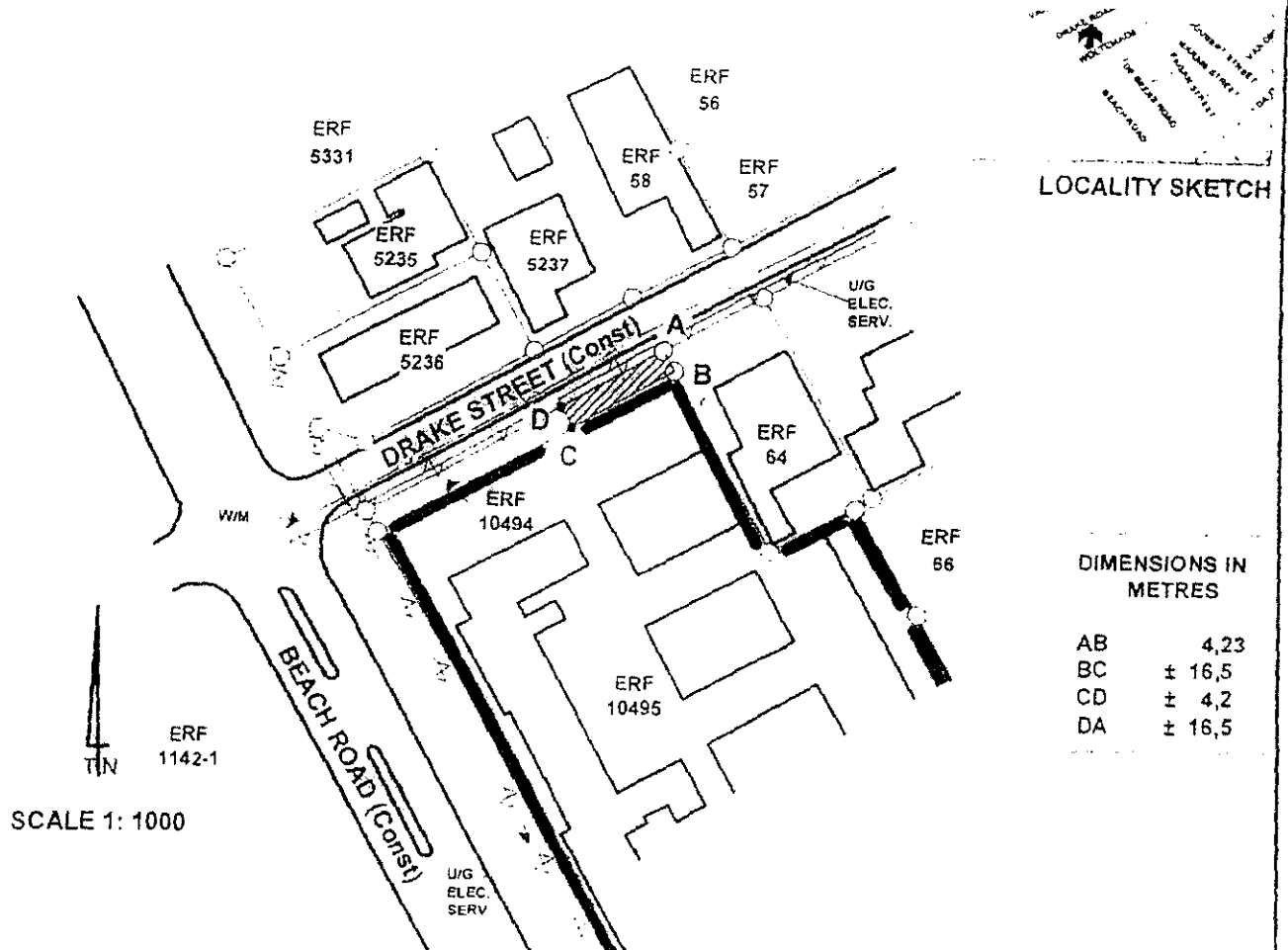


CITY OF CAPE TOWN

**ANNEXURE TO ITEM
C 23/03/15**



LEASE OF PUBLIC STREET - DRAKE STREET - STRAND

The figure ABCD shown hatched represents Public Street, Portion of Erf 10494 Strand in extent approximately 70 square metres available for lease to

ST TROPEZ FLATS

Property of above Erf 10495 Strand shown bordered grey and Zoned: General Residential II (SS 54/1979)

Note: Erf 10494 Strand lastly registered in the name of Santiago Mansions Ltd. by D/T 17391 dated 1979-07-04 and vests in the City of Cape Town as Public Street.

