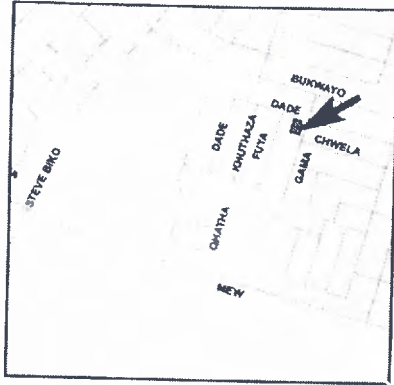
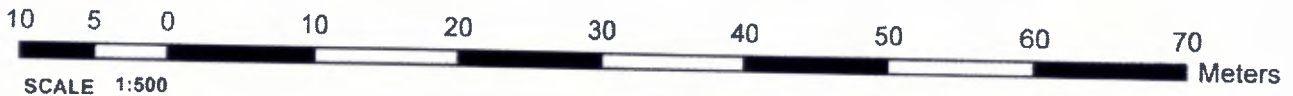
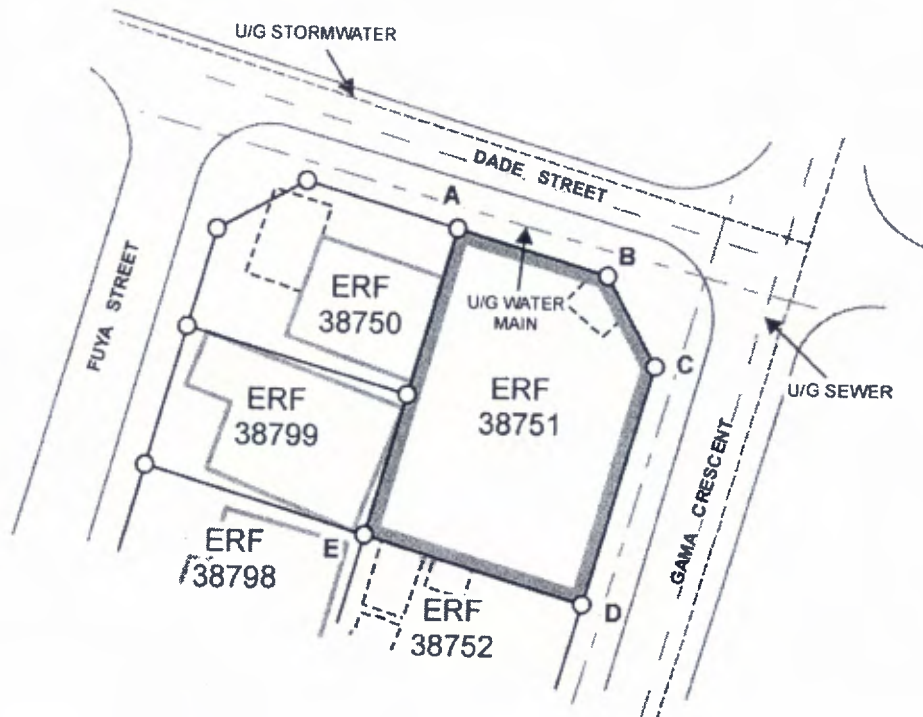


CITY OF CAPE TOWN

ANNEXURE TO ITEM
C 18/04/16



AB	11.00
BC	7.07
CD	17.00
DE	16.00
EA	22.00



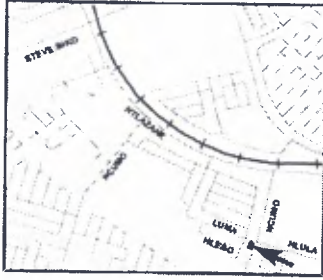
DISPOSAL OF CITY LAND - ERF 38751 KHAYELITSHA - CORNER OF DADE STREET AND GAMA CRESCENT - HARARE - KHAYELITSHA

FIGURE	ERF NO	AREA m ²	ZONING (CORPORATE ISIS)	D/T & DATE	OWNERSHIP
ABCDE (Bordered Grey)	38751 Khayelitsha	339.4	General Business 4	T38751 dated 1992	City of Cape Town

WARD 98 SUBCOUNCIL 24

REFER TO	GP7695/1991; JOB NO. 5310	 3 Nov 2015 CIVIC CENTRE	Page 1 of 2	
CASE NO.			SURVEYOR	
PROP REF	COPR..ISIS		GIS OPERATOR	L BRANDT (2015/10/26)
FILE/REC.	HO14/3/4/3/1039/A37 (41365)		CHECKED	Mellard
MEMO			LIS 1437v0	

