

## **A PURCHASER'S RIGHT TO REVOKE AN OFFER TO PURCHASE LAND OR TO TERMINATE A DEED OF ALIENATION IN RESPECT OF LAND (COOLING OFF CLAUSE)**

A purchaser of land may, within 5 days after signing an offer to purchase or a deed of alienation, revoke the offer to purchase or terminate the deed of alienation by delivering a written notice to that effect to the seller.

The period of 5 days commences on the day after the offer or deed was signed. Only week days apply. Saturdays, Sundays or public holidays are excluded from the calculation of the 5 days. Thus, if the offer or deed was signed by the purchaser on a Friday, the 5 day period shall commence on the Monday and terminate on the Friday, provided that there are no public holidays during that week.

To be valid a written notice must identify the offer or deed that is being revoked or terminated, must be unconditional and must be signed by the purchaser or his agent acting on his written instructions.

The right to revoke or terminate is not available if the:

- purchaser is a legal person, such as a trust, close corporation or company;
- purchase price is more than R250 000.00;
- property was bought at a publicly advertised auction;
- purchaser and seller previously entered into a deed of alienation in respect of the same land and on substantially the same terms exists;
- purchaser has the right to nominate or appoint another person to take over as purchaser; or
- purchaser bought the land by exercising an option which was open for 5 days.

Any person who received any amount from the purchaser in respect of the offer or deed must refund the full amount within 10 days after the notice was delivered to the seller. No person shall be entitled to any remuneration payable in respect of the revoked offer or terminated deed and no person shall be entitled to claim any damages as a result thereof.

Any waiver by a purchaser of his right to revoke or terminate shall be null and void. The same will apply to any provision, agreement or undertaking imposing or levying a penalty or fee on the purchaser should he exercise his right to revoke the offer or terminate the deed of alienation.

A purchaser who signs another offer or deed to purchase land within 5 days after signing an earlier offer or deed is deemed to have revoked or terminated the earlier offer or deed. The purchaser must forthwith notify the seller of the earlier transaction of the revocation or termination of the earlier transaction. This is not applicable if the purchaser intends to buy both properties. Failure to give proper notice may constitute a criminal offence and the purchaser may be held liable by the seller for damages.