WARD 83

REFER TO	SG. No. 8423/78; SG. No. 8424/78.	PROPERTY HOLDING EASTERN REGION	SURVEYOR	J. RASOETI 2012-05-10
	M 3090		GIS OPERATOR	R SWINTON 2012-04-23
PROP. REF.	HEL 001 5816		CHECKED BY	
FILE/REC.	H 14/3/6/1/2/362 (32381)		ET 194	
MEMO	2011-07-13			



CITY OF CAPE TOWN ISIXEKO SISENKAPA STAD KAAPSTAD

Civic Centre
12 Hertzog Boulevard
Cape Town 8001
P.O. Box 298, Cape Town 8000
Ask for: Miss A. Abrahams
Tel: 021 400-2301
Fax: 021 419-5303

Iziko loluntu
12 Hertzog Boulevard
Cape Town 8001
P.O. Box 298, Cape Town 8000
Cela: Nkazi A. Abrahams
Umawele: 021 400-2301
Iheksi: 021 419-5303

Burgersentrum
Hertzog-boulevard 12
Kaapstad 8001
Posbus 298, Kaapstad 8000
Yra vtr: Mej A. Abrahams
Tel: 021 400-2301
Faks: 021 419-5303

E-mail: anecash.abrahams@capetown.gov.za
website: <http://www.capetown.gov.za>
Ref: Job 2161
Filename:

http://cityteams.capetown.gov.za/sites/finprep/naipi/valuations/Users/anecash.abrahams/2012/Strand/0618_PublicStBeingPmtUP/10494_DrakeSt_MrWStaden_L.docx

MEMORANDUM

FINANCE — Property Management — Property Intelligence

DATE	2012-06-18
TO	Eastern Region
ATTENTION	Donavon Geysman

PROPOSED LEASE OF PUBLIC STREET BEING PORTION OF ERF 10494, DRAKE STREET, STRAND : ST TROPEZ FLATS

I refer to your request to assess the rental of the abovementioned City land and report as follows:

This report has been prepared in conformity with the recognised standard procedure regarding the leasing of City land.

Caveat

The valuation is for internal Council requirements only and must not be made available to the owner/public without prior consent of the Acting Head: Market Valuations.

Brief

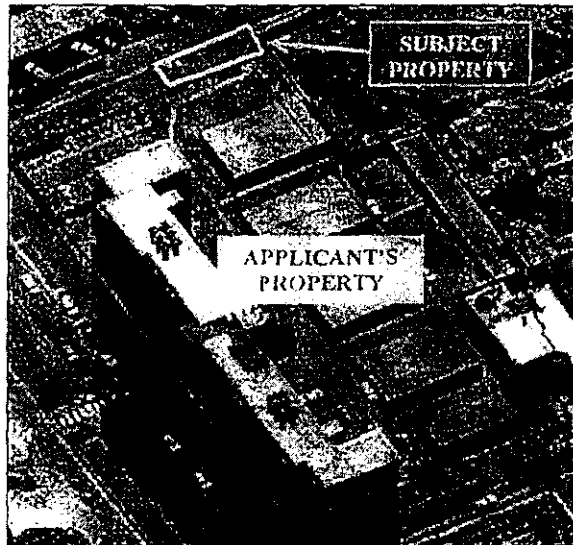
The figure ABCD shown hatched on plan ET 194 marked as "Annexure A" represents Public Street, Portion of Erf 10494 Strand, 70m² in extent available for lease for parking purposes.