CITY OF CAPE TOWN



LOCALITY SKETCH

DISTANCE METRES	
AB	8.54
BC	6.81
CD	14.06
DE	13.54
EA	19.05



ERF 35447

ERF 35446

ERF 35448

ERF 35449

LUMA STREET

U/G WATER MAIN

U/G SEWER

NCUMO ROAD

TEMPORARY STRUCTURE

U/G ELCT SERVICE

U/G ELCT SERVICE

WALL

TEMPORARY STRUCTURE



DISPOSAL OF CITY LAND - ERF 35448 KHAYELITSHA - LUMA STREET - HARARE KHAYELITSHA

FIGURE	ERF NO	AREA m ²	ZONING (CORPORATE ISIS)	D/T & DATE	OWNERSHIP
ABCDE (Bordered Grey)	Erf 35448 Khayelitsha	245	General Business 4	T82760/1992 (Erf 34942 Khayelitsha)	City of Cape Town

Note: Erf 35448 Khayelitsha is an unregistered Erf of subdivision of Erf 34942 Khayelitsha.

REFER TO	GP4606/1991; JOB 5248	 6 Oct 2015 CIVIC CENTRE	Page 1 of 2	
CASE NO.			SURVEYOR	
SOURCE	CORP ISIS		GIS OPERATOR	L BRANDT (2015/10/05)
FILE/REC.	HO14/3/4/3/1147/A37 (41331)		CHECKED	Akellord
MEMO			LIS 1413v0	


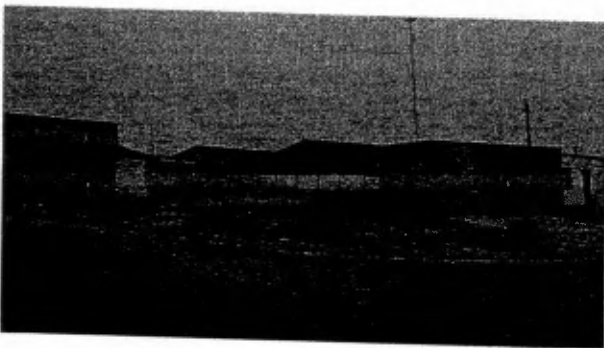


CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Finance
PROPERTY MANAGEMENT
Anton Opperman
Professional Associated Valuer
T: 021 400-4193 F: 021 419-5303
E: anton.opperman@capetown.gov.za
Ref: Job 4567 Your Ref: 14/3/4/3/1039/A37

Date	2015-09-18
To	Head: Property Disposals
Attention	Tania Lewis

Desktop valuation report

1. Brief:	We were instructed to do a desktop valuation of Erf 38751 Harare Khayelitsha (hereafter 'the subject property') for possible disposal by public tender.
2. Valuation date:	2015-09-30
3. Inspection date	2015-09-15
4. Description of of subject property:	<ul style="list-style-type: none"> - Legal description - Title deed no. - Registered owner - Land extent (m²) - Purchase date - Purchase price - Address - Zoning - Municipal valuation - Improvements - Other
5. Photos:	<div style="display: flex; justify-content: space-around;">   </div>
6. Caveats	<p>The reader should note the following caveats and/or limiting conditions:</p> <ul style="list-style-type: none"> (i) This report is for internal requirements only and must not be made available to the applicant/public without prior written consent from the Head: Market Valuations. (ii) All amounts in this report are exclusive of VAT or transfer duty. (iii) This report has been prepared in conformity with recognized standard procedure regarding the disposal of City land (iv) As this is a desktop valuation we did not undertake a detailed study of the title deeds and the like, and hence we reserve the right to adjust our valuation upon conducting a full valuation in future.
7. Approach to valuation:	<p>We estimated the <i>market value</i>, which the International Valuation Council (IVC) defines as:</p> <p><i>"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"</i></p> <p>Implicit in market value is the notion of highest and best use, which the IVC defines as:</p> <p><i>"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."</i></p>

8. Valuation method:

We used the *comparable sales method* in terms of which the market value of the subject property is derived from comparable sales transactions in the same or similar submarkets; of course, adjustments need to be made to take account of differences between the value-contributing attributes of the subject property and the comparable sales transactions.

9. Highest and best use:

The property is located in a single residential node and, despite its zoning we also deem its highest and best use to be residential.

