

ITEM NUMBER: C 51/04/21

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 20 APRIL 2021

MC 58/04/21 PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR TRANSFER, BY WAY OF A PUBLIC COMPETITIVE PROCESS, OF CITY-OWNED IMPROVED PROPERTY ERF 5975 SITUATED AT 25 HOPE STREET, STRAND, ZONED SINGLE RESIDENTIAL 1 (SR 1): CONVENTIONAL HOUSING FOR RESIDENTIAL PURPOSES

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) it be resolved that Erf 5975 situated at 25 Hope Street, Strand, in extent approximately 534 m², zoned Single Residential 1: Conventional Housing, shown lettered ABCDE on the Plan LIS 2249 attached as Annexure A to the report on the agenda, is not required for the provision of the minimum level of basic municipal services;
 - (ii) it be confirmed 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, in-principle approval be granted for the transfer of Erf 5975, Strand as described in (a)(i) above
- (c) Erf 5975, Strand be transferred by way of 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 the Western Cape Provincial Treasury, be noted.

IPAC 24/03/2021

PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR TRANSFER, BY WAY OF A PUBLIC COMPETITIVE PROCESS, OF CITY-OWNED IMPROVED PROPERTY ERF 5975, SITUATED AT 25 HOPE STREET, STRAND, ZONED SINGLE RESIDENTIAL 1 (SR 1): CONVENTIONAL HOUSING FOR RESIDENTIAL PURPOSES

MC 58/04/21

VOORGESTELDE TOESTAAN VAN BEGINSSELGOEDKEURING VIR DIE OORDRAG VAN VERBETER EIENDOM ERF 5975, GELEË TE HOPESTRAAT 25, STRAND, IN STADS BESIT, GESONEER AS ENKELRESIDENSIEEL 1 (SR1): KONVENSIENELE BEHUISING DEUR MIDDEL VAN OPENBARE MEDEDINGING VIR RESIDENSIEËLE DOELEINDES

ISIPHAKAMISO SOKUVUNYELWA KWESIPHUMEZO
 NGOKOMTHETHO-SISEKO SOKUNIKEZELWA NGENDLELA
 YENKQUBO ENGOKHUPHISWANO LOLUNTU, KWEPROPATI
 EYAKHIWEYO YESIXEKO ESISIZA- 5975, 25 HOPE STREET, STRAND,
 ESICANDWE NJENGENDAWO YOKUHLALA-1 (SR 1):
 IZINDLUEZIQHELEKILEYO, KULUNGISELELWA IMIBANDELA
 ENGEYOKUHLALA

Property Management representative was present to answer any question for clarity

The lockdown implemented in terms of National Disaster Regulations has resulted in the IPAC committee not being able to meet in a conventional meeting format. The report was distributed to all member for consideration.

The following member indicated via a virtual Skype meeting that they supported the recommendation:

*Richard Wootton
 Thembinkosi Siganda
 Willem Van Gass*

The nominated representation from Legal Services, Dawid Joubert indicated that he has no legal reservations in respect of the report.

EXECUTIVE SUMMARY

PURPOSE OF REPORT	To obtain in-principle approval from Council for the transfer by way of a public competitive process of City-owned improved property being Erf 5975, Strand shown lettered ABCDE on attached plan LIS 2249 (Annexure A)
PROPERTY DESCRIPTION	Erf 5975, Strand is a rectangular improved property situated within an existing residential area.
PROPERTY LOCATION	The subject property is situated at 25 Hope Street, Strand

AREA	2	SUBCOUNCIL	8	WARD	83
SITE EXTENT	Approximately 534m ²				
VIABLE	YES	x	NO		
CURRENT ZONING	Single Residential 1 (SR1): Conventional Housing				
CURRENT USAGE	Improved residential property leased on short-term basis				
PROPOSED USAGE	Residential purposes				
INTERNAL AND EXTERNAL STAKEHOLDERS COMMENTS	The proposed transfer of the property was circulated for internal and external stakeholder's comments, and it emerged that the property will not be required for provision of basic municipal services, therefore it can be transferred for residential purposes. (Annexure B) .				
PUBLIC PARTICIPATION					
AUTHORITY FOR PUBLIC PARTICIPATION	Authority granted	Director: Property Management	Date	20/12/2019	
PUBLIC PARTICIPATION PROCESS	Date of advertising	17/01/2020	Public comments	No comments received.	
WARD COUNCIL COMMENTS	Date of notification	23/01/2020	Comment	No comments received.	
SUBCOUNCIL COMMENTS	Date of submission	19/11/2020	Comment	Proposal was noted - refer to Annexure C for Subcouncil 8 Resolution	
FACTORS MOTIVATING DECISION	<ul style="list-style-type: none"> ▪ The sale of improved property will relieve Council of the maintenance burden; ▪ A market-related income will be generated; ▪ The sale will enable better utilization of City asset; 				
STRATEGIC INTENT	INTEGRATED DEVELOPMENT PLAN (IDP)				
	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.			
	ORGANISATIONAL DEVELOPMENT AND TRANSFORMATION (ODTP)				
	Optimisation & Rationalisation	The optimal utilisation of Council assets			
	SPATIAL DEVELOPMENT FRAMEWORK (SDF)				
	Area Plan	The development of the property for residential purposes is in line with the SDF			
	TRANSIT ORIENTATED DEVELOPMENT (TOD)				
Category 1	Subject property does not meet the requirement for Urban Planning and Mechanisms to do a TOD Comprehensive Land Use assessment. Spatial Planning and Mechanisms support the disposal of subject property.				

