



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

REPORT TO SUBCOUNCIL 20

DATE

21

1. ITEM NUMBER

20SUB15/10/2019

2. SUBJECT

SUBJECT: PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE TRANSFER OF VACANT ERVEN 53791 AND 53792, SITUATED AT COLLEGE ROAD, CLAREMONT, CAPE TOWN, BY PUBLIC COMPETITION FOR RESIDENTIAL PURPOSES

ONDERWERP

VOORGESTELDE TOEKENNING VAN BEGINSELGOEDKEURING VIR DIE OORDRAG VAN ONBEBOUDE ERF 53791 EN 53792, GELEË TE COLLEGEWEG, CLAREMONT, KAAPSTAD, DEUR OPENBARE MEDEDINGING VIR RESIDENSIËLE DOELEINDES.

ISIHLOKO:

ISIPHAKAMISO      SOKUVUNYELWA      KWESIPHUMEZO      NGOKOMTHETHO-SISEKO  
KOKUNIKEZELWA KWEZIZA EZIVULELEKILEYO EZINGU-53791 NO-53792 EZISE-COLLEGE  
ROAD, CLAREMONT, EKAPA, NGOKOKHUPHISWANO LOLUNTU, KULUNGISELELWA  
IMIBANDELA YOKUHLALA

L0670

3. DELEGATED AUTHORITY

For noting by Subcouncil 20

The legal provision for this non-delegable authority can be found in section 14 of the Municipal Finance Management Act, Act 56 of 2003 and regulation 5 of the Municipal Asset Transfer Regulations of 2008 (MATR).

In terms of the provisions of the Municipal Finance Management Act (MFMA) and the associated Municipal Asset Transfer Regulations (MATR), the City may only transfer of immovable property after;

- (a) the Council has made a determination that the asset is not required for the provision of basic municipal purposes and has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset, and
- (b) approved in principle that the asset may be transferred, and

SUBCOUNCIL 20  
RECEIVED

19 SEP 2019

CITY OF CAPE TOWN

#### 4. EXECUTIVE SUMMARY

PURPOSE OF REPORT	To inform Subcouncil 20 of the City's intention to obtain in-principle approval from Council for the transfer by a public competitive process of City-owned vacant Even 53791 and 53792 situated at College Road, Claremont, Cape Town.			
PROPERTY DESCRIPTION	Even 53791 and 53792, Claremont, Cape Town are vacant sites situated in the proximity of improved residential properties.			
PROPERTY LOCATION	College Road, Claremont, Cape Town.			
AREA	4	SUBCOUNCIL	20	WARD 58
SITE EXTENT	Approximately 725m <sup>2</sup> and 725m <sup>2</sup> respectively. See attached Plans LIS 2058 and LIS 2059 ( <b>Annexure A1 and Annexure A2</b> ).			
VIABLE	YES	X	NO	
CURRENT ZONING	General Residential 4			
CURRENT USAGE	Vacant			
PROPOSED USAGE	Residential opportunities			
INTERNAL BRANCH COMMENTS	The proposed transfer of the properties was circulated for internal and external stakeholder's comments. There were no objections to the sale of the properties. ( <b>Annexure B</b> ). Therefore, the subject properties are not required for municipal purposes and can be transferred for residential purposes.			
<b>PUBLIC PARTICIPATION</b>				
AUTHORITY FOR PUBLIC PARTICIPATION	Authority granted	Director: Property Management	Date	21/11/2018
PUBLIC PARTICIPATION PROCESS	Date of advertising	26/01/2019 31/01/2019	Public comments	No objections received.
WARD COUNCIL COMMENTS	Date of notification	01/02/2019	Comment	No objections received.
FACTORS MOTIVATING DECISION	<ul style="list-style-type: none"> <li>▪ The sale of the land will relieve Council of the maintenance burden;</li> <li>▪ A market-related income will be generated;</li> <li>▪ The sale will enable better utilization of City land;</li> <li>▪ Vacant land will be developed to its highest and best use.</li> </ul>			
<b>INTEGRATED DEVELOPMENT PLAN (IDP)</b>				
	SFA 1: An Opportunity City		Objective 1.1 (g) Leverage the City's assets, to rationalise and optimally utilise City assets to stimulate economic benefit for Cape Town.	
<b>ORGANISATIONAL DEVELOPMENT AND TRANSFORMATION PLAN (ODTP)</b>				
STRATEGIC INTEND	Optimisation & Rationalisation		The optimal utilisation of Council assets	
	<b>SPATIAL DEVELOPMENT FRAMEWORK (SDF)</b>		Area Plan	
			The development of the properties for residential purposes is in line with the SDF.	
<b>TRANSIT ORIENTATED DEVELOPMENT (TOD)</b>				
	Category 1		Subject properties do not meet the requirement for Urban Planning and Mechanisms to do a TOD Comprehensive Land Use assessment.	

