such as burst geysers, accidental property damage, and more - not just fires.

Q What does household content insurance cover?

A Household content insurance protects everything inside your home that isn't fixed to the structure. Imagine turning your house upside down—anything that would fall out is covered.

At FNB Insurance, we provide coverage for the total estimated replacement value of these contents. Whether it's a single appliance damaged by a power surge or everything lost due to a fire or robbery, you're comprehensively covered.

Q Why is household content insurance important for both homeowners and renters?

A It's crucial to protect the things you value, regardless of whether you own or rent the property. Household content insurance provides peace of mind, knowing that your belongings are covered against unforeseen events like theft or damage.

Q What does the application process look like?

A Applying for homeowner's or household content insurance with FNB is simple:

1. Contact Options:
Call 061 306 081, complete a "call me back" form on the FNB website, or use the FNB app to select short-term insurance.
2. Information Needed:
Have your risk address, house/building value, and the total estimated replacement value of your household contents ready.
3. Sales Process:
Sales are completed over a recorded line.

In the event of a claim, clients can call the FNB Insurance team, they will handle everything - from sourcing service providers to arranging replacements.

Understanding costs and the role of the deeds office in property transactions

Type	Description	Who Pays
Transfer Costs	Conveyancer fees + transfer/stamp duty	Buyer
Bond Registration Costs	Legal and Deeds Office fees for a mortgage	Buyer
Monthly Repayments	Loan + Insurance + Rates & Taxes	Buyer

Q What are transfer costs and bond costs, and who pays for them?

A Transfer costs encompass several components:

- 1. Conveyancer's Fee:**
A legally prescribed fee charged by the conveyancer for their services.
- 2. Transfer Duty and Stamp Duty**
Taxes payable to NAMRA, calculated based on the property's value.
- 3. Deeds Office Fee**
A small administrative fee for property registration.

With the Transfer Duty Amendment Act of 2024, buyers now benefit from higher exemptions. For example:

- Properties up to N\$1.1 million are now exempt from transfer and stamp duties, up from the previous threshold of N\$600,000.
- This change offers significant savings, particularly for first-time buyers.

Bond Costs are additional fees incurred when securing a mortgage. They include:

- Conveyancer's Fee – Charged for registering the mortgage bond.
- Stamp Duty – Levied by NAMRA on the loan amount.
- Deeds Office Fee – Administrative cost for registering the bond.

Q How has recent legislation impacted these costs?

A The 2024 amendments have shifted the landscape for property transactions:

- Close Corporations and Trusts: Previously used to avoid transfer duties, these structures now attract the same duties as individual purchases.
- First-Time Buyers: Buyers save significantly with the increased exemption thresholds, making homeownership more affordable.

For example, the cost to transfer a property worth N\$1.1 million has dropped from approximately N\$39,000 to N\$25,000. Sectional title units and bond costs have also seen reductions, offering relief for buyers.

Q What is the role of the Deeds Office in property transactions?

A The Deeds Office is responsible for registering title deeds and other property-related legal documents. Its core functions include:

- Transferring Property Ownership – Whether through sale, donation, or inheritance, ownership changes must be recorded at the Deeds Office.
- Registering Mortgage Bonds & Encumbrances – Ensuring loans or other claims against a property are legally recorded.
- Preventing Fraud & Corruption – By maintaining an official registry, the Deeds Office helps protect property owners and ensures legal certainty.
- Providing Public Access to Property Records – Allowing property buyers, banks, and legal professionals to verify ownership and transaction history.

The Deeds Office acts as the foundation of secure and transparent real estate transactions in Namibia.

Q What does the process of lodgement and registration involve, and how long does it take?

A The registration process follows strict legal guidelines and involves several key steps:

- **Lodgement:**
 - A conveyancer (property lawyer) prepares and submits the required title deed documents on behalf of the buyer or seller.
 - Documents receive an official date stamp, marking the start of the process.
- **Examination & Approval:**
 - Deeds are reviewed to ensure compliance with legal requirements.
 - If errors are found, the Registrar grants a two-day period for corrections before rejection.
- **Execution & Registration:**
 - Once approved, the deeds are signed and registered, making the transaction official.
 - The updated deed registry is finalised within 2 working days, and the property's new owner receives the title deed via the conveyancer.
- **Processing Time:**

While standard transactions take approximately 5 working days, certain cases may take up to 9 working days if additional approvals are required.

Q What is a title deed, and why is it important for homeowners?

A A title deed is a legal document that serves as proof of ownership of a property. It is essential because:

- **It secures property right**
Without a title deed, ownership cannot be legally confirmed.
- **It records financial & legal claims**
Any mortgages, servitudes, or restrictions on the property are documented.
- **It ensures easy property transfer**
Selling or passing down a home requires a valid title deed.