10. Findings:**10.1. Comparable sales evidence**

#	Legal description	Extent (m ²)	Sale's date	Sale's price		Zoning	Comments
				R	R/m ²		
1	Erf 20996 Khayelitsha 6 Matthew Goniwe Str (T2V3), Mandela Park	217m ²	2011-07	R 50 000	R 230	SR1	Similar submarket.
2	Erf 20673 Khayelitsha 6 Mxolisi Petani (T2V3) Str, Mandela Park	150m ²	2011-04	R 60 000	R 400	SR1	Similar submarket.
3	Erf 20986 Khayelitsha 25 Tambo (T2V3) Rd, Mandela Park	164m ²	2012-04	R 55 000	R 335	SR1	Similar submarket.
4	Erf 21828 Khayelitsha 21 Winnie Mandela Cr, Mandela Park	127m ²	2012-05	R 50 000	R 394	SR1	Similar submarket.
4	Erf 21986 Khayelitsha 61 Govan Mbeki (T2V3) Rd, Mandela Park	140m ²	2013-08	R 70 000	R 500	SR1	Similar submarket.

10.2. Other information

New residential developments in low-income areas/townships are typically driven by government rather than the private sector and initial sales prices are also typically subsidised. Due to financial constraints and a lack of market knowledge on the side of buyers, the secondary housing market is also generally thin. This inefficient character of such markets results in widely varying sales prices and hence it is difficult to make general inferences with regard to market value.

As noted in (i), sale's prices generally vary significantly, even within the same sub-markets of Khayelitsha. Notwithstanding this, from sales currently advertised on the internet and actual sales data, properties with 2 -3 bedroomed houses could fetch in the order of, say, R200 000 to R350 000 (and sometimes even much higher).

Stands in Khayelitsha generally range from around 100m² to 350m² in land extent, with the most recently developed stands seemingly being on the lower end of the range. Secondary sales of stands are generally quite scarce, but as the actual sales information in 10.1 shows, in Mandela Park - and in most other sub-markets of Khayelitsha in our view - stands' values are generally in the order of R50 000 - R60 000, irrespective of size. To put this in perspective, the reader should note that it currently costs in the order of about R75 000 to service a stand in a new township development; the latter figure excludes the land's value and overhead costs, which, given the sale's prices of stands shows why profit-driven developers generally do not operate in this market.

11. Conclusion:

Market value: **R 55 000** or **R 162 /m²**


Anton Opperman
Professional Associated Valuer

2015-09-30


Paul Pendlebury
Head: Market Valuations


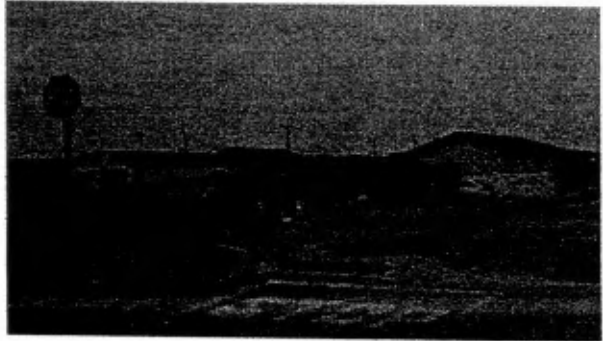


CITY OF CAPE TOWN
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STAD KAAPSTAD

Finance
PROPERTY MANAGEMENT
Anton Opperman
Professional Associated Valuer
T: 021 400-4193 F: 021 419-5303
E: anton.opperman@capetown.gov.za
Ref: Job 4568 Your Ref: 14/3/4/3/1147/A37

Date	2015-09-17
To	Head: Property Disposals
Attention	Tania Lewis

Desktop valuation report

1. Brief:	We were instructed to do a desktop valuation of Erf 35448 Harare Khayelitsha (hereafter 'the subject property') for possible disposal by public tender.
2. Valuation date:	2015-09-30
3. Inspection date	2015-09-15
4. Description of of subject property:	<ul style="list-style-type: none"> - Legal description - Title deed no. - Registered owner - Land extent (m²) - Purchase date - Purchase price - Address - Zoning - Municipal valuation - Improvements - Other
	<p>Erf 35448 Khayelitsha unknown unknown 245m² unknown unknown 89 Luma (T2V2A) Street, Eyethu General Business 4 R 26 000 as at 2012-07-01 Informal housing structures on site. Level, unfenced corner site. Site extent is double that of surrounding residential properties.</p>
5. Photos:	 
6. Caveats	<p>The reader should note the following caveats and/or limiting conditions:</p> <ul style="list-style-type: none"> (i) This report is for internal requirements only and must not be made available to the applicant/public without prior written consent from the Head: Market Valuations. (ii) All amounts in this report are exclusive of VAT or transfer duty. (iii) This report has been prepared in conformity with recognized standard procedure regarding the disposal of City land (iv) As this is a desktop valuation we did not undertake a detailed study of the title deeds and the like, and hence we reserve the right to adjust our valuation upon conducting a full valuation in future.
7. Approach to valuation:	<p>We estimated the <i>market value</i>, which the International Valuation Council (IVC) defines as:</p> <p><i>"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"</i></p> <p>Implicit in market value is the notion of highest and best use, which the IVC defines as:</p> <p><i>"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."</i></p>



8. Valuation method:	We used the <i>comparable sales method</i> in terms of which the market value of the subject property is derived from comparable sales transactions in the same or similar submarkets; of course, adjustments need to be made to take account of differences between the value-contributing attributes of the subject property and the comparable sales transactions.
9. Highest and best use:	The property is located in a single residential node and, despite its zoning we also deem its highest and best use to be residential.