## **5. DISCUSSION/CONTENT**

### **5.1 BACKGROUND**

The subject properties are vacant and situated at College Road, Claremont, Cape Town in the proximity of improved residential properties.

They are zoned General Residential 4, measure approximately 725m<sup>2</sup> and 725m<sup>2</sup> respectively, and are shown on the attached plans, LIS 2058 and 2059. See **Annexure A1** and **Annexure A2**.

### **5.2 CONSULTATION WITH INTERNAL DEPARTMENTS AND EXTERNAL STAKEHOLDERS**

The various Council Departments and external stakeholders were consulted and have no objection to the sale of the property. A summary of branch comments is attached as **Annexure B** and will form part of the conditions of sale, where applicable.

The proposal complies with Section 14 of the Municipal Finance Management Act, Act 56 of 2003, in that the relevant branches of Council have confirmed that the subject property is not required for the provisions of the minimum level of basic municipal services and therefore can be transferred for residential purposes.

### **5.3 PUBLIC PARTICIPATION**

In accordance with the authority obtained from the Director: Property Management on 21 November 2018, Council's intention to sell the subject property was advertised as follows:

ADVERTISING AND NOTIFICATION		
Advertising	Weekend Argus and Die Burger;	26 January 2019
	Tatler	31 January 2019
Notification	Provincial & National Treasury	01 February 2019
	Sub-council Manager, Sub-council Chairperson & Ward Councillor	01 February 2019
Outcome	No objections received. Comments and recommendations were received from Provincial Treasury. Refer to <b>Annexure C</b>	

### **5.4 VALUATION**

The City's Professional Valuers were requested to undertake market valuation of the subject property. The subject property was valued as at 30 November 2018. In this regard the following is of relevance:

The market value of the subject property, which is defined by International Valuation Standards Committee (IVSC) as:

*The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties acted knowledgeably, prudently and without compulsion;*

Implicit in the market value of a property is the notion of highest and best use, which the IVSC defines as:

*The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.*

The applied the comparable sales method in valuing the property, which entail the following steps:

- i) Identifying recent sales transaction of similar properties in the same neighbourhood (or further afield if need be) for which information is available.
- ii) Comparing the comparable properties value-forming characteristics with those of the subject property, viz. location, stand size, etc.
- iii) Adjusting the sale's price of the comparable properties for effluxion of time between their sale's date and valuation date.
- iv) Deducing the value of the subject property after taking due cognisance of all incomparable characteristics and their potential influence on the sale's price.

It should be noted that the market value of the subject properties are deemed appropriate at this stage of the MATR process carried out.

It was concluded that the desktop market value of the properties are as follows:

ERF	VALUE (ex VAT)
Erf 53791, Claremont, Cape Town	
Erf 53792, Claremont, Cape Town	R6 500 000

Notwithstanding the above, and to allow for the efflux in time, following escalation and validity period have been applied to the valuation:

- a. The transfer price shall escalate at 8% per annum compounded annually on a pro rata basis commencing 6 months after date of valuation (i.e. as from 2019-06-01) until date of registration.
- b. The market value is to be reassessed if the transaction is not approved by the relevant decision making authority of Council within 18 months from date of valuation (i.e. by 2020-06-01).