RECOMMENDATIONSFor decision by Council:

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 resolves that Erf 5975, situated at 25 Hope Street, Strand, in extent approximately 534 m², zoned Single Residential 1: Conventional Housing, shown lettered ABCDE on the attached Plan LIS 2249 (**Annexure A**), not be required for the provision of the minimum level of basic municipal services;
 - ii. Council confirms 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 approves in principle the transfer of Erf 5975, Strand as described in (a)(i);
- c) Erf 5975, Strand be transferred by way of 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 the Western Cape Provincial Treasury, be noted.

AANBEVELINGSVir besluitneming deur die Raad:

Daar word aanbeveel dat:

- a) Ingevolge artikel 14(2)(a) en (b) van die Wet op Munisipale Finansiële Bestuur, Wet 56 van 2003:
 - i. die Raad bepaal dat erf 5975, geleë te Hopestraat 25, Strand, ongeveer 534 m² groot, met die letters ABCDE op die aangehegte plan LIS 2249 (**bylae A**) aangedui, gesoneer as enkelresidensieel 1: konvensionele behuising, nie benodig word vir die voorsiening van die minimum vlak basiese munisipale dienste nie;
 - ii. Die Raad bevestig dat die billike markwaarde van die bate wat in (a)(i) beskryf word, en die ekonomiese en gemeenskapswaarde wat in ruil vir die bate beskryf in (a)(i) ontvang sal word, in aanmerking geneem is;

- b) Ingevolge regulasie 5(1)(b) van die regulasies oor die oordrag van munisipale bates (MATR), R.878, afgekondig op 22 Augustus 2008, die Raad die oordrag van erf 5975, Strand, beskryf in (a)(i), in beginsel goedkeur;
- c) Erf 5975, Strand, deur middel van openbare mededinging oorgedra word, onderworpe aan die voorwaardes wat die direkteur: eiendomsbestuur in die uitvoering van haar gedelegeerde bevoegdheid oplê.
- d) Daar kennis geneem word van die Wes-Kaapse provinsiale tesourie se kommentaar en aanbevelings.

IZINDULULO

Isiqqibo seseBhunga:

Kundululwe ukuba

- a) Ngokwamacandelo-14(2)(a) no-(b) oMthetho ongoLawulo lweziMali zikaMasipala (MFMA) ongunomb.56 wangowe-2003:
 - i. IBhunga lithabatha isiqqibo sokuba isiza-5975, 25 Hope Street, Strand, esibukhulu obumalunga nama-534 m², esicandwe njengendawo yokuhlala-1: iZindlu zenguqulelo, esibonakaliswe ngoonobumba abakhulu u-ABCDE kwiplani engu-LIS 2249 eqhotyoshelwe **kwisihlomelo-A**, asifuneki nganto ukubonelela ngomlinganiselo weenkonzozo ezingundoqo zikamasipala;
 - ii. IBhunga maliqinisekise ukuba kuthi kuthathelwe ingqalelo ixabiso lasemakethi lobulungisa lweempahla elichazwe kumhlathi-(a)(i), elezoqoqosho neloluntyu eliyakuthi lifunyanwe kweempahla ezichazwe kumhlathi- a)(i).
- b) NgokoMgaqo-5(1)(b) weMigaqo engokuTshintshelwa kweMpahla kaMasipala (MATR), R. 878 owamiselwa ngowama-22 kweyeThupha 2008, iBhunga maliphumeze ngokomthetho-siseko ukunikezelwa kwesiza-5975, esise-Strand, njengoko sicaciswe ku- (a)(i) ngentla apha;
- c) Isiza-5975, Strand, masinikezelwe ngokokhuphiswano loluntu, ngokuxhomekeke kwimiqathango eyakuthi inyanzeliswe nguMlawuli woLawulo lwePropat esebenzisa amagunya akhe awagunyaziselweyo.
- d) Makuqwalaselwe izimvo nezindululo ezinikezelwe nguNondyabo wePhondo iNtshona Koloni.

