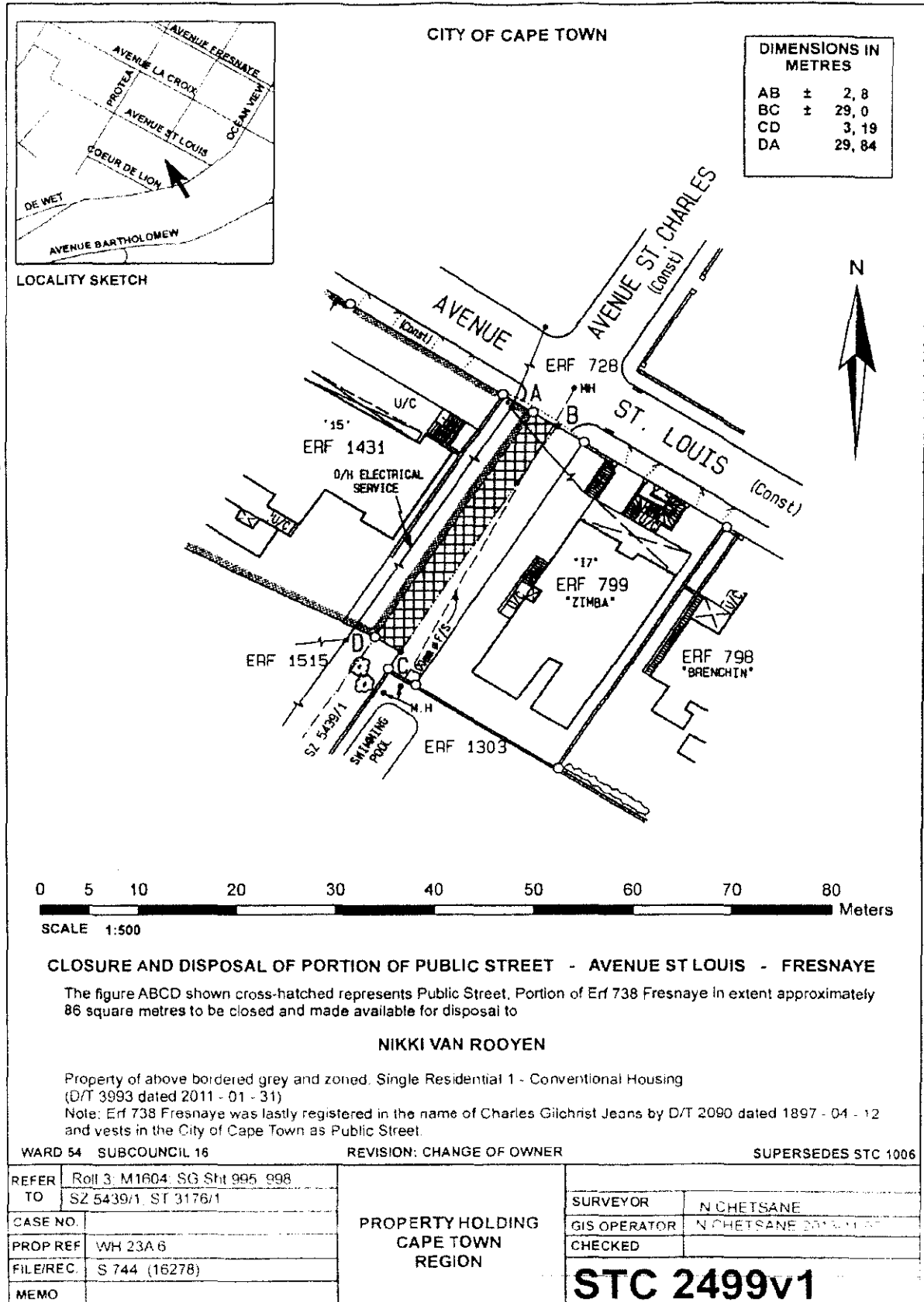


ANNEXURE TO ITEM
C 15/03/15

ANNEXURE A



ANNEXURE B

16 SUB 20/09/14 PROPOSED CLOSURE AND ALIENATION OF CITY-OWNED IMMOVABLE PROPERTY: PORTION OF ERF 728, FRESNAYE (A PUBLIC STREET) SITUATED OFF AVENUE ST. LOUIS, FRESNAYE: NIKKI VAN ROOYEN

Mr Saul Jacobs briefed the meeting as to the report.