Without a title deed, homeowners cannot legally prove their ownership, which can cause problems in buying, selling, or inheriting property.

Buy a home as a family

FNB Collective Buying



Come together as a family and buy your parents a new home for their retirement. Up to 12 people can own a property together with FNB Collective Buying.

The benefits of FNB Collective Buying

- Make monthly repayments more affordable
- Qualify for a larger home loan amount
- All applicants get to own the property as a collective
- Share maintenance and running costs

What you get:

- Personalised interest rate
- Choose a repayment term that suits your needs

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Ts & Cs apply.

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12 Collective and investment buying

FNB Collective Buying is an incredible opportunity for those looking to own property together. Whether it's for a family home, an investment, or a holiday getaway, this home loan solution provides financial flexibility and affordability.

Q Who is this product best suited for, and how does it work?

A This product is ideal for:

- Families buying a home together
- Friends looking to co-own a property
- Investment groups pooling funds for rental or holiday homes

Each applicant must go through FNB's credit and affordability checks. Once approved, the group agrees on a repayment structure—either via split payments, salary deductions, or a single debit order.

Q What are the main benefits of Collective Buying?

- #### A
- Shared monthly repayments = less financial strain
 - Larger loan qualification due to combined income
 - Opportunity for bigger deposits = lower interest
 - Free will drafting for peace of mind
 - No transfer duty on properties under N\$1.1 million

Plus, homeowners can split costs such as levies, maintenance, and rates—making property ownership more accessible and sustainable.

Q What should potential applicants be mindful of?

- #### A
- All applicants are jointly and severally liable for the loan. That means if one party defaults, the others are still responsible for the full repayment.

FNB encourages all groups to:

- Set clear terms and expectations
- Draft internal agreements to avoid disputes
- Understand the long-term commitment involved

It's a powerful solution—but one that works best when there's trust, transparency, and proper planning.

13 Planning for the future

Home Improvements:

- Use prepaid funds, readvances, or further bonds for upgrades
 - Add funds to your existing home loan for renovations or extensions.
 - Consider “Green Loans” for eco-friendly installations
 - Special financing for eco-friendly upgrades like solar systems.
- These options are structured to be affordable and flexible, helping you grow the value of your property while staying within your means.

Paying Off Early:

- Make lump-sum payments
- Round up instalments
- Use bonus income to reduce the principal

Q Why does a house valued at N\$200,000 end up costing N\$400,000 over time?

A This is due to interest accumulated over the loan term. In a 20- or 30-year mortgage, the interest can nearly double the original loan amount. That’s why FNB places great importance on financial education, helping clients understand loan structures, compare interest rates, and explore strategies to reduce total costs—such as opting for shorter terms or making extra payments.

Q Is it possible to pay my mortgage flexibly?

A Yes! FNB offers several flexible repayment options, such as:

- Adjusting repayment dates
- Making lump-sum payments
- Changing monthly installments based on prepaid amounts

This flexibility ensures that your home loan stays aligned with your evolving financial situation.

Q What are the steps to pay off a home loan faster?

A We recommend these simple but powerful strategies:

- Make extra repayments whenever possible
- Round up monthly installments
- Use bonus payments or windfalls to reduce your principal
- Use the FNB App to track and manage your repayments

These steps can shave years off your loan term and save you thousands in interest.

14 Building your own home

It is important to choose the right professionals when building a home. Whether you are starting from scratch or renovating an existing property, engaging CIF-registered contractors, will ensure your project is completed on time, within budget, and to a high standard.

Professional Support Needed:

- Architect (design + municipal plans)
- Quantity Surveyor (budget and cost control)
- Principal Agent (project management)
- Always use CIF-registered contractors to avoid legal and financial risk.

Q What is the role of the CIF in Namibia's real estate industry?

A The Construction Industries Federation of Namibia (CIF) is a member-based organization representing contractors in the construction industry. The CIF ensures that its members adhere to a code of conduct, offering homebuilders a list of reliable, financially stable, and compliant contractors.

With no formal Construction Council in Namibia, the CIF acts as a self-regulating body, providing oversight, handling complaints, and enforcing industry standards.

Q Why is it important to hire a CIF-registered contractor?

A In Namibia, there are many contractors, including informal “bakkie builders” and large, well-established firms. Hiring a CIF-registered contractor ensures:

- They have been financially vetted, meaning they are not at risk of running out of funds mid-project.
- They are legally compliant, having paid all taxes and registered their business.
- They adhere to industry standards, reducing the risk of poor workmanship or project delays.

Engaging an unregistered contractor can lead to unfinished projects, financial losses, and legal complications—especially when subcontractors are not paid.

Q How can homeowners estimate construction costs before building?

A Before beginning any construction project, it is crucial to understand the costs involved. The best approach is to consult:

- **An Architect**
Designs your home layout and ensures regulatory compliance.
- **A Quantity Surveyor**
Calculates material and labor costs, providing a detailed cost estimate.
- **A Principal Agent (Project Manager)**
Oversees the entire construction process, ensuring all elements align.