ACTION: A HUMAN; R GELDERBLOEM

It is noted that this resolution is in line with Supply Chain Management Policy.

R Wootton

MR RICHARD WOOTTON
EMPLOYEE NO: 10207948
CHAIRPERSON : IMMOVABLE PROPERTY
ADJUDICATION COMMITTEE

COMMENT:

DATE: 30 March 2021

Jason Sam
Liebenberg
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Digitally signed
by Jason Sam
Liebenberg
Date: 2021.03.31
09:35:36 +02'00'

LEGAL COMPLIANCE

COMMENT:

Certified as legally compliant based on the contents of the report

DATE:



REPORT TO IPAC/MAYCO/COUNCIL

DATE

1. ITEM NUMBER

2. SUBJECT

PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR TRANSFER, BY WAY OF A PUBLIC COMPETITIVE PROCESS, OF CITY-OWNED IMPROVED PROPERTY ERF 5975, SITUATED AT 25 HOPE STREET, STRAND, ZONED SINGLE RESIDENTIAL 1 (SR 1): CONVENTIONAL HOUSING FOR RESIDENTIAL PURPOSES

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VOORGESTELDE TOESTAAN VAN BEGINSELGOEDKEURING VIR DIE GOEDRAG VAN VERBETER EIENDOM ERF 5975, GELEË TE HOPESTRAAT 25, STRAND, IN STADSBEST, GESOMEER AS ENKELRESIDENSIEEL 1 (SR1) :KONVENSIENELE BEHUISING DEUR MIDDEL VAN OPENBARE MEDEDINGING VIR RESIDENSIELE DOELEINDE

ISIHLOKO

ISIPHAKAMISO SOKUVUNYELWA KWESIPHUMEZO NGOKOMTHETHO-SISEKO SOKUNIKEZELWA NGENDLELA YENKQUBO ENGOKHUPHISWANO LOLUNTU, KWEPROPATI EYAKHIWEYO YESIXEKO ESISIZA-5975, 25 HOPE STREET, STRAND, ESICANDWE NJENGENDAWO YOKUHLALA-1 (SR 1): IZINDLU EZIQHELEKILEYO, KULUNGISELELWA IMIBANDELA ENGEYOKUHLALA

[LSU: M1686]

3. DELEGATED AUTHORITY

For decision by Council

The legal provision for this non-delegable authority can be found in section 14 of the Municipal Finance Management 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 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.

PURPOSE OF REPORT	To obtain in-principle approval from Council for the transfer by way of a public competitive process of City-owned improved property being Erf 5975, Strand shown lettered ABCDE on attached plan LIS 2249 (Annexure A)			
PROPERTY DESCRIPTION	Erf 5975, Strand is a rectangular improved property situated within an existing residential area.			
PROPERTY LOCATION	The subject property is situated at 25 Hope Street, Strand			
AREA	2	SUBCOUNCIL	8	WARD 83
SITE EXTENT	Approximately 534m ²			
VIABLE	YES	x	NO	
CURRENT ZONING	Single Residential 1 (SR1): Conventional Housing			
CURRENT USAGE	Improved residential property leased on short-term basis			
PROPOSED USAGE	Residential purposes			
INTERNAL AND EXTERNAL STAKEHOLDERS COMMENTS	The proposed transfer of the property was circulated for internal and external stakeholder's comments, and it emerged that the property will not be required for provision of basic municipal services, therefore it can be transferred for residential purposes. (Annexure B).			
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STRATEGIC INTENT	INTEGRATED DEVELOPMENT PLAN (IDP)			
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TRANSIT ORIENTATED DEVELOPMENT (TOD)				
	Category 1	Subject property does not meet the requirement for Urban Planning and Mechanisms to do a TOD Comprehensive Land Use assessment. Spatial Planning and Mechanisms support the disposal of subject property.		

5. DISCUSSION/CONTENT

5.1 BACKGROUND

Erf 5975, situated at 25 Hope Street, Strand is an improved residential property. Situated within an existing residential area, the subject property is zoned Single Residential 1: Conventional Housing and measures approximately 534 m² in extent as shown on the attached plan LIS 2249 (**Annexure A**). The subject property is currently occupied by the tenant on short-term lease basis and was recommended for sale by Transversal Real Estate Services Operations branch of Property Management.

The current tenant is aware of the City's intention and will be notified accordingly prior to initiation of competitive process, once the property is ready for sale. It is intended that the subject property be transferred via public competitive process for residential purposes, in exchange of a fair market value of the asset to be received.

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 the relevant branch comments is attached hereto as **Annexure B** and branch comments will form part of the conditions of sale, where applicable.