Date of Valuation

2012/08/31

Date of Inspection

2012/06/18

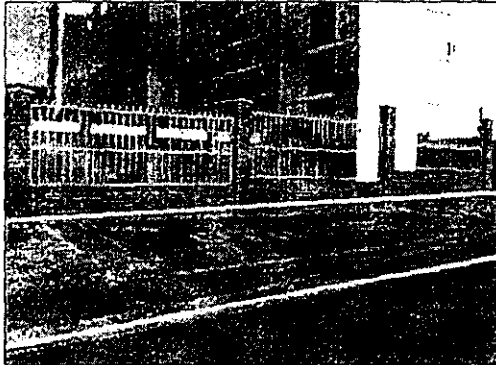


Details of Applicant's Property

Description	Erf 10495 Strand
Location	2 Woltemade Street, Strand
Extent	5 013m ²
Zoning	General Residential GR2
Improvements	Sectional title block of flats
Owner	St Tropez Body Corporate

Details of Subject Property

Description	Portion of Erf 10494, Strand
Extent to be leased	70m ²
Sketch Plan	ET 194 (Annexure "A")
Zoning	Public Street
Proposed Usage	Parking
Improvements	Unimproved
Current Rental	New lease
Comments	Public street parking available in Beach Road

PhotographsBenefit Derived from the Leased Area

St Tropez is a thirteen story complex comprising 104 flats with 73 single garages and looking from the aerial photograph, it seems as though there are 27 open-air demarcated parking bays. The additional parking on the leased area cannot be regarded as merely a "nice to have" as it would provide additional parking for the residence as well as for visitors which is considered almost a must in such a complex.

The utility derived from subject property is therefore of significant benefit creating exclusive use and security of tenure over the land although the area at this stage has not been enclosed and secured.

Rental Determination Approach

"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." (IVSC 2007)

Method of Valuation

In assessing the rental, comparable rates of other parking rentals were looked at in the precinct of the subject property and further afield, with the necessary adjustments made accordingly.

Rental Evidence

Recent lettings of City land utilised for similar residential parking accommodation has been determined in the region of R180 and R275 per bay per month.

Furthermore, Rode Report 2012:1 indicates rentals for open-air parking is in the region of R200 per bay and up depending on demand.

Valuation Calculation

Taking cognizance of the above market information and in particular the necessity of the parking to the establishment, a rental of R200 per bay per month is therefore considered fair and not unreasonable to apply.

Based on the aforesaid, the following rental is recommended:

4 bays (@ R200/bay)	R800
Less 15% for initial setup costs	R120
Less 15% for maintenance	<u>R120</u>
Say (rounded)	<i>R550 per month</i>

Negotiations

An e-mail dated 13 July 2012 was sent to the applicant, Mr Van Staden, informing him of the recommended rental of R550 per month, escalating at 8% per annum. A telephone conversation was then held with Mr van Staden, where he expressed his concern that the rental is too high. In an e-mail dated 17 July 2012 (see Annexure B), it was explained to Mr van Staden that a reduction in the rental cannot be supported as it is considered not to be market related for the usage and benefit derived from the leasing of City land.

In an e-mail dated 13 August 2012 (see Annexure C) Mr van Staden agreed to pay the recommended rental of R550 per month exclusive of rates and VAT, escalating at 8% per annum and the negotiations was therefore concluded.

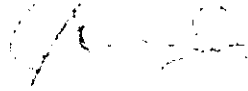
Recommendation

A rental of R550 per month exclusive of VAT and rates, escalating at 8% per annum is recommended for the lease of Portion of Erf 1094 Strand, represented by the figure ABCD on the attached Plan ET 194 annexed as "A" measuring in approximately 70m², for a period not exceeding 9 years and 11 months. The rental is to be reviewed after 5 years.

Should the rental assessment not be acted upon within 6 months from date of this valuation the monthly rental is to be adjusted on the basis of 8% per annum compounded annually on a pro rata basis commencing 6 months from date of this valuation.

Please Note

The recommended rental of R550 per month is for non-exclusive and unsecure parking however the intention should be to enclose the area the rental would need to be re-assessed at a parking tariff for exclusive and secure parking.



