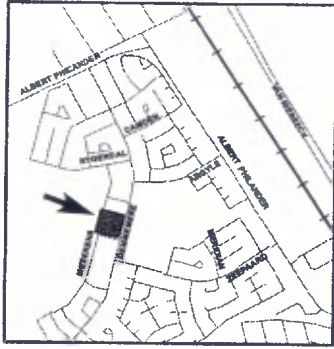
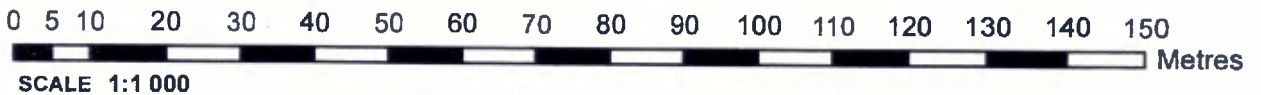
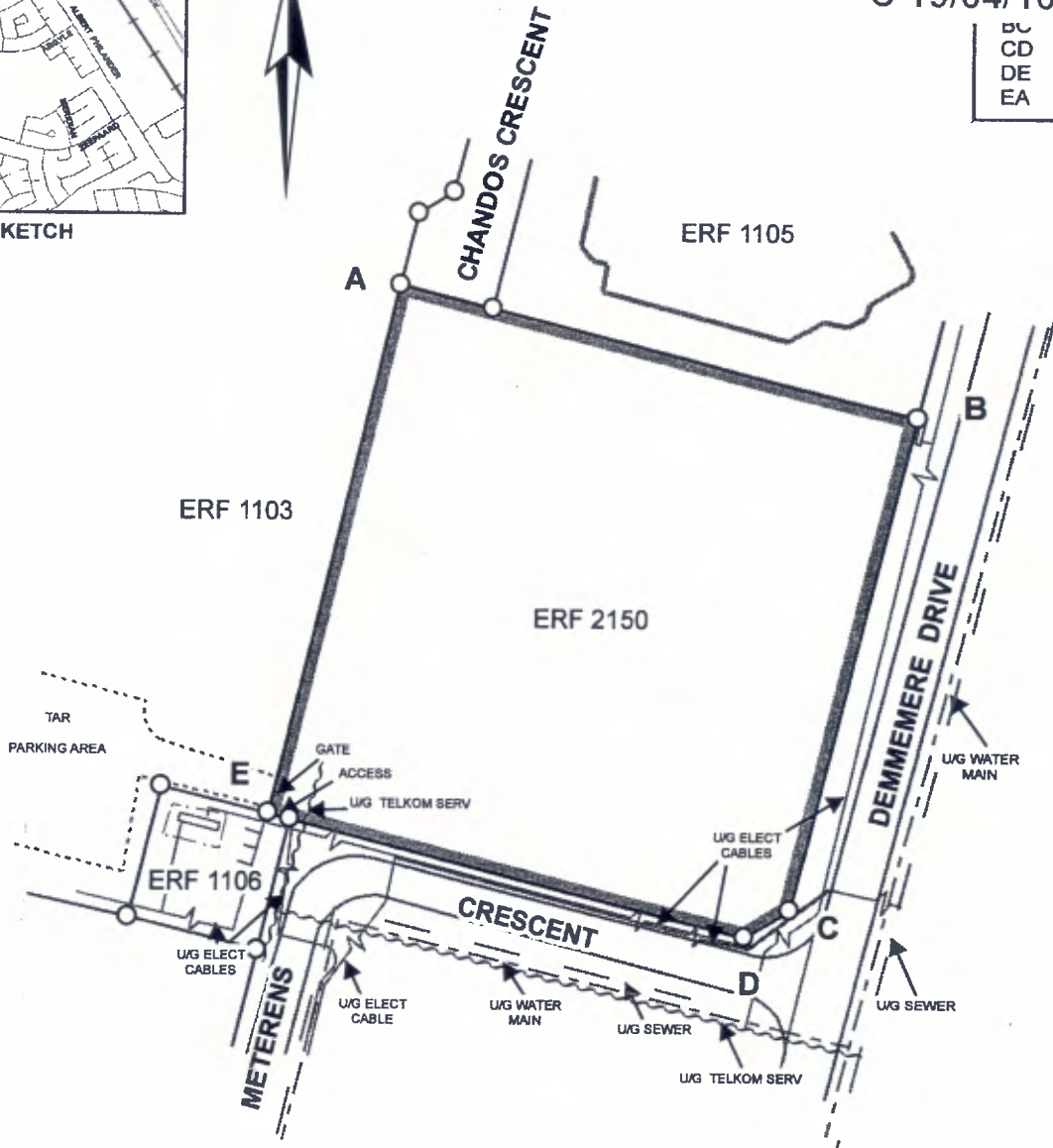