Working with professionals helps prevent cost overruns, project delays, and poor construction quality.

Q What are the key steps to managing a home construction project?

A Managing a home construction project requires:

- **Hiring a Principal Agent**
Architects or quantity surveyors act as the main point of contact, managing contractors and subcontractors.
- **Avoiding Direct Subcontractor Engagement**
Homeowners should avoid managing individual subcontractors directly, as this can create financial and legal risks.
- **Ensuring Legal Compliance**
Make sure all permits, plans, and contracts are in place before starting construction.

For those unfamiliar with construction, working with a professional ensures the process runs smoothly from start to finish.

Q What is a Registered Quantity Surveyor (QS), and why is their role critical in construction?

A A Registered Quantity Surveyor (QS) is a construction cost management professional responsible for budgeting, cost control, and financial oversight throughout a building project's lifecycle. Their role ensures that homeowners and developers stay within their budget while maintaining quality standards.

Namibia has two governing bodies for quantity surveyors:

- **The Institute of Namibian Quantity Surveyors (INQS)**
A professional association that promotes best practices in quantity surveying and advocates for industry professionals.

- The Namibia Council for Architects and Quantity Surveyors (NCAQS)
A government-regulated statutory body responsible for registering and regulating quantity surveyors to protect public interests.

Homeowners and developers can verify registered QS professionals via the INQS website (inqs.org.na) or the NCAQS website (ncaqs.org).

Q When should a homeowner involve a Registered QS in their building or renovation project?

A Homeowners should engage a quantity surveyor at the earliest stage of their building or renovation project. A QS provides realistic cost estimates, assists with budget planning, and identifies financial risks before construction begins.

Early involvement ensures that:

- The design and materials align with the homeowner’s budget.
- Potential cost overruns and financial risks are identified in advance.
- The project remains financially viable throughout its duration.

By hiring a QS before finalizing the building plans, homeowners can avoid unnecessary expenses and make informed decisions.

Q How does a Registered QS help manage costs and prevent budget overruns?

A A QS manages project costs by:

- **Creating Detailed Cost Plans**
Ensuring that the budget covers materials, labor, permits, and contingencies.
- **Monitoring Expenditures**
Tracking spending to prevent unexpected expenses.
- **Implementing Cost Control Measures**
Adjusting costs throughout the project to avoid overspending.

By continuously reviewing the budget and project expenses, a QS helps homeowners stay within their financial limits while maintaining construction quality.

Q How does a QS ensure fair and transparent pricing from contractors?

A A Registered QS protects homeowners from inflated prices and ensures fair contractor pricing by:

- **Preparing Tender Documents**

Outlining the project scope and expected costs for contractors.

- **Evaluating Contractor Bids**

Comparing quotes to ensure market-related pricing.

- **Scrutinizing Quotations**

Confirming that contractor pricing reflects the actual work and materials needed.

This process helps homeowners avoid overpaying and ensures that contractors deliver value for money.

15 Taxes and obligations

Key Taxes:

- Transfer Duty
- Stamp Duty
- Income Tax on rental income
- VAT (on new developments or if the seller is VAT-registered)

Q What are the key taxes associated with purchasing property?

A When purchasing a property, the following taxes apply:

- **Transfer Duty**
A tax payable to NamRA under the Transfer Duty Act No. 14 of 1993. It is charged on the value of the property and must be paid when ownership is transferred to the buyer.
- **Stamp Duty**
A tax under the Stamp Duty Act No. 15 of 1993, applied to legal instruments such as property transfer documents.
- **Income Tax**
Under the Income Tax Act No. 24 of 1981, any profit earned from selling a property or rental income is subject to income tax.
- **VAT (Value Added Tax)**
Payable under the VAT Act No. 10 of 2000, applicable to property sales if the seller is VAT-registered (for example, a developer selling newly built homes).

Q What are the tax implications for buying a home for personal use versus investment?

A Personal Use:

- If the property is purchased as a primary residence, there are no recurring tax obligations aside from transfer duty and stamp duty.
- If the property value is below N\$1.1 million, no transfer duty is payable.
- If an employer provides housing assistance, part of the monthly installment may be tax-exempt under Section 16A of the Income Tax Act (if the employer has an approved scheme).

Investment Property (Rental or Airbnb):

- Rental income is subject to income tax, and investors must declare rental income and expenses.
- Certain expenses like maintenance, rates, and repairs can be deducted before tax.
- If the property is owned by a company, the corporate tax rate applies instead of individual tax rates.

Q When and how should new property owners submit tax returns?

A For Personal Use:

- Homeowners must submit their annual tax return and declare that they reside in the property.