## 5.5 CONSTITUTIONAL AND POLICY IMPLICATIONS

- The proposal complies with Section 14 of the Municipal Finance Management Act, Act 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 basic municipal services;
- Chapter B 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 sale of immovable property.

## 5.6 FINANCIAL IMPLICATIONS

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

## 5.7 SUSTAINABILITY IMPLICATIONS

Does the activity in this report have any sustainability implications for the City?

No  Yes

## 5.8 LEGAL COMPLIANCE

The proposal complies with section 14 of the Municipal Finance Management Act, Act 56 of 2003 (MFMA);

The sale of municipal capital assets is governed by Chapter 2 of the MATR.

Council may, in terms of **Reg 5(1)(b) of the MATR**, transfer or dispose of non-exempted capital assets after it has, in a meeting open to the public, made the determinations required by section 14(2)(a) and (b) of the MFMA:

- The erf (asset) is not needed for provision basic municipal services;
- Considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

In terms of Regulation 7 of the MATR, the municipal council must, when considering any proposed transfer or disposal of a non-exempted capital asset in terms of regulation 5(1)(b), take into account the factors highlighted in bold below:

### **Factor A: Whether the asset is required for municipality's own use at later date;**

Council's service branches have confirmed that the assets are not required for its own purposes. (refer to **Annexure B** for inter-departmental comments).

### **Factor B: Loss or gain expected to result from proposed transfer;**

Council will not make a loss, but a gain on receipt of market value for the transfer of the subject properties and future rates and the sale revenue will stimulate economic growth.

### **Factor C: Extent to which any compensation to be received in respect of the proposed transfer will result in a significant economic or financial cost or benefit to municipality;**

Council will receive a financial benefit in the form of the sales price as well as future rates and taxes revenue in respect of the subject properties.

The desktop valuation carried out by Property Management's Valuations branch, estimate the market value of the subject erven to be as follows (exclusive of VAT and transfer costs):

ERF	VALUE (ex VAT)
Erf 53791, Claremont, Cape Town	
Erf 53792, Claremont, Cape Town	R6 500 000

The purchase price shall escalate at 8% per annum compounded annually on a pro rata basis commencing 6 months after date of valuation (i.e. as from 2019-06-01) until date of registration.

The market value is to be reassessed if the transaction is not approved by the relevant decision making authority of Council within 18 months from date of valuation (i.e. by 2020-06-01).

**Factor D: The risks and rewards associated with the operation or control of the capital asset that is to be transferred or in relation to the municipality's interest;**

The rewards are anticipated in a form of future rates revenue. There is no envisaged operational or control risk anticipated against the City's interest.

**Factor E: Impact of the proposed transfer on credit rating of the municipality, its ability to raise long-term or short-term borrowings in the future and its financial position and cash flow;**

The proposed intention in relation to the subject properties will attribute positively into the financial position of the City, through sales income, future rates revenue anticipated. The envisaged transaction is not expected to have negative impact on the credit rating of the City, due to anticipated cash inflows.

**Factor F: Limitations and conditions attached to capital assets;**

None.

**Factor G: Estimated cost of proposed transfer;**

The normal costs related to advertisements and land surveying, if applicable, will be incurred by Council. The purchasers will be responsible for the transfer costs.

**Factor H: Transfer of liabilities and reserve funds associated with the asset;**

None.

**Factor I: Comments or representations on the proposed transfer received from the local community and other interested persons;**

The Council's intention to sell the subject properties was duly advertised to the public in The Weekend Argus and Die Burger on 26 January 2019; and in the Tatler on 31 January 2019. The relevant Subcouncil chairperson, Subcouncil manager, Ward Councillor, Regional Offices were notified. No objections to the intended transfer were received, comments were received from Provincial Treasury.

**Factor J: Views and recommendations on the proposed transfer by National and Provincial Treasury;**

Comments and recommendations were received from Provincial Treasury; see Annexure C.

