

REPORT TO SUBCOUNCIL 6

LC24305

1 ITEM NUMBER

06SUB29/02/20

2 SUBJECT

PROPOSED LEASE OF CITY-OWNED RESIDENTIAL PROPERTY, BEING
PORTION OF ERF 11244 , SITUATED AT FLAT B1 BELLVILLE FIRE
STATION, BELRAIL ROAD, BELVILLE : NORODI NKOSI

ONDERWERP

VOORGESTELDE VERHURING VAN RESIDENSIËLE EIENDOM IN
STADSBSIT, NAAMLIK 'N GEDEELTE VAN ERF 11244, GELEË TE
WOONSTEL B1 BELLVILLE-BRANDWEERSTASIE, BELRAILWEG,
BELLVILLE: NORODI NKOSI

ISIHLOKO

ISIPHAKAMISO SENGQESHISO NGOMHLABA WESIXEKO
KULUNGISELELWA IMIBANDELA YEZOKUHLALA KWISIZA 11244, ESIMI
KWI-FLAT B1 KWISIKHULULO SOCIMO-MLILO SASEBELLVILLE, BELRAIL
ROAD, E-BELLVILLE: NODORI NKOSI

L2815

PTMS NO: 130005443

File Ref No: 14/2/51/2/11244/B1

(Category 1- Residential)

3 DELEGATED AUTHORITY

- ☒ The report is for comment by subcouncil to the competent authority in terms of Part 24, Delegation 10(1).
- ☐ In terms of delegations Part 27B paragraph 19 (5), the following delegation was conferred upon the City Manager. The City Manager has sub-delegated this delegation to the Director: Property Management.

"To approve the granting of rights to use, manage or control capital assets of a value less than R10 million and for a period not longer than 3 years, provided that this delegation may only be exercised after considering the

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comments of the Sub-council in whose area of jurisdiction the capital asset is situated.

☐ Final decision lies with Director: Property Management.

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EXECUTIVE SUMMARY

PURPOSE OF REPORT	Proposed lease of City-owned residential property, being portion of erf 11244 , situated at flat B1 Bellville fire station, Belrail road, Bellville		
Site extent	± 80 m ²		
Submission date	n/a		
Current zoning	Single Residential 1		
Current usage	Residential		
Proposed usage	Residential		
TOD Assessment	Cat 1 – TOD N/A	X	Cat 1
	Based on the TOD (Transit Oriented Development) strategic screening of the proposed erf to be disposed of, the subject property was found to have no TOD potential (also known as Category 1 in terms of the TOD land Disposal Assessment Process) and did not meet the minimum TOD criteria due to its size, lack of consolidation potential and/or locational characteristics relevant to the City's TOD Strategic Framework.		
Public participation outcome summary	Advertised in the Cape Argus and Die Burger on 07 June 2019 No objections were received.		
WARD CLLR	NOTICE DATE		WARD
Jackie Visser	15/01/2020		10
Viable	Yes	x	No

17/1/20

	<p>The subject land is considered to be viable, however it is affected by the approved <i>Public Right of Way / Road Network Plan (2017)</i>,</p> <p>A competitive process is followed when an improved property is tenanted. Standard application forms are available to all interested parties and applicants who qualify in terms of the said criteria are registered on the PM Database.</p> <p>The requirements are:</p> <ol style="list-style-type: none"> 1. Applicants must earn 3 x the rental to qualify; 2. Positive references of previous lessor(s); 3. Must be employed for at least 6 months; 4. No default judgments against applicant. <p>When a residential property becomes available, the property is refurbished, a market related rental determined and tenants are selected from the database based on affordability and best fit.</p>		
Recommended decision	Approval	x	Refusal
Regulation 34(1) In-principle approval	Granted by Director: Property Management in terms of delegated authority prior to 5 January 2017		
Factors motivating recommendation:	<ul style="list-style-type: none"> • Council will receive a financial benefit in the form of a market related rental 		
Strategic intent	SFA 1 : an OPPORTUNITY City of Cape Town		
	Objective 1.1	Positioning Cape Town as forward looking globally competitive City	
	Programme 1.1(g)	Leveraging the City's assets	