ANNEXURE TO ITEM
C 19/04/16

BC	06.00
CD	7.07
DE	67.00
EA	73.00



LOCALITY SKETCH



DISPOSAL OF CITY LAND - ERF 2150 GAYLEE - BOUNDED BY CHANDOS CRESCENT, DENNEMERE DRIVE & METERENS CRESCENT - DENNEMERE TOWNSHIP

FIGURES	ERF NO	AREA m ²	ZONING (CORPORATE ISIS)	D/T AND DATE	OWNERSHIP
ABCDE (Shown bordered grey)	2150 Gaylee	5244	Community 2 : Regional	T46960 dated 1991/08/01	City of Cape Town

WARD 14 SUBCOUNCIL 21

REFER TO	SG Diag nO.3846-89; M3807	CIVIC CENTRE	Page 1 of 2	
	JOB 4938		SURVEYOR	
SOURCE	CORP ISIS		GIS OPERATOR	L BRANDT (2015/06/08)
FILE/REC.	HO14/3/4/3/1097/A71 (41181)		CHECKED	
MEMO			LIS 1359v0	



DATE	2015-06-22
TO	Head: Disposals
ATTENTION	Tania Lewis

VALUATION REPORT

MARKET VALUE OF ERF 2150, DENNEMERE, GAYLEE, FOR DISPOSAL BY COMPETITIVE PROCESS

1. Brief

We were requested to determine the market value of Erf 2150, Dennemere, Gaylee (hereafter the 'subject property'), for disposal purposes by means of a tender process. The land extent totals $\pm 5244\text{m}^2$ and the property forms part of the disposal program for 2015/2016

2. Date of Valuation

2015-06-30

3. Date of Inspection

2015-06-22

4. Caveats

The reader should note the following:


- (i) The valuation is for internal requirements only and must not be distributed to the public without prior written consent from the Head: Market Valuations.
- (ii) All values in this report exclude VAT or transfer duty.
- (iii) This report has been prepared in conformity with recognized standard procedure regarding the sale of City property.

5. Physical Address

Bordered by Meterens Crescent and Dennemere Drive, Dennemere, Gaylee

6. Details of Subject Property

CIVIC CENTRE IZIKO LOLUNTU BURGERSENTRUM
12 HERTZOG BOULEVARD CAPE TOWN 8001 P.O. BOX 298 CAPE TOWN 8000
www.capetown.gov.za

Description	Erf 2150, Dennekere, Gaylee
Extent	5 244m ² (approved diagram S.G. No. 3846-89)
Owner	Regional Services Council: Cape Metropole
Zoning	Community Zone II (Regional)
Branch comments and conditions	Both Environment & Heritage Management and Social Development commented that they have no objection; however, a proposed development would require inputs in terms of section 38 of the National Heritage Resources Act (Act 25 of 1999). Consequently any development proposal is subject to a Record of Decision (RoD) that has been obtained from the Provincial Heritage Authority. (We are unsure why these comments were inserted, but assume that this was just standard comments.)
Usage	Currently an unfenced and vacant site bordered on one side by a local church.
Municipal Value (2012)	R2 000 000
Improvements	Unfenced, vacant and level site.
Comments	Underground electricity cables are present on the outside (on sidewalk) of the premises along Meterens Crescent and Dennekere Drive.
	

7. Description of the general neighbourhood

The subject property is prominently located along Dennekere Drive in a predominantly single residential neighbourhood.

Most properties in the vicinity vary from around 200m² to around 350m² in extent, with improved property sales prices starting at around R300 000 up to around R450 000.

8. Approach to valuation

We have been tasked with determining 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.

It is to be noted that the *highest and best use* of a property need not be related to its current or planned use, but is that use that is physically possible, legally permissible (e.g. by way of rezoning), and which results in the most profitable use of the property.



9. Highest and best use of subject property

Given the nature of the surrounding properties and the area in general, we deem the *highest and best use* of the subject property to be for residential development.

10. Utility of Subject Property

No documentation regarding limiting or restrictive conditions was included in our brief that would directly affect the value of the subject property; therefore taking all other factors into account, we deem the subject property to have full utility.

11. Method of valuation

We applied the *comparable sales method*, which is the valuation method most-preferred by South African courts. It entails:

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

12. Market Information

Due to a lack of comparable sales in the immediate vicinity, we also considered comparable sales further afield.

#	Erf No	Area (m ²)	Sale's date	Sale's price	Comments
1	Erf 3572 Kraaifontein	2 463	2012-10	R599 000 (R243/m ²)	Irregular shaped stand which has been developed as 5 x 500m ² opportunities; hence sales price equates to R120 000/opp.
2	Erf 358 Blue Downs	29 460	2013-08	R2 992 500 (R102/m ²)	Similar submarket and irregular shaped, but much larger stand. Estimated 94 times 250m ² opportunities at R32 000 per opportunity.
3	Erf 2069, Weltevreden Valley	4 130	2011-06	R850 000 (R206/m ²)	Superior submarket. Irregular shaped stand.