**Factor K: The interest of any affected organ of State, the municipality's own strategic, legal and economic interest and the interests of the local community;**

None of these interests will be compromised through the proposed intention - in fact they will support these interests through enhancing City's strategic objectives, and promoting socio-economic development for the benefit of the local communities.

#### **Factor I: Compliance with legislative regime that is applicable to proposed transfer**

The proposed transfer of the asset is compliant with the MFMA, Municipal Asset Transfer Regulations, Reg. 12(1) and Council's Policy on the Management of Certain of the City of Cape Town's Immovable Property (2010).

#### **59. STAFF IMPLICATIONS**

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

- |     |                                     |
|-----|-------------------------------------|
| No  | <input checked="" type="checkbox"/> |
| Yes | <input type="checkbox"/>            |

#### **6. RECOMMENDATIONS**

##### For noting by Subcouncil 20:

It is recommended that:

- a) In terms of section 14(2)(a) and (b) of the Municipal Finance Management Act (MFMA), Act 56 of 2003:
  - i) Council resolve that erven 53791 and 53792, situated at College Road, Claremont, Cape Town, in extent approximately 725m<sup>2</sup> and 725m<sup>2</sup> respectively, zoned General Residential 4 (GR4), shown lettered ABCD on Plans LIS 2058 and LIS 2059 respectively, not be required for the provision of the minimum level of basic municipal services;
  - ii) Council confirm that the fair market value of the asset described in (a)(i) and the economic and community value to be received in exchange for the asset described in (a)(i) have been considered;
- b) In terms of Regulation 5(1)(b) of the Municipal Asset Transfer Regulations (MATR), R.878 promulgated on 22 August 2008, Council approve in principle the transfer of erven 53791 and 53792, situated at College Road, Claremont, Cape Town, as described in (a)(i);
- c) Erven 53791 and 53792, situated at College Road, Claremont, Cape Town, be transferred by public competition, subject to conditions to be imposed by the Director: Property Management in the exercise of her delegated authority;
- d) Comments and recommendations provided by Provincial Treasury, be noted.

#### **AANBEVELINGS**

##### Vir kennisname deur subraad 20

Daar word aanbeveel dat:

- a) Die Raad bepaal dat ingevolge artikel 14(2)(a) en (b) van die Wet op Munisipale Finansiële Bestuur, Wet 56 van 2003:
  - i) erf 53791 en 53792, geleë te Collegeweg, Claremont, Kaapstad, onderskeidelik ongeveer 725m<sup>2</sup> groot, gesoneer as algemeenresidensieel 4 (GR4), met die letters ABCD aangevoer op onderskeidelik plan LIS 2058 en 2059, nie vereis word vir die voorsiening van die minimum vlak van basiese munisipale dienste nie;
  - ii) Die Raad bevestig dat billike markwaarde van die bate in (a)(i) beskryf verkry is en die ekonomiese en gemeenskapswaarde wat in ruil vir die bate in (a)(i) beskryf is, oorweeg is;
- b) Ingevolge regulasie 5(1)(b) van die regulasies oor die oordrag van munisipale bates (MATR), R.878, gepromulgeer op 22 Augustus 2008, die Raad die oordrag van erf 53791 en 53792, geleë te Collegeweg, Claremont, Kaapstad, soos beskryf in (a)(i), in beginsel goedkeur;
- c) Erf 53791 en 53792, geleë te Collegeweg, Claremont, Kaapstad deur middel van openbare mededinging oorgedra word, onderworpe aan die voorwaardes wat die direkteur: eiendomsbestuur ingevolge die uitvoering van haar gedelegeerde magtiging ople;
- d) Daar kennis geneem word van kommentaar en aanbevelings deur die Provinciale Tresourie.