5 RECOMMENDATIONS FOR CONSIDERATION AND COMMENT BY THE RELEVANT SUBCOUNCIL

It is recommended that the lease of City land, being portion of erf 11244 Bellville, situated at Flat B1 Bellville fire station, Belrail road, Bellville shown hatched on the attached aerial photograph marked "**annexure A**", in extent approximately 80 m², to Norodi Nkosi be approved subject to inter alia the following conditions:

- a) A market rental of R 5 500 per month, inclusive of rates and excluding VAT where applicable, be payable;

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- b) The rental will escalate at 8% per annum;
- c) The lease will endure for a period of three years;
- d) The property to be used for residential purposes only;
- e) The rental is exclusive of all municipal services i.e. water and electricity;
- f) Subject to such further conditions to be imposed by the Director: Property Management in terms of her delegated authority;
- g) Subject to compliance with any other statutory requirements;
- h) No compensation will be payable for any improvements made to the property;
- i) The lessee is to ensure that the necessary land use permissions, if applicable, are in place for the duration of the lease period.

AANBEVELINGS VIR OORWEGING EN KOMMENTAAR DEUR DIE BETROKKE SUBRAAD

Daar word aanbeveel dat die verhuring van Stadgrond, naamlik 'n gedeelte van erf 11244 Bellville, geleë te woonstel B1, Bellville-brandweerstasie, Belrailweg, Bellville, gearseer op die aangehegte lugfoto, gemerk bylae A, ongeveer 80 m² groot, aan Norodi Nkosi, goedgekeur word, onderworpe aan onder meer die volgende voorwaardes dat:

- a) 'n Markverwante huurbedrag van R5 500 per maand, eiendomsbelasting ingesluit en BTW uitgesluit, waar van toepassing, betaalbaar is;
- b) Die huurbedrag met 8% per jaar styg;
- c) Die huurooreenkoms vir 'n tydperk van drie jaar duur;
- d) Die eiendom slegs vir residensiële doeleindes gebruik word;
- e) Die huurbedrag sluit alle munisipale dienste, d.w.s. water en elektrisiteit, uit;
- f) Onderworpe aan enige verdere voorwaardes wat die direkteur: eiendomsbestuur ingevolge haar gedelegeerde bevoegdheid oplê;
- g) Onderworpe aan nakoming van enige ander statutêre vereistes;
- h) Geen vergoeding vir enige verbeterings wat aan die eiendom gemaak word, betaalbaar sal wees nie;

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- i) Die huurder moet seker maak dat die nodige grondgebruiktoestemming, indien van toepassing, vir die duur van die huurtydperk van krag is.

IZINDULULO ZOKUBA ZIQWALASELWE KWAYE KUHLONYULWE KUZO LIBHUNGANA ELIFANELEKILEYO

Kundululwe ukuba makuphunyezwe ngengqeshiso ngomhlaba weSixeko, osisiqephu sesiza 11244, eBellville, esimi kwi-Flat B1 kwisikhululo socimo-mlilo saseBellville, Belrail road, e-Bellville esibonakaliswe ngemigca ekrweliweyo kwifoto efotwe emoyeni eqhotyoshelweyo nephawulwe **"isihlomelo A"**, esibukhulu bumalunga nama-80 m², ku-Norodi Nkosi ngokuxhomekeke phakathi kwezinye izinto kule miqathango ilandelayo:

- a) Makuhlawulwe ixabiso lerenti elihambelana nelemarke elingama-R5 500 ngenyanga, kuquka iintlawulo zobuhlali ngaphandle kweRhafu-ntengo apho kufanelekileyo;
- b) Irenti iyakuthi yonyuke ngomyinge we-8% ngonyaka;
- c) Ingqeshiso iyakuhlala isithuba seminyaka emithathu;
- d) Ipropati mayisetyenziselwe kuphela imibandela yendawo yokuhlala;
- e) Ixabiso lerenti alizibandakanyi iinkonzo zikamasipala ezifana namanzi nombane;
- f) Ngokuxhomekeke kweminye imiqathango ezakumiselwa nguMlawuli: woLawulo lweePropati ngokwamagunya akhe awagunyaziselweyo;
- g) Ngokuxhomekeke ekuthotyelweni kwayo nayiphina imimiselo yomthetho engeminye;
- h) Akusayi kuhlawulwa mbuyekezo nangaluphina uphuculo oluthe lwenziwa kwipropati;
- i) Umqeshi kufuneka aqinisekise ukuba iimvume zosetyenziso lomhlaba ezifunekayo, ukuba kufanelekile, zimi ngendlela ngeli xesha lengqeshiso.