.....
Aneesah Abrahams
Candidate Valuer
Registration No. 7367/1
/1



Graham Harms
Professional Associated Valuer
Registration No. 3445/8

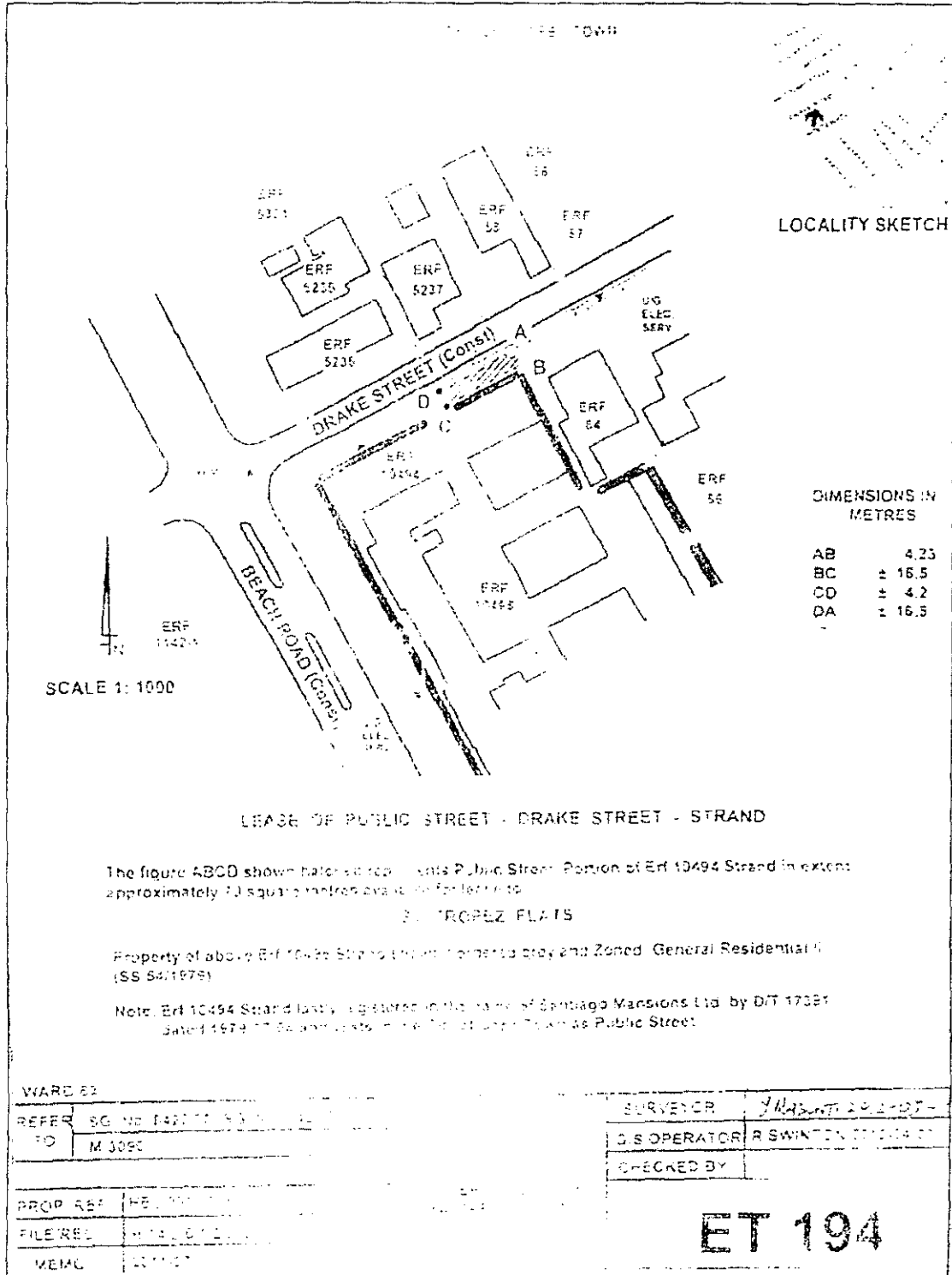
Approved:



Paul Pendlebury
Acting Head: Market Valuation

2012-08-23

Annexure "A": Sketch Plan



LEASE OF PUBLIC STREET - DRAKE STREET - STRAND

The figure ABCD shown here is reserved for Public Street. Portion of Erf 10494 Strand in extent approximately 7.1 square metres available for lease.

2. TROPEZ FLATS

Property of above Erf 10494 Strand is in the name of the above and Zoned General Residential (SS 54/1979)

Note: Erf 10494 Strand last registered in the name of Santiago Mansions Ltd. by D/T 17381 dated 1979. It is shown as Public Street in the Town Plan.

WARD 02		SURVEYOR <i>J. M. ...</i>	
REFER TO	SG No 1421/1/3/1	D.S. OPERATOR	R SWINTON
	M 3090	CHECKED BY	
PROP REF	HE ...	ET 194	
FILE/REL	M ...		
MEMO	...		