## **IZINDULULO**

Ukuba ziqwalaselwe iBhungana-20:

Kundulutwe ukuba:

- a) Ngokwamacandelo-14(2)(a) no-(b) oMthetho ongoLawulo lweziMali zikaMasipala (MFMA) ongunomb.56 wangowe-2003:
  - i) iBhunga malithabathe isigqibso sokuba iziza-37294 no-53792 ezise-College Road, Claremont, eKapa, ezibukhulu obumalunga nama-725 m<sup>2</sup> nama-725 m<sup>2</sup> ngasinye, ezicandwe njengendawo yokuhlala ngokuphangaleleyo 4 (GR4), esibonakaliswe ngoonobumba abakhulu u-ABCD kwiplani ezingu-LIS 2058 no-LIS 2059, azifuneki nganto ukuba zibonelele ngomlinganiselo othile weenkonzo ezingundoqo zikamasipala;
  - ii) iBhunga maliqnisekise ukuba kuye kwathathelwa ingqalelo ixabiso lobulungisa lasemakethi njengoko lichazwe ku-(a)(i) nexabiso lezoqoqosho neloluntu eliyakuthi lifumanekie ngokutshintshelwana kweempahla ezicaciswe ku-(a)(i);
- b) NgokoMigaqo-5(1)(b) yeMigaqo engokuTshintshelwa kweMpahla kaMasipala (MATR), R. 878 owamiselwa ngowama-22 kweyeThupha 2008, iBhunga maliphumeze ngokomthetho-siseko ukunikezelwa kweziza-53791 and 53792, ezikwi-e Road, Woodlands, e-Mitchells Plain, njengoko kucacisiwe ku-(a) (i) ngentla apha;

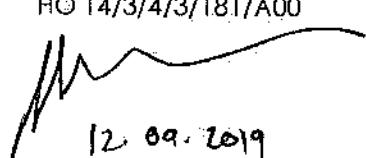
- c) Iziza-53791 no-53792, eziSe-College Road, Claremont, eKapa, mazinikezelwe ngokokhuphiswano loluntu, ngokuxhomekeke kwimiqathango eyakuthi inyanzeliswe nguMlawuli woLawulo IwePropati esebenzisa amagunya akhe awagunyaziselweyo;
- d) Makuqwäläselwe izimvo kunye nezindululo ezinikezelwe nguNondyebo wePhondo.

## **ANNEXURES**

Annexure A 1	Disposal Plan LIS 2058
Annexure A 2	Disposal Plan LIS 2059
Annexure B	Summary of branch comments
Annexure C	Comments and Recommendations from Provincial Treasury

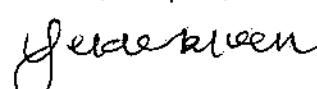
**FOR FURTHER DETAILS CONTACT:**

8/legus

NAME	MARSHA HELDSINGER	CONTACT NUMBER	021 400 3903
E-MAIL ADDRESS	MARSHA.HELDINGER@CAPE TOWN.GOV.ZA		
DIRECTORATE	Economic Opportunities & Asset Management	FILE REF NO	HO 14/3/4/3/181/A00
SIGNATURE	MANAGER : PROPERTY ACQUISITIONS AND DISPOSALS	ANDRE HUMAN	 12.09.2019

**DIRECTOR: PROPERTY MANAGEMENT (IN HER CAPACITY AS NOMINEE FOR THE EXECUTIVE DIRECTOR – ECONOMIC OPPORTUNITIES & ASSET MANAGEMENT)**

↓

NAME	Ruby Gelderbloem	COMMENT:
DATE	2019.09.17	
SIGNATURE		

Comment:

**MANAGER: SUBCOUNCIL 20**  
RICHARD WHITE

DATE

COMMENT

  
RICHARD WHITE  
SUBCOUNCIL MANAGER

Tel No: 021 444 8112

DATE: 9 October 2019



# PROPERTY DISPOSALS CAPE TOWN - ERF 53792 CLAREMONT





CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

ASSETS AND FACILITIES MANAGEMENT  
PROPERTY MANAGEMENT

Keanon van der Walt  
Clerk: Property Disposals

E: keanon.vanderwalt@capetown.gov.za  
T: 021 400 1809  
File ref: 14/3/4/3/181/A00