6 DISCUSSION/CONTENTS

6.1 BACKGROUND:

The current lessee Norodi Nkosi, entered into a residential lease agreement with the City of Cape Town for a portion of Erf 11244, in extent of 80 square meters on 1 November 2012 which expired 30 June 2019 and continues on a tacit relocation principle.

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The subject property is a residential flat affected by the approved *Public Right of Way / Road Network Plan (2017)*.

In terms of contract compliance, the City's Property Management Department initiated the valuation process and a rental review was performed in order to implement a new market rental. Ms Norodi Nkosi was notified accordingly of the new proposed market related rental and she accepted the proposed amount.

The proposed new CPA lease will include a two months' termination clause, in the event that the property is required by the City.

The tacit lease agreement is non-Customer Protection Act (CPA) compliant. The new proposed CPA compliant and fix term lease agreement will only take effect, after the comments are received from Subcouncil 6, and the final approval by the Director Property Management. If approved, the current lease will be terminated, the day preceeding the commencement of the new lease agreement. Valuation assessment was carried out in order to determine the current market related rental.

Ms Nkosi is still regarded as a suitable candidate for the subject property. Norodi Nkosi is employed by the City of Cape Town.

6.2 CONSULTATION WITH INTERNAL BRANCHES:

The City's Transport and Urban Development Authority Department was consulted and have no objection to the lease, with a further condition to be imposed attached to report as **annexure B**

6.3 VALUATION

The City's Professional Valuers on 30 June 2019 assessed the rental value of the subject property at R 5 500 per month, escalating at 8% per annum. The valuation synopsis is attached to the report as **annexure C**.

6.4 CONSTITUTIONAL AND POLICY IMPLICATIONS

6.4.1 The proposal complies with Section 14 of the Municipal Finance Management Act No.56 of 2003 in that the relevant branches of Council have confirmed that the land is not required for the provision of the minimum level of a basic municipal service.

6.4.2 Chapter C of Council's policy relating to the Management of certain of the City of Cape Town's Immovable Property (approved 26 August 2010), permits the leasing of immovable property.

6.5 FINANCIAL IMPLICATIONS

All costs involved in this transaction will be for the Applicant's account.

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6.6 TAX COMPLIANCE

In terms of the City's Supply Chain Management Policy, approved by Council on 30 May 2019 (C18/05/19), paragraph 98.3 stipulates the City may not consider a bid or quote unless the bidder who submitted the bid or quote has submitted a valid tax clearance certificate certifying that the provider's tax matters are in order.

In terms of the City's Supply Chain Management Policy, approved by Council on 30 May 2019 (C18/05/19), paragraph 99 stipulates "Irrespective of the procurement process, the City may not make any award above R15 000,00 to a person whose tax matters have not been declared by the SARS to be in order."

Paragraphs 372 – 375 of the afore-mentioned policy deal with the sale and letting of City owned immovable property and are silent on the SARS requirement. Property Management adopted the principle as per paragraph 99 above and applicants need to submit a SARS clearance certificate or exemption certificate for the sale of all City Owned immovable property. Except for tariff based rentals, which do not exceed R15 000,00 all applicants need to submit a SARS clearance or exemption certificate for the leasing of City owned immovable property.

Applicant has complied. See Tax Clearance certificate attached hereto as **annexure D**.

6.7 FINANCIAL DUE DILIGENCE

The applicants debt profile has been verified and it is confirmed that the applicant is not in arrears.

6.8 SUSTAINABILITY IMPLICATIONS

Does the activity in this report have any sustainability implications for the City?	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>
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6.9 LEGAL IMPLICATIONS

Regulation 36 of the MATR

In terms of the above Regulation, Council must take into account a number of factors (highlighted in bold) when considering any proposed granting of rights to use, control or manage municipal capital assets, and it is herewith confirmed that:

Whether asset may be required for the municipality's own use during the period for which the right is to be granted

Council's service branches confirmed that the asset is not required for own purposes.