SUBCOUNCIL 8 RESOLUTION 07SUB 24/11/2020

On 19 November 2020, a report pertaining to the proposed granting of in principle approval for the intended transfer of the subject property was presented to Subcouncil 8 for noting and comments. Subcouncil 8 resolved to recommend the proposed transfer of Erf 5975, situated at 25 Hope Street, The Strand, refer to **Annexure C** for Subcouncil 8 Resolution 08SUB 24/11/2020

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 20 December 2019, Council's intention to sell the subject property was advertised and relevant parties were notified as reflected on a table below

ADVERTISING AND NOTIFICATION		
Advertising	Cape Argus, Die Burger newspapers and "Have Your Say" City's web portal	17 January 2020
Notification	Provincial & National Treasury	23 January 2020
	Sub-council Manager, Sub-council Chairperson & Ward Councillor	23 January 2020
Outcome	No objections received. Comments and recommendation from Provincial Treasury were received (See Annexure D).	

The City's Professional Valuers were requested to determine the market valuation of the subject property. The subject property was valued as at 30 November 2019. 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 comparable sales method was applied in valuing the property, which entail the following steps:

- i) Identifying recent sales transactions 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, zoning restrictions, etc.
- iii) Adjusting the sale's price of the comparable properties for effluxion of time between their sale's date and valuation date (if deemed necessary).
- 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 property is deemed appropriate at this stage of the MATR process carried out.

It was concluded that the market value of Erf 5975 is in the order of **R 1 450 000 (excluding VAT)**.

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 from date of valuation (i.e. as from 2019-12-01) until 31 March 2020 and thereafter shall escalate at 5% per annum compounded annually on a pro rata basis 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 24 months from date of valuation (i.e. by 2021-11-30).

The escalation rate has been adjusted to from 8% to 5% per annum from 1 April 2020 on account of the global pandemic (Covid 19) and the resultant economic fallout, which has dampened growth prospects for the property market.

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 asset 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 capital asset may be required for the municipality's own use at later date;

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

Factor B: The expected loss or gain that is expected to result from the proposed transfer or disposal;

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

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

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Council will receive financial benefits in the form of the sales price as well as future rates revenue in respect of the property. The desktop value of the property, using the comparable sales method is estimated to be in the region of **R 1 450 000 (excluding VAT)**.

The transfer price shall escalate at 8% per annum compounded annually on a pro rata basis commencing from date of valuation (i.e. as from 2019-12-01) until 31 March 2020 and thereafter shall escalate at 5% per annum compounded annually on a pro rata basis 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 24 months from date of valuation (i.e. by 2021-11-30).

Factor D: The risks and rewards associated with the operation or control of the capital asset that is to be transferred or disposed of 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' interest.

Factor E: The effect that the proposed transfer or disposal will have on the 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 property 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: Any limitations or conditions attached to capital asset or the transfer or the disposal of the asset, and the consequences of any potential non-compliance with those conditions;

None.

Factor G: The estimated cost of the proposed transfer or disposal;

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

Factor H: The transfer of any liabilities and reserve funds associated with the capital asset;

None.

Factor I: Any comments or representations on the proposed transfer or disposal received from the local community and other interested persons;

The Council's intention to sell the subject property was duly advertised to the public in The Cape Argus, Die Burger newspapers and City's web portal on 17 January 2020. The relevant Subcouncil chairperson, Subcouncil manager, Ward Councillor, Property Holding Regional Offices were notified. No objections to the intended transfer were received.

Factor J: Any written views and recommendations on the proposed transfer or disposal by the National Treasury and the relevant provincial treasury;

Provincial Treasury has in principle, no objections to the City's intention to dispose of erf 5975 subject to the requirements of the SCM Policy and MFMA (especially Section 14 & 90) being adhered to.

The Accounting Officer needs to be satisfied that all due process and procedures stipulated in the City's supply chain management policy and other prescripts have been heeded. Provincial Treasury Comments and Recommendations is hereto annexed as **Annexure D**.

No views or recommendations were received from National Treasury on the proposed transfer of Erf 5975.

Factor K: The interests of any affected organ of State, the municipality's own strategic, legal and economic interests 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 L: Compliance with legislative regime that is applicable to proposed transfer or disposal.

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).

5.9 STAFF IMPLICATIONS

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

No

Yes

6. RECOMMENDATIONS

For decision by Council

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 resolves that Erf 5975, situated at 25 Hope Street, Strand, in extent approximately 534 m², zoned Single Residential 1: Conventional Housing, shown lettered ABCDE on the attached Plan LIS 2249 (**Annexure A**), not be required for the provision of the minimum level of basic municipal services;
 - ii) Council confirms 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 approves in principle the transfer of Erf 5975, Strand as described in (a)(i);
- c) Erf 5975, Strand be transferred by way of 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 the Western Cape Provincial Treasury, be noted.