18/07/2018

TECHNICAL INVESTIGATION CONTROL SHEET

PROPERTY	Erven 53791 and 53792, College Road, Claremont		
Extent	Erf 53791 – 725.01 m <sup>2</sup> Erf 53792 – 725.28 m <sup>2</sup>		
Zoning	General Residential 4		
Title Deed No.	15176/1930		
Disposal Plan No.	LJS2058 & LJS2059		
Date comments requested	18/07/2018		
Reminder	31/07/2018		
Closing date for comments	07/08/2018		

Department	Official	Response Received Date	Comments
TDA: DEVELOPMENT MANAGEMENT	Fran Currie	08/08/2018	This Department has no objection.  The properties (each 725m <sup>2</sup> in extent) are located within a precinct of other similarly sized properties zoned GR4. This end of College Road is relatively quiet and conducive to residential use. The permitted uses and development rules in the GR4 zone are set out in the Cape Town

			Development Management Scheme [schedule 3 of the Municipal Planning By-Law]. We recommend that as part of your investigation/circulation, you check whether there are any rights by the existing sports complex over the erven concerned. Residential development on 53791 and 53792 will be in keeping with the character of the surrounding area, and would be compliant with planning policy.
TDA: ASSET MANAGEMENT AND MAINTENANCE	Charlene Davis	N/A	No response.
TDA: URBAN INTEGRATION	Dilshard Modak	N/A	No response.
TDA: IMPACT ASSESSMENT & DEVELOPMENT CONTROL	Nathaniel Williams	N/A	No response.
TDA URBAN INTEGRATION SUSTAINABLE URBAN MANAGEMENT	Mervyn August Shanaaz Soeker	N/A	No response.
	Glenwin Sampson	02/08/2018	With reference to the CIP 2017-22 and the approved Public Right of Way / Road Network Plan (2017). The Conceptual Design & Planning Branch of TDA: Urban Catalytic Investment has no objection to the disposal of Erven 53791 and 53792, College Road, Kenilworth as the property is not required for future road network improvements.
IDA: BUILT ENVIRONMENT MANAGEMENT INFRASTRUCTURE MANAGEMENT & INVESTMENT	Rashad Samadji	14/08/2018	As this does not affect a major road but only a local street, final comments must be provided by the relevant TDA District Office: Asset Management & Maintenance and TDA: TIA & Development Control.
IDA: ENVIRONMENTAL MANAGEMENT ENVIRONMENT AND HERITAGE MANAGEMENT	Karmiel Velloo	20/07/2018	My Department has no objection to the abovementioned application since the properties have no environmental and heritage conservation value.
IDA: INTEGRATED TRANSPORT IMPLEMENTATION			We have no objection with the sale at this time

FINANCE	Danie Maltan	N/A	No response.
SOCIAL SERVICES; RECREATION AND PARKS	Jennifer Fabing Nabeel Bassadien	30/07/2018 06/08/2018	In supports the proposed disposal/sale of even 53791 and 53792. No objection.
SOCIAL SERVICES SOCIAL DEVELOPMENT & EARLY CHILDHOOD DEVELOPMENT (SDECD)	Brian Ford	19/07/2018	No objection.
SOCIAL SERVICES CITY HEALTH	Soraya Elloker	N/A	No response.
SOCIAL SERVICES PLANNING AND DEVELOPMENT & PMO	Leeroy May Bradley Burger	N/A	No response.
SAFETY AND SECURITY FIRE SERVICES	Ian Schnettler	18/07/2018	No objection.
SAFETY AND SECURITY LAW ENFORCEMENT, TRAFFIC & CO- ORDINATION LAW ENFORCEMENT SERVICES	Shaun Graham Smith	18/07/2018	No objection.
SAFETY AND SECURITY LAW ENFORCEMENT, TRAFFIC & CO- ORDINATION TRAFFIC SUPPORT SERVICES; TRAFFIC	Keith Moses	25/07/2018	This department has no objections to the proposed sale of ERF 53791 and ERF 53792.
AREA BASED SERVICE DELIVERY	Alesia Bosman	07/08/2018	It is in order for you to dispose of Even 53791 and 53792.