Extent to which any compensation to be received, estimated value of improvements or enhancements to party the right is granted to will be required to make, economic or financial benefit to the City

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Council will receive a financial benefit in the form of a market related rental, being R5 500 per month, escalating at 8% per annum.

Management of Risk

No operational or control risk to the City.

Stakeholder comments and recommendations

The Director: Property Management, in terms of her delegated powers, has approved the public participation process as required, resulting in the proposed lease being advertised in the Cape Argus and Die Burger on 7 June 2019. Closing dates for objections were 07 July 2019. Copies of the advertisement were sent to the Ward Councillor, Manager and Chairperson of the relevant Sub-Council and registered local community organisations. No comments or objections were received.

Views from National and Provincial Treasury

In terms of Regulation 34 of the MATR the subject property falls within the category of a capital asset in respect of which the proposed right to be granted has a value less than R10 million and a period not exceeding 3 years (Non-Significant Property Right). National and Provincial Treasury have been notified. No comments or objections received.

Strategic, Legal and Economic Interests

None of these interests will be compromised through the granting of the right to use, control or manage the asset. In fact, they will be supported.

Compliance with Legislative Regime that is Applicable to Proposed Granting of the right

Granting of the right to use, control or manage the asset is compliant with the Municipal Finance Management Act, Municipal Asset Transfer Regulations and Council's policy on the management of certain of the City of Cape Town's immovable property.

6.10 STAFF IMPLICATIONS

Does your report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No ☒

Yes ☐

Handwritten signature/initials

ANNEXURES

Annexure A: Aerial photograph
Annexure B: TDA comment
Annexure C: Valuation synopsis
Annexure D: Tax clearance certificate

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FOR FURTHER DETAILS CONTACT:

NAME	DANIELLE VAN DER WESTHUIZEN
CONTACT NUMBERS	021 400 1984
E-MAIL ADDRESS	DANIELEL.VANDERWESTHUIZEN@CAPETOWN.GOV.ZA
DIRECTORATE	ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT
FILE REF NO	14/2/5/1/2/11244/B9
MANAGER: PROPERTY HOLDING RACHEL SCHNACKENBERG	<i>Schnackenberg</i>

Schnackenberg
ACTING DIRECTOR : PROPERTY MANAGEMENT IN HER
CAPACITY AS EXECUTIVE DIRECTOR : ECONOMIC
OPPORTUNITIES AND ASSET MANAGEMENT
NOMINEE

NAME RUBY GELDERBLOEM

DATE 20-01-2020

Comment:

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LEGAL COMPLIANCE

NAME

Jean-Mari Holt

TEL

021 400 2753

DATE

28/01/2020

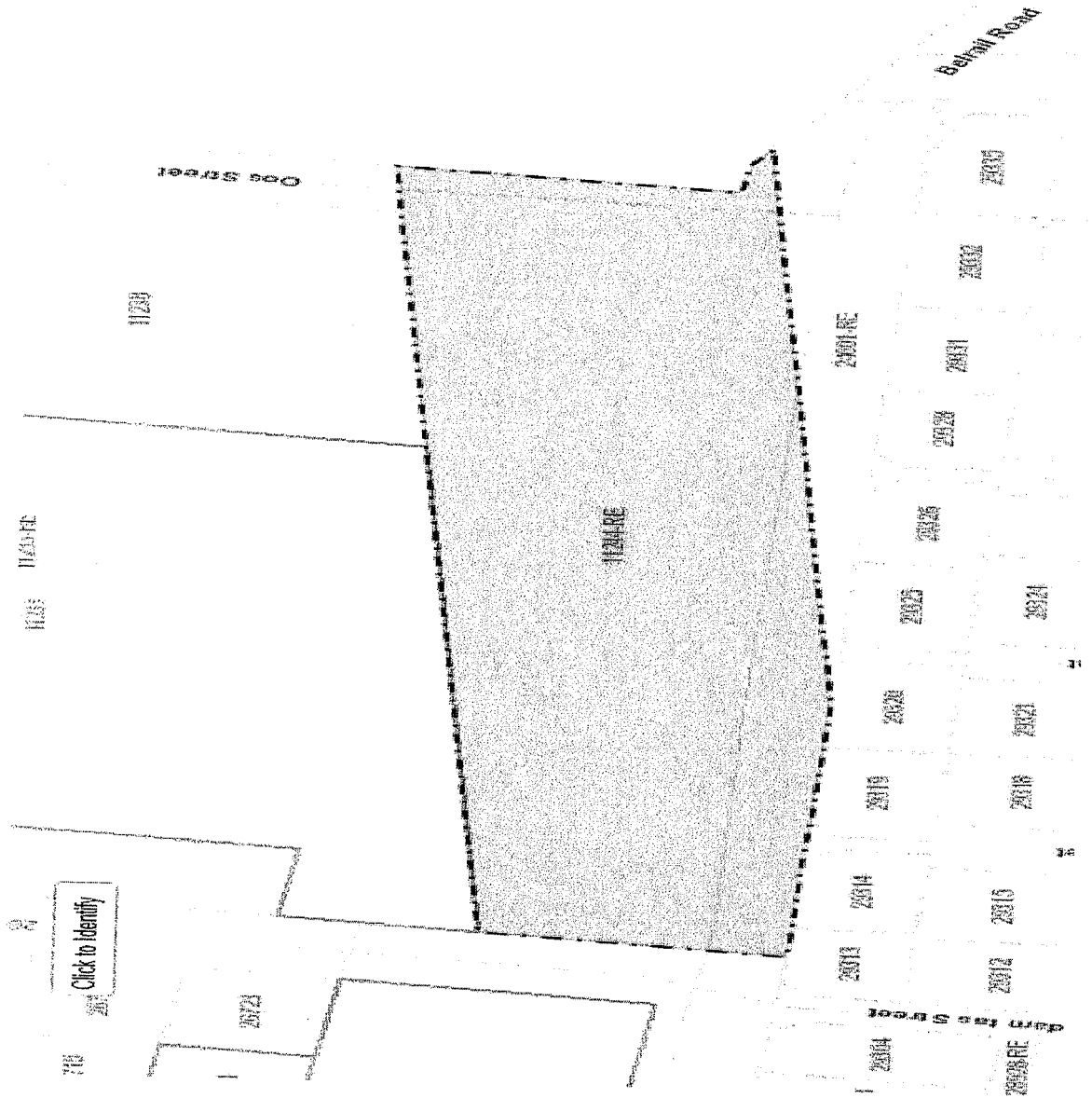
- ☐ REPORT COMPLIANT WITH THE PROVISIONS OF
COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS
AND ALL LEGISLATION RELATING TO THE MATTER
UNDER CONSIDERATION.
- ☐ NON-COMPLIANT

Comment:

JMH.
Certified as legally compliant:
Based on the contents of the report.

*Note: A tax clearance certificate
has not been attached. JMH.*

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Annexure B

Danielle Van Der Westhuizen

From: Gideon Brand
Sent: Monday, 11 November 2019 18:32
To: Danielle Van Der Westhuizen
Cc: Frank Cumming; Anthony Damonze
Subject: RE: Request for comment: Proposed lease of portion of erf 11244, Bellville, Bellrail

Dear Danielle

UCT Department's comments would be as follows:

This City owned land is located directly south of the Bellville Civic centre site in the Bellville CBD. Bellville CBD is a prioritised catalytic development precinct, and as such features in the City's Catalytic Land Development Programme (CLDP). This Department is currently in the process to define the nature and extent of the Bellville Catalytic project and its various subelements, and a follow-up report will be put to Council in this regard in the first half of next year. Significant redevelopment of public land holdings including high density inner-city housing and mixed use development (in support of TOD) is likely to form part of the future programme for Bellville, in respect of which city landholdings and other key public land sites will play a key role. Given this, this particular site is likely to play a role in this regard in the medium to longer term. As such, this Department has no objection to the proposed lease of this property in the short term (for the requested 3 year period), subject to any agreement being made to include a "redevelopment clause" and associated notice period. Furthermore, and whilst not applied for, sale of the property is not supported.