For Investment Properties:

- Owners must declare rental income under Schedule 9 (Rental Schedule) in their annual tax return.

Deadlines:

- Tax returns must be submitted on time as per the law to avoid penalties.

Tip: If you're unsure about any tax obligations, NamRA encourages property owners to send queries to legalservices@namra.org.na for guidance on tax rulings.

16 Final thoughts: Turn your house into a home

Style your space with trending colours, updated finishes, and functional layouts. Consult interior specialists to personalise your new home.

Q What are the key considerations for a functional and stylish house design?

A Designing a home is personal, but here are universal guidelines:

1. Open-Plan Layouts:

Modern homes favor open spaces

2. Multifunctional Rooms:

Consider extra rooms that can serve as a home office or be converted into a bedroom.

3. Future Expansions:

Plan for potential extensions, whether it's for a growing family or adding a rental unit.

4. Colour Selection:

Light colors make spaces appear larger, while darker tones create a more intimate atmosphere.

5. Textures & Finishes:

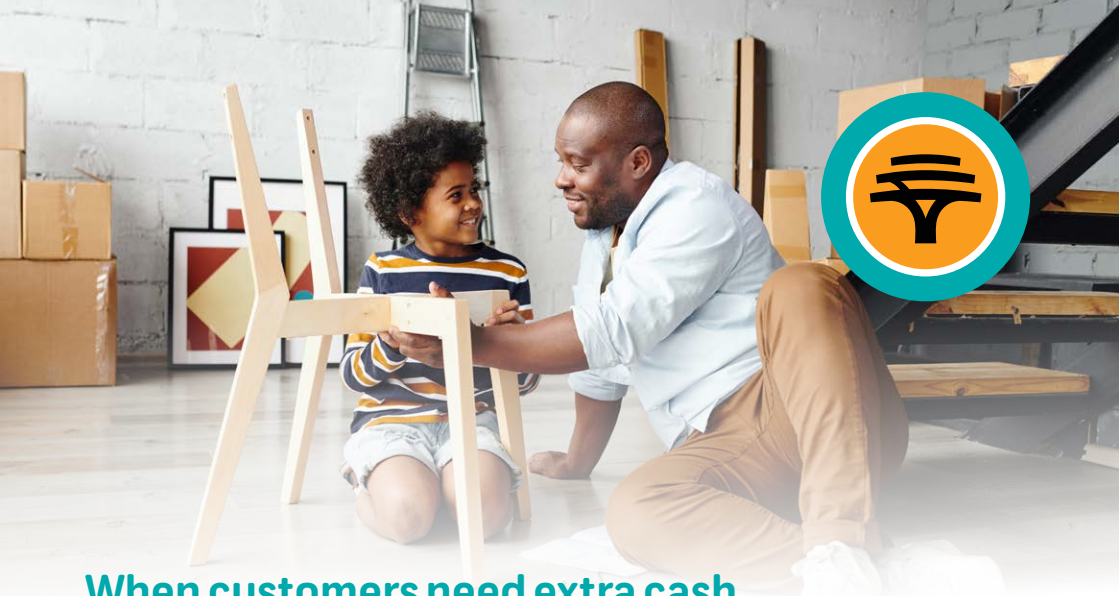
Combine different plaster textures and colors to add definition to your home's exterior and interior.

Q What should homeowners consider when renovating their kitchens?

A Budget is a primary consideration. While high-end materials like granite countertops offer durability and elegance, there are also cost-effective alternatives that can achieve a modern look. Incorporating multifunctional elements, such as integrated lighting and space-saving storage solutions, can enhance both the functionality and aesthetics of the kitchen. Additionally, the trend is moving towards more personalised spaces, moving away from the clinical, clean look to more earthy, warmer tones.

Q How can small changes impact bathroom design?

A Updating fixtures like tapware can significantly refresh a bathroom's appearance. The brush brass range is particularly popular, adding a touch of luxury. For those with a larger budget, retiling or rearranging the bathroom layout can improve both aesthetics and functionality. Incorporating elements like large mirrors and proper lighting can create the illusion of more space, enhancing the overall ambiance.



When customers need extra cash for renovations FNB Home Loans Re-Advance can help

FNB customers who have been paying extra into their bonds can access these funds with the FNB Home Loans Re-Advance facility.

What is a re-advance?

A re-advance facility provides existing FNB Home Loans customers with access to the funds that make up the difference between their original registered Home Loan amount and the outstanding balance.

It's simpler than registering an additional bond and the funds are readily available.

Here's an example of how it works:

Principle Debt:	N\$1,000,000
Current Bond Balance:	N\$900,000
Re-advance:	N\$100,000

These are the documents needed to apply for a re-advance:

- ID or valid passport
- Latest municipal bill
- Latest payslip

To find out more, please speak to the FNB Home Loans team.

FNBpreapprovals@fnbnamibia.com.na

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