AFM: FACILITIES MANAGEMENT CENTRALISED FACILITIES MANAGEMENT AND MAINTENANCE PLANNING	Jenna Reisenberg	24/07/2018	I have no objection to the sale of the proposed Erven, as the vacant property is not required by FM Area 4.
AFM PROPERTY MANAGEMENT PROPERTY HOLDING	Johan De Goede	15/08/2018	No objection.
PROPERTY TRANSACTION MANAGEMENT	Riyaz Pandor	19/07/2018	<p>Property Transaction Management has no objection to the intended sale of the subject property.</p> <p>The subject areas proposed for disposal are erven 53791 and 53792 Cape Town, zoned G14.</p>
			<p>IPP has no objection to the disposal, however the following is noted:</p> <p>In the event that transfer occurs, IPP must be notified in order to ensure that the City's Immovable Property Asset Register (IPAR) is updated in accordance with the immovable Property Asset Management Policy (C06/12/15);</p> <p><i>7.4 The Immovable Property Asset Register is a core component of the IPAMF and shall be established and maintained by the Property Management Department with the objective of –</i></p> <p><i>(a) Being the repository for the management and storage of data specific to immovable property assets and rights in property owned by the City of Cape Town;</i></p> <p><i>(c) Being the definitive record of the City's immovable property assets and which Directorates and Departments are accountable for such assets.</i></p> <p>The subject property has not been subject to an immovable property asset management performance assessment. IPP has no objection.</p>
AFM PROPERTY MANAGEMENT IMMOVABLE PROPERTY PLANNING	Deidre Khan	14/08/2018	No response.
AFM: PROPERTY MANAGEMENT TRANSVERSAL REAL ESTATE SERVICES	Fareed Shariff	N/A	

ENERGY: ELECTRICAL GENERATION AND DISTRIBUTION ENGINEERING	Susan Nel	14/08/2018	This department has no objection subject to the condition that any alterations or deviations to electricity services necessary as a consequence of the proposal, or requested by the applicant, will be carried out at the applicant's cost.
ENERGY: ELECTRICAL GENERATION AND DISTRIBUTION ENGINEERING REVENUE MANAGEMENT	Natalie Allies	N/A	<p>No response.</p> <p>The Department of Water and Sanitation master plan has identified this particular portion of land as a potential site for densification. Existing Water and Sewer Reticulation</p> <p>There is an existing 100mmØ water main along as well as a 150mmØ sewer main along College Road. No network constraints exist within the water and sewer networks under current operational conditions.</p> <p>No additional water demand and sewer flow has been stated as because the future land use is unknown; a comprehensive analysis regarding available spare capacity within the network has not been done. However, once a future development intention is established, a full capacity analysis will be required to determine if there is sufficient capacity within the existing and future water and sewer infrastructure to accommodate potential future developments.</p>
INFORMAL SETTLEMENTS WATER AND SANITATION	Chwayita Macakati	13/08/2018	<p>Bulk Water</p> <p>No bulk water pipelines or infrastructure under the control of the City of Cape Town's Bulk Water Branch is directly affected by property in mention.</p> <p>Wastewater branch</p> <p>The property is situated within the catchment of the Athlone wastewater facility via the Raapenberg foul sewer pump station. This treatment works has sufficient capacity to accommodate any theoretical sewer flow expected from any potential future development however constraints are present at the pump station. These constraints are currently under investigation.</p>
			Conclusion