AANBEVELINGS

Vir beslissing deur die Raad

Daar Word Aanbeveel dat:

- a) ingevolge artikel 14(2)(a) en (b) van die Wet op Munisipale Finansiële Bestuur, Wet 56 van 2003:
 - i) die Raad bepaal dat erf 5975, geleë te Hopestraat 25, Strand, ongeveer 534 m² groot, met die letters ABCDE op die aangehegte plan LIS 2249 (**bylae A**) aangedui, gesoneer as enkelresidensieel 1: konvensionele behuising, nie benodig word vir die voorsiening van die minimum vlak basiese munisipale dienste nie;
 - ii) Die Raad bevestig dat die billike markwaarde van die bate wat in (a)(i) beskryf word, en die ekonomiese en gemeenskapswaarde wat in ruil vir die bate beskryf in (a)(i) ontvang sal word, in aanmerking geneem is;
- b) Ingevolge regulasie 5(1)(b) van die regulasies oor die oordrag van munisipale bates (MATR), R.878, afgekondig op 22 Augustus 2008, die Raad die oordrag van erf 5975, Strand, beskryf in (a)(i), in beginsel goedkeur;
- c) Erf 5975, Strand, deur middel van openbare mededinging oorgedra word, onderworpe aan die voorwaardes wat die direkteur: eiendomsbestuur in die uitvoering van haar gedelegeerde bevoegdheid oplê.
- d) Daar kennis geneem word van die Wes-Kaapse provinsiale tesourie se kommentaar en aanbevelings.

IZINDULULO

Isigqibo seBhunga:

Kundululwe ukuba:

- a) Ngokwamacandelo-14(2)(a) no-(b) oMthetho ongoLawulo lweziMali zikaMasipala (MFMA) ongunomb.56 wangowe-2003:
 - i) IBhunga lithabatha isigqibo sokuba isiza-5975, 25 Hope Street, Strand, esibukhulu obumalunga nama-534 m², esicandwe njengendawo yokuhlala-1: iZindlu zenguqulelo, esibonakaliswe ngoonobumba abakhulu u-ABCDE kwiplani engu-LIS 2249 eqhotyoshelwe **kwisihlomelo-A**, asifuneki nganto ukubonelela ngomlinganiselo weenkonzongundoqo zikamasipala;
 - ii) IBhunga maliqinisekise ukuba kuthi kuthathelwe ingqalelo ixabiso lasemakethi lobulungisa lweempahla elichazwe kumhlathi-(a)(i), elezoqoqosho neloluntyu eliyakuthi lifunyanwe ngokutshintshelana kweempahla ezichazwe kumhlathi- a)(i).
- b) NgokoMgaqo-5(1)(b) weMigaqo engokuTshintshelwa kweMpahla kaMasipala (MATR), R.878 owamiselwa ngowama-22 kweyeThupha 2008, iBhunga maliphumeze ngokomthetho-siseko ukunikezelwa kwesiza-5975, esise-Strand, njengoko sicaciswe ku-(a) (i) ngentla apha;
- c) Isiza-5975, Strand, masinikezelwe ngokokhuphiswano loluntu, ngokuxhomekeke kwimiqathango eyakuthi inyanzeliswe nguMlawuli woLawulo lwePropati esebenzisa amagunya akhe awagunyaziselweyo.

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- d) Makuqwalaselwe izimvo nezindawulo ezinikezelwe nguNondyabo wePhondo iNtshona Koloni.

ANNEXURES

Annexure A: Plan LIS 2249

Annexure B: Summary of branch comments

Annexure C: Subcouncil resolution (Item 08SUB 24/11/2020)

Annexure D: Provincial Treasury Comments and recommendations


FOR FURTHER DETAILS CONTACT:

NAME	PHAKAMILE KHATSOLO	CONTACT NUMBER	021 400 7436
E-MAIL ADDRESS	PHAKAMILE.KHATSOLO@CAPETOWN.GOV.ZA		
DIRECTORATE	ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT	FILE REF NO	HO 14/3/4/3/1716/A46

MANAGER: PROPERTY ACQUISITIONS AND DISPOSALS

NAME ANDRE HUMAN COMMENT: _____

DATE 09/03/2021

SIGNATURE  _____

ACTING DIRECTOR: PROPERTY MANAGEMENT

NAME RACHEL SCHNACKENBERG COMMENT: _____

DATE _____

SIGNATURE Rachel Schnackenberg Digitally signed by Rachel Schnackenberg
Date: 2021.03.10 18:10:23 +02'00' _____

ACTING EXECUTIVE DIRECTOR: ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT

NAME RUBY GELDERBLOEM COMMENT: _____

DATE _____

SIGNATURE  Digitally signed by Ruby Gelderbloem
Date: 2021.03.11 14:58:18 +02'00' _____