MARKET VALUATION OF PUBLIC STREET BEING PORTION OF ERF 10494, DRAKE STREET, STRAND: ST TROPEZ FLATS

BACKGROUND

The City's Professional Valuers on 2012-08-31 assessed a fair market rental of the subject property, measuring in extent approximately 70m², at R550 per month excluding VAT (if applicable).

The value of the subject property was assessed using comparable parking rentals in the precinct of the subject property and further afield, with the necessary adjustments made accordingly.

UTILITY OF SUBJECT PROPERTY

St Tropez is a thirteen story complex comprising 104 flats with 73 single garages and looking from the aerial photograph, it seems as though there are 27 open-air demarcated parking bays. The additional parking on the leased area cannot be regarded as merely a "nice to have" as it would provide additional parking for the residence as well as for visitors which is considered almost a must in such a complex.

The utility derived from subject property is therefore of significant benefit creating exclusive use and security of tenure over the land although the area at this stage has not been enclosed and secured.

MARKET RESEARCH

Recent lettings of City land utilised for similar residential parking accommodation has been determined in the region of R180 and R275 per bay per month.

Furthermore, Rode Report 2012:1 indicates rentals for open-air parking is in the region of R200 per bay and up depending on demand.

CONCLUSION AND VALUATION

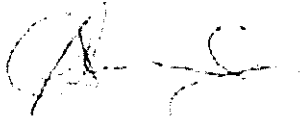
Taking cognizance of the above market information and in particular the necessity of the parking to the establishment, a rental of R200 per bay per month is therefore considered fair and not unreasonable to apply.

Based on the aforesaid, the following rental is recommended:

4 bays @ R200/bay	R800
Less 15% for initial setup costs	R120
Less 15% for maintenance	<u>R120</u>
Say (rounded)	R550 per month

RECOMMENDATION

- I. A rental of **R550.00** per month exclusive of rates and VAT, escalating at 8% per annum is recommended for the lease of Portion of Erf 1094 Strand, represented by the figure ABCD on the attached Plan ET 194 and measuring in extent approximately 70m², for a period of 10 years. The rental to be reviewed after 5 years.
- II. The monthly rental is to be adjusted on the basis of 8% per annum compounded annually on a pro rata basis commencing 6 months from date of this valuation. Accordingly the above recommended rental is to be adjusted as from 2013-03-01.
- III. The rental is payable as from 2013-03-01.
- IV. The recommended rental of R550 per month is for non-exclusive and unsecure parking however the intention should be to enclose the area the rental would need to be re-assessed at a parking tariff for exclusive and secure parking.



Aneesah Abrahams
Professional Associated Valuer
Registration No. 7367/1



Rosanna Potgieter
Principal Professional Valuer- Rentals

2014-12-10



South African Revenue Service

Tax Clearance Certificate Number
0002/2/2013/0002845061

Tax Clearance Certificate - Good Standing

Enquiries

0800 00 7277

Approved Date

2013-07-29

Expiry Date

2014-07-29

Trading Name

ST TROPEZ 401 BODY CORPORATE

Legal Name

ST TROPEZ 401 BODY CORPORATE

Identity Number/ Passport Number

Company Registration Number

9354/1978

Income Tax Reference Number

9380137027

VAT/Diesel Registration Number

PAYE Registration Number

7400727220

SDL Registration Number

L400727220

UIF Registration Number

U400727220

Tender Number

GoodStanding

It is hereby confirmed that, on the basis of the information at my disposal, the above-mentioned taxpayer has not contravened the provisions of Income Tax Act (1962), Value Added Tax Act (1991), Employees Tax (PAYE as contained within the Income Tax Act 1962), Skills Development Levies Act (1999) or Unemployment Insurance Contributions Act (2002), as at date of this certificate.

This Certificate is Valid for a period of 1 (One) Year from the date of approval.

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.

- The applicant will be responsible for the cost of relocating any electrical services if required;
- Any damage caused to the electrical service in the area by the lessee, his invitees, etc as a result of failure of the lessee shall be made good by the Council at the cost of the lessee;
- No plant or material shall be stored on the leased area;
- The cost of any relocation will be determined upon receipt of a formal application;
- All excavations and underground installations will be undertaken with approved wayleaves from Telkom, Neotel and the City's Civil and Electrical Engineer Departments. A permit must also be obtained from the Power Distribution Department;
- In the event of excavation of the existing or installation of new services at any stage by Council, Council will not be held liable for any damage or repair of any wall and/or ground surface to its original state.