I trust the above to be in order

Regards,
Gideon

Danielle Van Der Westhuizen

From: Glenwin Sampson
Sent: Wednesday, 06 November 2019 12:23
To: Danielle Van Der Westhuizen
Subject: RE: Request for comment: Proposed lease of portion of erf 11244, Bellville, Bellrail

To Property Management:

With reference to the CIP 2017-22 and the approved Public Right of Way / Road Network Plan (2017), The Conceptual Design & Planning Branch has no objection to the lease of Erf 11244 Bellrail Rd. Bellville on condition that comments from Urban Catalytic Investment department be obtained with regards to possible future use of the property.

Kind Regards,

Glenwin Sampson

o.b.o. Johan G Meyer Pr Eng.

Principal Engineer: Planning & Conceptual Design
Transport & Urban Development Authority

Annexure C

Annexure

VALUATION SYNOPSIS: MARKET VALUATION OF ERF 11244 BELLVILLE AT FLATS B1 - B9, BELRAIL ROAD, BELLVILLE

BRIEF

The City's Professional Valuer on 2019-06-30 assessed the market rental of the residential improvement on Erf 11244 Bellville at Flats B1 to B9 (hereafter 'the subject properties'), along Belrail Road, Bellville for each unit at R5 500 per month inclusive of rates and excluding VAT.

SALIENT PROPERTY INFORMATION

Flats B3 and B4		
Unit no.	Flat B3	Flat B4
Unit extent	80m ²	80m ²
Status	Occupied – Christian Cupido	Occupied – Ntombifuthi Faith Zokufa
Accommodation	3 bedrooms, a kitchen, lounge, bathroom and separate toilet with open parking.	
Rental pm	R2 800.00	R6 002.05
*information in table was provided by Improved Property and Lease – Ins and is deemed correct.		

Flat B1		
Unit no.	Flat B1 – 1st floor	
Site extent	1.5144 ha (includes Bellville Fire Station Complex)	
Unit extent	80m ²	
Status	Occupied – Ms. Norodi Nkosi	
Accommodation	Main building	
	Bedroom	3 Ceramic tiled flooring, no bics, aluminium windows with burglar bars.
	Living room	1 Ceramic tiled flooring, aluminium windows with burglar bars.
	Kitchen	1 Ceramic tiled flooring, basic bic's, double zinc basin, aluminium windows with burglar bars, ½ tiled ceramic walls, geyser
	Bathroom	1 Ceramic tiled flooring, ½ tiled ceramic walls, bath, basin, aluminium windows with burglar bars.
	Separate toilet	1 Ceramic tiled flooring, toilet
Additional features		
	Parking	1 Outside parking bay within the complex.
Rental	Current rental billed is R4 960.37 per month (1 Nov 2012 - 30 June 2019)	
Arrears	R5 537.76	

Flat B2		
Unit no.	Flat B2 – 1 st floor	
Site extent	1.5144 ha (includes Bellville Fire Station Complex)	
Unit extent	80m ²	
Status	Occupied – Mr. Edward Wilson	
Accommodation	Main building	
	Bedroom	3 Novilon flooring, no bics, aluminium windows with burglar bars.
	Living room	1 Novilon flooring, aluminium windows with burglar bars.
	Kitchen	1 Novilon flooring, basic bic's, double zinc basin, aluminium windows with burglar bars, ½ tiled ceramic walls, geyser
	Bathroom	1 Ceramic tiled flooring, ½ tiled ceramic walls, bath, basin, aluminium windows with burglar bars.

http://rooms3es.co.za/properties/valuations/files/Data/2019/06/27/2019_06_27_Erf_11244_Flats_B1_to_B9_Belrail_Schema_E_synopsis.docx

	Separate toilet	1	Ceramic tiled flooring, toilet
	Additional features		
	Parking	1	Outside parking bay within the complex.
Rental	Current rental billed is R4 509.43 per month (1 Aug 2013 – 30 June 2019)		
Arrears	R5 325.70		