LEGAL COMPLIANCE

REPORT COMPLIANT WITH THE PROVISIONS OF NON-COMPLIANT
COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

NAME _____ COMMENT: _____

DATE Jason Sam Liebenberg Digitally signed by Jason Sam Liebenberg
Date: 2021.03.19 10:40:19 +02'00' _____

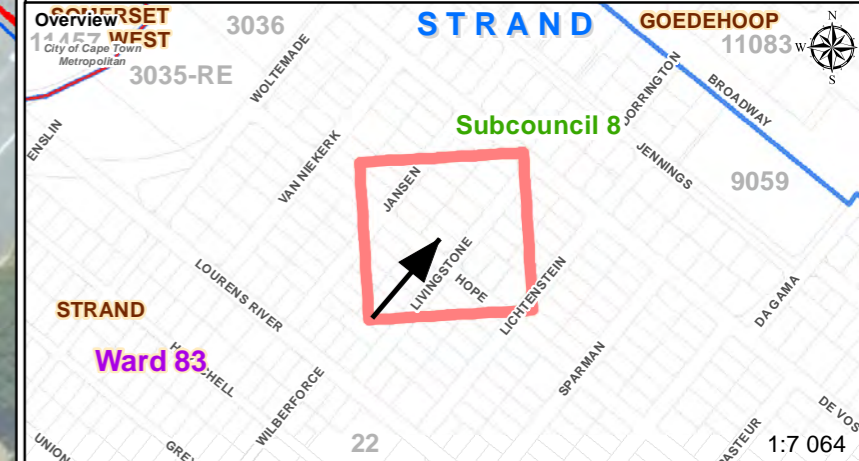
SIGNATURE g _____ Certified as legally compliant based on the contents of the report



DIM TEXT	DIM [metre]
AB	31.48
BC	12.59
CD	6.69
DE	26.76
EA	17.31

ERF: 5975
TOTAL DISPOSAL AREA:
534 m²

PROPERTY DISPOSALS THE STRAND - ERF 5975 STRAND



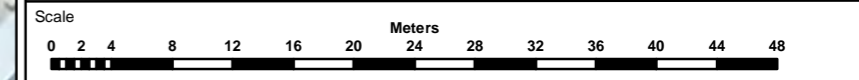
Legend:

- Disposal Area
- Streetlight
- Elec - Overhead Lines
- Elec - Underground Cables
- Water - Hydrants Reticulation
- Water - Valves Reticulation
- Water - Mains Reticulation
- Sewer - Manholes
- Sewer - Mains Reticulation
- STW - Pipe
- SG Approved Property


Notes:

- 1) The figure **ABCDE** represents **ERF 5975 THE STRAND**, in extent of 534 m².
 Zoning Scheme: Single Residential 1 : Conventional Housing owned by City Of Cape Town.
- 2) Title Deed No. T21136/1965 .
- 3)
- 4)
- 5)

Ward Number: 83, Subcouncil: 8



Drawn By: **RUHVENE WILLIAMS** Telephone: **+27 (0) 21 400 4678**
 Email: **Ruhvene.Williams@capetown.gov.za** Date: **07 November 2019**



CITY OF CAPE TOWN
 ISIXEKO SASEKAPA
 STAD KAAPSTAD

City of Cape Town Metropolitan Municipality
 Property Management: GIS and Surveys
 Civic Center
 Cape Town
 8001

Private Bag X298
 Cape Town
 8300
 Tel: +27 (0) 21 400 2226
 Email: mashudu.mudau@capetown.gov.za

Project Manager: **PHAKAMILE KHATSOLO**

Case Nr: **LIS2249**

File Reference: **HO14/3/4/3/1716/A46**

Disclaimer
 City of Cape Town accepts no responsibility for the accuracy or completeness of the data presented on this map and will not be held liable for damages, including loss of profits or consequential damages, arising out of the use of this information.



ECONOMIC OPPORTUNITIES & ASSETS MANAGEMENT
PROPERTY MANAGEMENT

Phakamile Khatsolo
Clerk: Property Disposals

E: Phakamile.Khatsolo@capetown.gov.za
File ref: 14/3/4/3/1716/A46

2019/4/15

TECHNICAL INVESTIGATION CONTROL SHEET	
PROPERTY	ERF 5975, 25 HOPE STREET, STRAND
Extent	± 534m ²
Zoning	Single Residential 1: Conventional Housing
Title Deed No.	T21136/1965
Disposal Plan No.	LIS 2249
Date comments requested	20.09.2019
Reminder	04.10.2019
Closing date for comments	11.10.2019

Department	Official	Response received Date	Comments
ELECTRICITY / ESKOM	Fadeelah Kenny	11.10.2019	No response