10. Findings:**10.1. Comparable sales evidence**

#	Legal description	Extent (m ²)	Sale's date	Sale's price		Zoning	Comments
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3	Erf 20986 Khayelitsha 25 Tambo (T2V3) Rd, Mandela Park	164m ²	2012-04	R 55 000	R 335	SR1	Similar submarket.
4	Erf 21828 Khayelitsha 21 Winnie Mandela Cr, Mandela Park	127m ²	2012-05	R 50 000	R 394	SR1	Similar submarket.
4	Erf 21986 Khayelitsha 61 Govan Mbeki (T2V3) Rd, Mandela Park	140m ²	2013-08	R 70 000	R 500	SR1	Similar submarket.

10.2. Other information	<p>New residential developments in low-income areas/townships are typically driven by government rather than the private sector and initial sales prices are also typically subsidised. Due to financial constraints and a lack of market knowledge on the side of buyers, the secondary housing market is also generally thin. This inefficient character of such markets results in widely varying sales prices and hence it is difficult to make general inferences with regard to market value.</p> <p>(i)</p> <p>As noted in (i), sale's prices generally vary significantly, even within the same sub-markets of Khayelitsha. Notwithstanding this, from sales currently advertised on the internet and actual sales data, properties with 2-3 bedroomed houses could fetch in the order of, say, R200 000 to R350 000 (and sometimes even much higher).</p> <p>(ii)</p> <p>Stands in Khayelitsha generally range from around 100m² to 350m² in land extent, with the most recently developed stands seemingly being on the lower end of the range. Secondary sales of stands are generally quite scarce, but as the actual sales information in 10.1 shows, in Mandela Park – and in most other sub-markets of Khayelitsha in our view – stands' values are (iii) generally in the order of R50 000 - R60 000, irrespective of size. To put this in perspective, the reader should note that it currently costs in the order of about R75 000 to service a stand in a new township development; the latter figure excludes the land's value and overhead costs, which, given the sale's prices of stands shows why profit-driven developers generally do not operate in this market.</p>
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11. Conclusion:	Market value: R 50 000 or R 204 /m²
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 Anton Opperman Professional Associated Valuer 2015-09-29	 Paul Pendlebury Head: Market Valuations
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24SUB 10/01/16

PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE SALE BY PUBLIC COMPETITION OF VACANT ERF 38751 DADE STREET, KHAYELITSHA, AND ERF 35448 LUMA STREET, KHAYELITSHA, AN UNREGISTERED PORTION OF ERF 34942, KHAYELITSHA, FOR GENERAL BUSINESS PURPOSES.

RESOLVED

- a) That in terms of section 14(2)(a) and (b) of the Municipal Finance Management Act (MFMA), Act 56 of 2003:
 - i) Council resolve that erf 38751, Dade Street, Khayelitsha and erf 35448, Luma Street, Khayelitsha, an unregistered portion of erf 34942, Khayelitsha, in extent approximately meter square and 245 meter square, zoned for General Business Subzone 4 (GB4), shown lettered ABCDE on Plan LIS 1437v0 (annexure A) and ABCDE on Plan LIS 1413v0 (annexure B), not be required for the provision of the minimum level of basic municipal services;
 - ii) Council confirm that the fair market value of the assets described in (a)(i) and economic and community value to be received in exchange for the assets described in (a) (i) have been considered.
- b) In terms of regulation 5(i)(b) of the Municipal Assets Transfer Regulations (MATR), R878 promulgated on 22 August 2008, Council approve in principle the disposal of erf 38751, Dade Street Khayelitsha, and erf 35448, Luma Street, Khayelitsha, and unregistered portion of erf 34942, Khayelitsha, as described in (a)(i);
- c) Erf 38751, Dade Street, Khayelitsha and erf 35448, Luma Street, Khayelitsha, an unregistered portion of erf 34942, Khayelitsha, be disposed by the public competition subject conditions to be imposed by the Director. Property Management in the exercise of her delegated authority;
- d) Any gain or loss incurred by the municipality in respect of the transfer of assets be included in the adjustment budget of the municipality (sections 28 and 87 of the MFMA), if not budgeted. For in the approved annual budget.

FURTHER RESOLVED

That the report be **NOTED**

FOR INFORMATION: ANGELENE KELLAND / T MADIKANE