Flat B5			
Unit no.	Flat B5 – 2 nd floor		
Site extent	1.5144 ha (includes Bellville Fire Station Complex)		
Unit extent	80m ²		
Status	Occupied – Mr. Karel Bardman		
Accommodation	Main building		
	Bedroom	3	2 bedrooms with carpeted flooring and 1 with novilon flooring, no bics, aluminium windows with burglar bars.
	Living room	1	Laminate flooring (tenant installed), aluminium windows with burglar bars. Open balcony
	Kitchen	1	Novilon flooring, basic bic's, double zinc basin, aluminium windows with burglar bars, ½ tiled ceramic walls, geyser
	Bathroom	1	Novilon flooring, ½ tiled ceramic walls, bath, basin, aluminium windows with burglar bars.
	Separate toilet	1	Novilon flooring, toilet
	Additional features		
	Parking	1	Outside parking bay within the complex.
Rental	Current rental billed is R2 262.71 per month (1 Dec 2001 – open ended)		
Arrears	none		

Flat B6			
Unit no.	Flat B6 – 2 nd floor		
Site extent	1.5144 ha (includes Bellville Fire Station Complex)		
Unit extent	80m ²		
Status	Occupied – Mr. Hendrick Ruiters		
Accommodation	Main building		
	Bedroom	3	Novilon flooring, bics (tenant installed), aluminium windows
	Living room	1	Novilon flooring, aluminium windows. Open balcony
	Kitchen	1	Novilon flooring, basic bic's, double zinc basin, aluminium windows, ½ tiled ceramic walls, geyser
	Bathroom	1	Novilon flooring, ½ tiled ceramic walls, bath, basin, aluminium windows.
	Separate toilet	1	Novilon flooring, toilet
	Additional features		
	Parking	1	Outside parking bay within the complex.
Rental	Current rental billed is R2 488.97 per month (1 June 2019 – open ended)		
Arrears	none		

Flat B7			
Unit no.	Flat B7 – 3 rd floor		
Site extent	1.5144 ha (includes Bellville Fire Station Complex)		
Unit extent	80m ²		
Status	Occupied – Mr. Dirk Malat		
Accommodation	Main building		
	Bedroom	3	2 bedrooms with carpeted flooring and 1 bedroom with novilon flooring, no bic, aluminium windows with no burglar bars
	Living room	1	Novilon flooring, aluminium windows with no burglar bars. Open balcony
	Kitchen	1	Novilon flooring, basic bic's, double zinc basin, aluminium windows with no burglar bars, ½ tiled ceramic walls, geyser
	Bathroom	1	Novilon flooring, ½ tiled ceramic walls, bath, basin, aluminium windows.
	Separate toilet	1	Novilon flooring, toilet
	Additional features		
	Parking	1	Outside parking bay within the complex.
Rental	Current rental billed is R2 488.97 per month (1 June 2019 – open ended)		
Arrears	none		

Flat B8			
Unit no.	Flat B8 – 3 rd floor		
Site extent	1.5144 ha (includes Bellville Fire Station Complex)		
Unit extent	80m ²		
Status	Occupied – Lenancia Kamineth		
Accommodation	Main building		
	Bedroom	3	Ceramic tiled flooring, no bic, aluminium windows
	Living room	1	Ceramic flooring, aluminium windows. Open balcony.
	Kitchen	1	Novilon flooring, basic bic's, double zinc basin, aluminium windows, ½ tiled ceramic walls, geyser
	Bathroom	1	Ceramic tiled flooring, ½ tiled ceramic walls, bath, basin, aluminium windows.
	Separate toilet	1	Ceramic tiled flooring, toilet
	Additional features		
	Parking	1	Outside parking bay within the complex.
Rental	Current rental billed is R4 761.71 per month (1 August 2018 – 30 June 2019)		
Arrears	none		

Flat B9			
Unit no.	Flat B9 – 3 rd floor		
Site extent	1.5144 ha (includes Bellville Fire Station Complex)		
Unit extent	80m ²		
Status	Occupied – Ms. Margaret Anne Van Niekerk		
Accommodation	Main building		
	Bedroom	3	Ceramic tiled flooring, no bic, aluminium windows with no burglar bars
	Living room	1	Ceramic tiled flooring, aluminium windows with no burglar bars. Open balcony
	Kitchen	1	Ceramic tiled flooring, basic bic's, double zinc basin, aluminium windows with no burglar bars, ½ tiled ceramic walls, geyser
	Bathroom	1	Ceramic tiled flooring, ½ tiled ceramic walls, bath, basin, aluminium windows.