UNANIMOUSLY RESOLVED that, that for the reasons as set out in the report, it be **RECOMMENDED** that:

- a) Council resolve in terms of section 14 of the Local Government Municipal Finance Management Act, Act 56 of 2003 that the property is not required to provide the minimum level of basic municipal services
- b) In terms of the provisions of section 6 of the By-Law relating to the Management and Administration of the City of Cape Town's Immovable Property, portion of Erf 728, Fresnaye (a public street situated off Avenue St Louis) as indicated on the plan STC 2499v1 marked Annexure A attached to the report, be closed
- c) Portion of Erf 728, Fresnaye (a public street situated off Avenue St Lois) shown lettered ABCD on the plan STC 2499v1 marked Annexure A attached to the report, in extent approximately 86m² be alienated to Nikki Van Rooyen or her successors in title, subject inter alia the conditions as contained in the report.

ACTION: D GEYSMAN / C SWART / S JACOBS

ANNEXURE C

VALUATION SYNOPSIS: VALUATION OF A PORTION OF PUBLIC STREET, BEING PORTION OF ERF 728, FRESNAYE, PROPOSED TO BE CLOSED AND SOLD TO THE OWNER OF ABUTTING ERF 1431, FRESNAYE, MS NIKKI VAN ROOYEN

Background

Market Valuations on 2014/02/28 assessed the market value of a portion of Public Street (a portion of Erf 728, Fresnaye, hereafter 'the Subject Property') for the recommended amount of R425 000, exclusive of VAT and costs.

The Subject Property, shown as the cross-hatched figure ABCD on Plan STC 2499v1 and measuring approximately 86m², is proposed to be closed and sold to Ms Nikki van Rooyen.

Ms van Rooyen, the owner of the improved, abutting, residential property, namely Erf 1431, Fresnaye, applied to purchase the Subject Property for security and gardening purposes. The area is straddled by a number of municipal services, which limits its utility and requires a servitude to be registered to protect these services in favour of Council.

Utility of Subject Property

Despite the fact that the applicant applied to purchase the Subject Property for garden and security purposes, and in spite of the fact that no permanent structures will be allowed thereon it does enable the applicant to extend her current property, i.e. once it has been consolidated with the Subject Property. In light of this, we deem the Subject Property to have a utility factor of 50% of the current market value rate (in Rands per m²).

Method of Valuation

The most widely and accepted method of valuation used to determine the market value of vacant land is the Direct Comparison Method of valuation. This method takes into consideration sales of vacant land that can be compared to the subject property, and after taking into account the various differences and value-forming attributes between the subject property and those properties sold, an opinion of value derived based on market criteria.

General Neighbourhood and Market Trends

Fresnaye is a well-established and highly sought after residential neighbourhood in Cape Town, and is located at a slope below part of Signal Hill and Lion's Head, with Table Mountain being nearby.

The lower lying areas (such as where the Subject Property is located) is generally comprised of the older, more established properties, while properties higher up the foot of the mountain are more recent developments, and generally offer better views.

Vacant sites are becoming increasingly scarce, with many redevelopments taking place in the older, established pockets of Fresnaye.

<http://cityteams.capetown.gov.za/sites/default/files/valuation/valuationUsers/abuttingproperties/2014/02/28/Valuation%20-%20Erf%28%20Ave%20Lies%20VanRooyen%20.docx>

Market Information and Sales Data

The following vacant land sales, all of which are zoned Single Residential and located in close proximity to the Subject Property, were considered.