WATER AND SANINATION MANAGEMENT	Chwayita Macakati	11.10.2019	No response
SOLID WASTE MANAGEMENT	Rosina Lesoetsa / Chantel Erlank	04.10.2019	The Solid Waste Department has NO OBJECTION with the Application from the Property Management Department for the PROPOSED SALE OF CITY LAND FOR ERF 5975, STRAND. Any Future Development must comply with the Solid Waste Conditions. The Refuse Generated on their premises must be stored on the premises to the Satisfaction of the Director Solid Waste Management. The Applicant must make use of ALL Solid Waste Services and will be responsible for the Clean Up of the Area.
DEVELOPMENT MANAGEMENT	Jurgen Neubert	07.10.2019	This department has no objection to the sale of Erf 5975, Strand, as a single residential property.
SPATIAL PLANNING AND ENVIROMENT: ENVIROMENT & HERITAGE MANAGEMENT	Elize Mendelsohn	27.09.2019	Since no heritage resources are affected by the proposed sale of the above property, the Heritage Section of the Environment and Heritage Management Branch, does not object to the proposed sale of Erf 5975, Strand.
SPATIAL PLANNING AND ENVIROMENT DIRECTORATE	Lutz De Wet	25.10.2019	Spatial Planning and Mechanisms support the disposal of subject property.
COASTAL MANAGEMENT	Gregg Oelefse	11.10.2019	Not a Coastal Management matter
TRANSPORT PLANNING & CONCEPTUAL DESIGN	Bill Jones Glenwin Sampson	25.09.2019 09.10.2019	Transport supports the proposal to dispose of Erf 5975, 25 Hope Street, Strand (measuring 534 m ²). With reference to the CIP 2017-22 and the approved Public Right of Way / Road Network Plan (2017), The Conceptual Design & Planning Branch has no objection to the disposal of Erf 5975, Hope Street, Strand.
ASSET MANAGEMENT AND MAINTENANCE & ROADS INFRASTRUCTURE & MANAGEMENT	Francina Brandt	15.10.2019	No Objection Applicant to take cognizance at the fact that the property is situated within the flood line plain.

			Relevant underground services of the Department: Roads Infrastructure and Management, where applicable, are indicated on the diagram.
HUMAN SETTLEMENTS IMPLEMENTATION	Shanaaz Soeker	07.10.2019	Human Settlement Directorate has no objections on the sale of the subject property
COMMUNITY SERVICES & HEALTH CITY HEALTH	Virginia De Azevedo	11.10.2019	No response
SOCIAL SERVICES PLANNING AND DEVELOPMENT & PMO	Elizabeth Dimitrova	11.10.2019	No response
RECREATION AND PARKS: CEMETRY PLANNING	Nabeel Bassadien	11.10.2019	No response
COMMUNITY SERVICES & RECREATION AND PARKS	Jade Philander	21.09.2019	<i>After analysis of the Community Services available in the immediate and surrounding areas, the Directorate's forward planning, and the needs of the residents the conclusion has been reached that the property is not required for Recreation & Parks Service provision in the foreseeable future. Therefore, the Department has no objection to the above mentioned application.</i>
SOCIAL DEVELOPMENT & EARLY CHILDHOOD DEVELOPMENT (SDECD)	Chantel Michaels	02.10.2019	SD&ECD has no objection with the proposed sale of land for erf:5975 , 25 Hope Street, Strand subject to the sale being done in line with the City's policy's and By-Laws.
PROPERTY MANAGEMENT IMMOVABLE PROPERTY PLANNING	Deidre Khan	15.10.2019	The subject area proposed for disposal is Erf 5975 Strand, zoned SR1. The subject property has not been subject to an immovable property asset management performance assessment. IPP has no objection to the disposal of the subject asset. Should the application to dispose be approved by the Director: Property Management, IPP must be notified of the transfer in order to ensure that the City's Immoveable Property Asset Register (IPAR) is updated. Furthermore, we bring to your attention that an Accountable Department must be designated in accordance with the Immoveable Property Asset Management Policy (C06/12/15): 7.4 The Immoveable 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 –

			<p>(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;</p> <p>(c) Being the definitive record of the City's immovable property assets and which Directorates and Departments are accountable for such assets.</p>
PROPERTY MANAGEMENT PROPERTY HOLDING	Mlungisi Zulu	11.10.2019	No response
PROPERTY MANAGEMENT PROPERTY HOLDINGS (IMPROVED PROPERTIES AND LEASE- INS	Isaac Martin	26.09.2019	No objection to the proposed sale.
PROPERTY MANAGEMENT TRANSVAAL REAL ESTATE SERVICE OP	Andile Langalibalele	11.10.2019	No response
PROPERTY TRANSACTION MANAGEMENT	Nabilah Jaffa	27.09.2019	Property Transaction Management of Property Management Department has no objection to the proposed sale of City Land being Erf 5975, 25 Hope Street, Strand.
PROPERTY MANAGEMENT: OPTIMISATION AND RATIONALISATION	Godfrey Van Wyk	27.09.2019	Optimisation and Rationalisation has no objection to the disposal of the property.
FACILITIES MANAGEMENT	Jenna Reisenberg	11.10.2019	No response
SPACE MANAGEMENT	Tejal Singh	11.10.2019	No response
FLEET MANAGEMENT	Alesia Bosman	11.10.2019	No response
SAFETY AND SECURITY TRAFFIC & CO-ORDINATION	Juanita Kitshoff	30.09.2019	This Branch, from a traffic management point of view, has no objection to the above-mentioned application on condition that future road widening and projects are not affected and that the rules and regulations of the road are being adhered to at all times.
SAFETY AND SECURITY FIRE SERVICES	Ian Schnetler	20.09.2019	No objections to the proposal