	The Water and Sanitation Department has no objection to the proposed application of the above mentioned property. Conditions	1. Development Contributions may be payable, not checked at this stage, but can be resolved with the Reticulation District Head. 2. Upon land approval for a specific development which may differ from the current application, a formal capacity analysis is to be applied for to determine the available capacity within the existing network as well as any potential future network upgrades that may be required to accommodate the intended future land use.
CORPORATE SERVICES	Trembelani Mangena Walled Talip	N/A  No response.
SOCIAL HOUSING AND RESTITUTION	Pogiso Molapo	11/03/2019  The even are not required by Social Housing and Restitution for the provision of municipal services.
INFORMAL SETTLEMENTS: WATER AND WASTE SERVICES	Susan Groenewald	30/07/2018  No objection
INFORMAL SETTLEMENTS AND BACKYARDS	Rosina Lescotsa	06/08/2018  In support of the proposed sale.
INFORMAL SETTLEMENTS: WATER AND WASTE SERVICES	Chaneli Erlank	06/08/2018  Solid Waste has no objection to the proposed sale.
SOLID WASTE MANAGEMENT	Janice Fortes Jesse Skippers	N/A  No response.
TELKOM SA LTD		



Jamie-Leigh Bruce  
 Procurement Analyst: LGSCM  
 E-mail: Jamie-Leigh.Bruce@westerncape.gov.za  
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**Reference number:** 24/2/1/5

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 2nd Floor,  
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The City of Cape Town

Date: 17 February 2019

Property Management

For Attention: Keanon van der Walt.

**Re: PROPOSED SALE OF ERF 53791 AND 53792, COLLEGE ROAD, CLAREMONT, CAPE TOWN.**

### 1. PURPOSE

- 1.1. To provide an opinion to The City of Cape in terms of the proposed sale of erf 53791 and 53792, college road, Claremont, Cape Town.

### 2. BACKGROUND

- 2.1. On the 01<sup>st</sup> February 2019 the City of Cape Town sent a communique to the Provincial Treasury seeking comments and recommendations regarding the proposed sale of erf 53791 and 53792, college road, Claremont, Cape Town.
- 2.2. The following documents was made available as per the communication:
  - 2.2.1. Memorandum requesting comments from the Provincial Treasury;
  - 2.2.2. A copy of an aerial image view of the proposed erf for sale;
  - 2.2.3. Public Participation advertisement.

### 3. ISSUE

- 3.1. The City of Cape Town is seeking the Provincial Treasury's comments regarding the proposed sale of 53791 and 53792, college road, Claremont, Cape Town.

#### **4. COMMENTS**

- 4.1. Section 14 of the MFMA applies to the disposal of capital assets: the proposed sale of erf 53791 and 53792, college road, Claremont, Cape Town.
- 4.2. The Municipality should be aware of the mandatory requirements of section 14 and section 90 of the MFMA prior to the sale of erf 53791 and 53792, college road, Claremont, Cape Town.
  - 4.2.1. (1) A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.  
(2) A municipality may transfer ownership or otherwise dispose of capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public:
    - (a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and
    - (b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.
  - (3) A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.
  - (4) A municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsection (2)(a) and (b) in respect of movable capital assets below a value determined by the council.
  - (5) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111.
  - (6) This section does not apply to the transfer of a capital asset to another municipality or to a municipal entity or to national or provincial organ of state in circumstances and in respect of categories of assets approved by the National Treasury, provided that such transfers are in accordance with a prescribed framework.
- 4.3. To ensure that a disposal is fair, equitable, transparent and competitive, the following should happen:
  - The supply chain management policy should state the mechanism for determining the market value for different types of assets;
  - The process should be open to the public and public scrutiny;
  - Consideration should be given to the fair market value of the asset, and to the economic and community value to be received in exchange for the asset; and
  - Reasonable efforts should be made to ensure that an appropriately competitive process for disposal is followed.

- The correct accounting treatment of the assets in the financial statements and in the asset register should be effected by the institution.

## 5. RECOMMENDATION

- 5.1 Provincial Treasury has, in principle, no objections against the City's intention to dispose of erf 53791 and 53792, college road, Claremont, Cape Town, subject meeting the requirements of the SCM Policy and MFMA (especially Section 14 & 90).
- 5.2 The Accounting Officer needs to be satisfied that all due processes and procedures stipulated in the City's supply chain management policy and other prescripts have been heeded.

We trust you find the above in order.

MS. LETITIA SALLIES

DEPUTY DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT

WESTERN CAPE PROVINCIAL TREASURY

Date: 18/02/2019