#	Description	Area (m ²)	Purchase Price	Purchase Date	Comments
1	Erf 1990 Fresnaye 353 Ocean View Drive, Fresnaye	681	R7 000 000 (R10 279/m ²)	2013/06/19	Nearby location, with very comparable views and site extent. Irregular shaped site. (value in line)
2	Erf 1711 Fresnaye 16 Top Road, Fresnaye	615	R12 000 000 (R19 512/m ²)	2012/11/06	Elevated site in superior location, offering panoramic views. Similar extent (value too high)
3	Erf 65 Fresnaye 17 Bellwood Road, Fresnaye	496	R3 400 000 (R6 855/m ²)	2011/03/24	Low lying, rectangular-shaped site with limited views. (value too low)
4	Erf 1219 Fresnaye 56 Avenue Fresnaye, Fresnaye	1 101	R13 250 000 (R12 034/m ²)	2011/03/17	Superior submarket and also has a larger extent. (value too high)
5	Erf 706 Fresnaye 21 Avenue La Croix, Fresnaye	445	R4 200 000 (R9 438/m ²)	2011/01/21	Comparable submarket, but smaller extent. (value too low)

The abovementioned sales transactions were – in light of the weak economic climate over recent years, and the resultant weak housing market – not adjusted for effluxion of time.

Sales 2 and 4 have a better location than the Subject Property (especially Sale 2, which offers panoramic views over much of the surrounds). Sales 3 and 5 are located in the more established and lower part of Fresnaye, offering less prominent views; both sites are also very narrow, which aspect is considered to be a negative factor when comparing them to the applicant's property. Sale 1 is considered to be the most comparable site to that of the applicant's property.

Conclusion and Valuation

Given the evidence, we deem the applicant's property – assuming it was vacant – to have a market value of R6 500 000 or R9 863/m² (R6 500 000 ÷ 659m²). As noted earlier, the subject property is deemed to be worth, say, 50% of the latter rate.

Hence, in our opinion the market value of the subject property as at 28 February 2014 is estimated at:


$$86\text{m}^2 \times \text{R}9\,863/\text{m}^2 \times 50\% = \text{R}424\,100, \text{ say } \text{R}425\,000 \text{ (excluding VAT)}$$

Recommendation

It is recommended that the portion of public street, being a portion of Erf 728, Fresnaye, shown by the cross-hatched figure ABCD on Plan STC 2499v1, in extent approximately 86m², be closed and sold to Ms Nikki van Rooyen or her successor-in-title for the sum of R425 000, exclusive of VAT and costs.

Note:

- The purchase price is to be adjusted on the basis of 5% per annum compounded annually on a pro rata basis commencing 6 months after date of valuation (i.e. 5% +12 months x number of months after the 6 month period). Accordingly the above recommended purchase price is to be adjusted as from 2014-09-01.
- This valuation is to be reviewed if not implemented within 18 months from date of valuation.
- A Service Servitude needs to be registered in favour of Council over the entire extent of the subject property to protect the City services straddling part of the subject property.



Anton Opperman
Professional Associated Valuer



Garth Johnson
Principal Professional Valuer: Disposals

Date: 2014-03-03

ANNEXURE D



South African Revenue Service

Tax Clearance Certificate Number
0084/2/2014/0005824189

Tax Clearance Certificate - Good Standing

Enquiries

0800 00 7277

Approved Date

2014-03-25

Expiry Date

2015-03-25

Identity Number/ Passport Number	8708210234084
Company Registration Number	
Income Tax	0972450888 - N VAN ROOYEN
Trading Name	
Tender Number	GoodStanding

It is hereby confirmed that, on the basis of the information at my disposal, the above-mentioned taxpayer has complied with the requirements as set out in section 256(3) of the Tax Administration Act.

This certificate is valid for a period of 12 months unless otherwise communicated by SARS.

Verification of this certificate can be done at any SARS Revenue office nationwide.

Photo copies of this certificate are not valid.

SARS reserves the right to withdraw this certificate at any time should any taxes, levies or duties become due and outstanding by the above taxpayer during the one year period for which the certificate is valid.

This certificate is issued free of charge by SARS.