	Separate toilet	1	Ceramic tiled flooring, toilet
	Additional features		
	Parking	1	Outside parking bay within the complex.
Rental	Current rental billed is R4 960.37 per month (1 Nov 2018 – 30 June 2019)		
Arrears	none		

APPROACH TO VALUATION

We have been tasked with determining the market rental of the subject property, which, is defined by International Valuation Standards Committee (IVSC) as:

"The estimated amount which a property should be leased on the date of valuation, between a willing lessor and a willing lessee, in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

METHOD OF VALUATION

The most widely and accepted method of valuation used to determine the rental quantum of the subject property is the Direct Comparison Method of valuation. With this method, rentals of comparable properties in the precinct of the subject property are researched and compared to the subject property with adjustments made for differences in value forming attributes if deemed necessary.

FINDINGS

Comparable residential property rentals

#	Description	m²	Accommodation				Features	Rental Excl rates	Comment
1	Erf 39690 Bellville, Durban Rd, Oakdale 'Chez Danel'	59	2	1	1	1	open bay bics	6 450	Listed. Superior location (along Durban Rd), similar features, inferior accommodation to all, smaller flat extent to all. Superior condition to all.
2	Erf 15388 Bellville Dirkie Uys Kemperville, 'Hibiscus Court'	81	2	open plan		1	-	6 500	Listed. Similar location, similar features, inferior accommodation to all, similar flat extent to all. Superior condition to all.
3	Erf 10341 Bellville, Voortrekker Rd Boston, 'Batts Court'	85	2	1	1	1	security spacious Bics	6 600	Listed. Similar location, similar features, inferior accommodation to all, similar flat extent to all. Superior condition to all (renovated).
4	Erf 9516, Flat 6 'Beaumont Court', Victoria St, Parow	80	2	1	1	1	open bay	6 109	City owned. Rental determined 2016-04-30 at R4 850 (excl rates) current rental is R5 238, as only one escalation period was applied.

									Similar sub-market, similar features, inferior accommodation to all. Similar flat extent to all. Superior condition to all.
5	Erf 4919, 28 Avondale St, Oakdale	68	2	1	1	1	open bay	6 200	City owned. Rental determined 2016-05-31. Similar location, similar features, inferior accommodation to all. Smaller dwelling extent to all. Similar condition to all.

Additional Market Information

Rental consultant, Vanessa Du Preez of Harcourts Properties has advised that based on her knowledge of the area and photographs of the subject properties, a rental of between R6 000 and R6 500 is achievable.

CONCLUSION

Taking cognizance of the abovementioned market research, the condition and finishes of the subject properties and location, it is the writers' opinion that the market rentals of the subject properties are as follows

#	Unit	Flat extent	Market rental
1	Flat B1	80m ²	R5 500
2	Flat B2	80m ²	R5 500
3	Flat B3	80m ²	R5 500
4	Flat B4	80m ²	R5 500
5	Flat B5	80m ²	R5 500
6	Flat B6	80m ²	R5 500
7	Flat B7	80m ²	R5 500
8	Flat B8	80m ²	R5 500
9	Flat B9	80m ²	R5 500

RECOMMENDATION

That a rental of R5 500 per month (per unit), inclusive of rates is recommended, escalating at 8% per annum for a period of three years. The rental is exclusive of all municipal services i.e. water and electricity.

The rental to escalate at 8% per annum and is effective and payable 2 months from date of valuation i.e. as from 2019-09-01

Please note:

The abovementioned flats have been valued in its current condition. In the event of any of the flats being upgraded, a revised valuation would be required.



Laila Paleker
Professional Valuer
Registration No. 7342/2



Rosanna Potgieter
Principal Professional Valuer: Rentals


Date: 2019-11-05

Annexure D

Result Summary

Entity Details	
Registered Name	NORODI FAITH NKOSI
Reg/CC Trust No	760522036602
INCOME TAX	
PIN	0017703171
Date/Time	A1220142IN
	2019-11-18 13:48:33

The response represents the taxpayer's compliance status at the date and time of this response. It is important to note that the overall compliance status is not static and will change as the compliance status changes

Indicator	Description	Purpose	Refresh	Open
	The taxpayer is registered for tax and is currently compliant in respect of filing and payment responsibilities	Good Standing	Refresh	Refresh