We also took note of the following:

- In July 2014 a negotiated settlement was agreed upon with an affordable housing developer pertaining to a 1 346m² portion of land in Eerste River, for R119/m². (Although the settlement only pertained to 1 346m² section of land, the transaction price was estimated based on a developable area of 3 834m², assuming 15% of the

land was used for roads and POS, and that 250m² residential stands/opportunities have a market value of R35 000 per opportunity).

- Erf 1012 Kleinvlei, which measures 1 988m², was valued (desktop) as at 2015-03-31 for R340 000 or R171/m².
- The land component of Erf 2084 Kleinvlei, which measures 4 192m², was valued as at 2015-06-30 at R491 351 or R119/m².

13. Conclusion

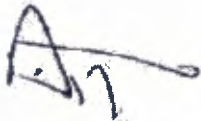
Assuming a 15% provision for internal roads and assuming average stand extents of 250m² each, the subject property could conceivably be developed to 18 residential stands/opportunities (5 224m² x 85% ÷ 250m²).

18 opportunities x R40 000/opp = **R720 000** (excluding VAT) (or R137/m²)

14. Value Based On Restrictive Use

In the event of the City selling the Subject Property in terms of its "Policy On The Management Of Council's Immovable Property" with particular reference to the section which states "Immovable property may be alienated to social care users, the purchase price payable shall, unless otherwise directed by Council, be fixed at between 10% and 25% of market value subject to a suitable reversionary clause being registered against the Title Deed of the property."

In this transaction it is recommended that the price be determined at 25% of market value, subject to a suitable reversionary clause being imposed, as follows:
R720 000 x 25% = **R180 000** (Exclusive of VAT)



Anton Opperman
Senior Professional Officer




Paul Pendlebury
Head: Market Valuations

2015-07-14

20 JANUARY 2016

- ~~i) Council resolve that vacant erven 2849, 2850, 2851 and 2853 Kleinvei bounded by Columbus, Da Gama and Magellaan Streets, in extent of approximately 467m², 542 m², 540 m², and 467 m² respectively, zoned single residential 1, shown lettered BCDL, MDEFG, JMGH and ABLK respectively on plan LIS 1433v0 be regarded as not been required for the provision of the minimum level of basis municipal services;~~
- ii) Council confirm that the fair market value of the assets described in (a)(i) and the 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(1)(b) of the Municipal Asset Transfer Regulations (MATR) R.878, promulgated on 22 August 2008, Council approve in principle the disposal of erven 2849, 2850, 2851 and 2853 Kleinvei as described in (a)(i);
- c) Erven 2849, 2850, 2851 and 2853 Kleinvei be disposed of by public competition, subject to 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 an asset be included on the adjustment budget of the municipality (sections 28 and 87 of MFMA), if not budgeted for in the approved annual budget.

ACTION: NASTASSJA TANDY

21SUB26/01/2016 PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE SALE BY PUBLIC COMPETITION OF VACANT ERF 11648, BLUEDOWNS AND ERF 2150, GAYLEE, FOR COMMUNITY PURPOSE

Delegation No: 12(1)

RECOMMENDED:

Not delegated: for decision by Council

- a) That it **BE RECOMMENDED** to Council that in terms of sections 14(2)(a) and (b) of the Local Government Municipal Finance Management Act (MFMA) Act 56 of 2003:

20 JANUARY 2016

- i) Council resolved that erf 11648, Bluedowns, and erf 2150, Gaylee, in extent approximately 1,3ha (erf11648) and 5244m² (erf 2150) as shown lettered ABCDE and ABCDE on plans LIS 1362v0 (Annexure A - to the report) and LIS 1359v0 (Annexure B – to the report), 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 the economic and community value to be received in exchange for the assets described in 9(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 disposal of erf 11648 Bluedowns, and erf 2150, Gaylee, as described in (a)(i);
- c) Erf 11648, Bluedowns and erf 2150, Gaylee, be disposed by public competition, subject to conditions to be imposed by the Director: Property Management in the exercise of her delegated authority;
- d) Council confirm that when considering the disposal of property at less than market value as provided for in terms of clause 15.3 of Council's Policy on the Management of Certain of the City of Cape Town's immovable Property, the contents of Regulation 13(2) of the MATR have been duly taken into account.
- e) Any gain or loss incurred by the municipality in respect of the transfer of the assets be included on the adjustment of the municipality (sections 28 and 8 of the MFMA), if not budgeted for in the approved annual budget.

ACTION: DEON FRANKE

~~24SUB27/01/2016 PROPOSED LEASE OF CITY LAND: PORTION OF ERF 1691 AND PORTION OF ERF 216 (PUBLIC PLACE), CHURCH STREET, KUILSRIVIER: HANNELIE VAN ZYL EDUCATIONAL SERVICES
(Delegation 5(2))~~

~~RECOMMENDED~~

~~Delegated: for decision by the Immoveable Property Adjudication Committee (IPAC):~~