FOR INFORMATION:**ACTION: DIRK MAREE**

08SUB 10/08/13 PROPOSED LEASE OF A PORTION OF PUBLIC STREET BEING PORTION OF ERF 10494, DRAKE STREET, STRAND FOR PARKING PURPOSES: ST TROPEZ BODY CORPORATE

Cllr Venter expressed his concern with the difference between the charging of rentals and the fact that the City has never levied parking fees in the vicinity of Drake Street before. He also requested that the fact that the City will no longer be responsible for any maintenance on the portion of street that is to be leased, must be taken into consideration when the rental amount is to be calculated. Cllr Middleton mentioned that some rental tariffs are charged per month and others per annum.

RESOLVED

Not delegated: for decision by Council:

that the lease of portion of public street, Erf 10494, situated at Drake Street, Strand, shown lettered ABCD on the Plan ET194 marked "Annexure A" attached to the report, in extent approximately 70 m², to the St Tropez Body Corporate, owner of

erf 1049, Strand or its successors-in-title, **BE APPROVED**, subject to *inter alia* the following conditions:

- (a) That a market related rental of R550,00 per month excluding VAT of 14% where applicable, being R77,00 (in total – R627,00) be payable;
- (b) That the lease will endure for a period of five (5) years with an option to renew for a further five years, subject to rental review after initial five-year period;
- (c) That the rental will escalate at 8% per annum;
- (c) That rates and municipal charges, if applicable, be levied;
- (d) That the property be used for parking purposes only;
- (e) Subject to such further conditions to be imposed by the Director: Property Management in terms of her delegated authority;
- (f) Subject to compliance with any other statutory requirements;
- (g) That the lessee is to ensure that the necessary land use permissions, if applicable, are in place for the duration of the lease period;
- (h) If new service connections are required, the applicant will be responsible for the full cost of any new service or the upgrading of existing service connections;
- (i) That the existing sidewalk not be taken up and pedestrian movement impeded on.

FOR INFORMATION:

ACTION: DIRK MAREE

08SUB 11/08/13

PROPOSED CESSION AND ASSIGNMENT OF VARIOUS LEASE AGREEMENTS: FLEUR PARK SITUATED ON PORTIONS OF ERVEN 525 AND 526, GORDON'S BAY

Cllr Middleton thanked the officials for this very long overdue report. Cllr Fourie mentioned that this recommendation needs to be referred to Council and that the Mayor was responsible last time for the long delay in approving the report.

Annexure E



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

FINANCE
PROPERTY MANAGEMENT

Adele Bannister
Professional Officer : Leasing

T: 021-900 1713 F: 021-900 1692
E: Adele.Bannister@cityofcape.gov.za
Ref: 1114/3/6/1/2/362

DATE : 31 October 2014

MEMORANDUM TO THE MANAGER : SUBCOUNCIL 8
ATTENTION : MR I DU TOIT

PROPOSED LEASE OF A PORTION OF PUBLIC STREET BEING PORTION OF ERF 10494, DRAKE STREET, STRAND : ST TROPEZ BODY CORPORATE

Attached please find a copy of the above-mentioned report and minutes taken from the Subcouncil 8 meeting held on 22 August 2013.

Due to unforeseen circumstances the report was only recently submitted for final perusal before being submitted to the full Council for recommendation. On perusal Legal Services referred the report back pending fresh confirmation/decision of the report as taken at the Subcouncil 8 meeting held on 22 August 2013.

Therefore, this memo serves as confirmation that all conditions are still applicable as per attached copy of subcouncil report, except for the rental amount which will be escalated, i.e. the rental of R550 per month at 8% on a pro rate basis commencing 6 months from date of valuation. (See copy of e-mail from Valuers Section.)

Please confirm that the decision as taken at the subcouncil 8 meeting on 22 August 2013 has not been amended.

DIRK MAREE
REGIONAL HEAD: PROPERTY HOLDING :
EASTERN REGION
DATE: 31.10.2014

IZAK DU TOIT
MANAGER: SUB-COUNCIL 8

DATE: 31.10.2014

<input checked="" type="checkbox"/>	RECOMMENDED
<input type="checkbox"/>	NOT RECOMMENDED