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SAFETY AND SECURITY EVENTS	Leonora De Souza-Zilwa Mariana Opperman Terrence Isaacs	11.10.2019	No response
SAFETY AND SECURITY LAW ENFORCEMENT SERVICES	Rudolf Wiltshire	11.10.2019	No response
SAFETY AND SECURITY FINANCE (STRATEGIC MANAGEMENT)	Moses Matthyse & Adiel Albertyn	11.10.2019.	No response
TELKOM SA LTD	Candice Spammer	14.10.2019	Openserve approves the proposed work indicated on your drawing in principle. This approval is valid for <u>12 MONTHS ONLY</u> , after which reapplication must be made if the work has not been completed

The Subcouncil at its meeting of 19/11/2020 resolved as follows and no further feedback is required:

Report Subject	WARD 83: PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR TRANSFER, BY WAY OF A PUBLIC COMPETITIVE PROCESS, OF CITY-OWNED IMPROVED PROPERTY ERF 5975, SITUATED AT 25 HOPE STREET, STRAND, ZONED SINGLE RESIDENTIAL 1 (SR 1) FOR RESIDENTIAL PURPOSES
Meeting Date	19/11/2020
Date Sent	25/11/2020
Directorates	ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT
Author	Phakamile Khatsolo;
Delegation Information	10(1)
Agenda Item No	08SUB 24/11/2020
Preamble	
Resolution	Noted
Resolution Details	<p>For noting by Subcouncil 8</p> <p>It is recommended that</p> <ol style="list-style-type: none"> 1. In terms of section 14(2)(a) and (b) of the Municipal Finance Management Act (MFMA), Act 56 of 2003: <ol style="list-style-type: none"> i. Council resolves that Erf 5975, situated at 25 Hope Street, Strand, in extent approximately 534m², zoned Single Residential 1: Conventional Housing, shown lettered ABCDE on the attached Plan LIS 2249 (Annexure A), not be required for the provision of the minimum level of basic municipal services; ii. Council confirms 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; 1. In terms of Regulation 5(1)(b) of the Municipal Asset Transfer Regulation (MATR), R.878 promulgated on 22 August 2008, Council approves in principle the transfer of Erf 5975, Strand as described in (a) (i); 1. Erf 5975, Strand be transferred by way of public competition, subject to conditions to be imposed by the Director: Property Management in the exercise of her delegated authority.

	1. Comments and recommendations provided by the Western Cape Provincial Treasure, BE NOTED .
How Resolved	Consensus



Sancho Nomdo
 Graduate: LGSCM
 E-mail: Sancho.Nomdo@westerncape.gov.za
 Tel: +27 21 483 0938

Reference number: 24/2/10/5

Enquiries: Sancho Nomdo

The City Manager
 City of Cape Town
 PO BOX 4557
 Cape Town
 8001

Tower Block Building,
 2nd Floor,
 4 Dorp Street,
 Cape Town 8001

Date: 30 January 2020

For Attention:

Phakamile Khatsolo: Clerk: Property Disposals.

RE: PROPOSED DISPOSAL OF ERF 5975, SITUATED AT 25 HOPE STREET, STRAND.

1. PURPOSE

1.1. To provide comments to the City of Cape Town on the proposed disposal of a municipal property in terms of the Municipal Asset Transfer Regulations Act, 2003 (MATR) and Section 14 and 90 of the MFMA.

2. BACKGROUND

2.1 On the 23rd January 2020 the City of Cape Town sent a communique to the Provincial Treasury seeking comments regarding the proposed disposal by way of a public tender of erf 5975.

2.2 The following documents was made available as per the communication:

- Letter indicating the contents of the proposed disposal; and
- Bid Advertisement;

3. ISSUE

3.1 Whether or not the Provincial Treasury has any comments/objections regarding the abovementioned proposal to dispose of erf 5975 via a public tender process.

4. LEGISLATIVE FRAMEWORK

- 4.1 From a Supply Chain Management perspective, the Provincial Treasury advises the CoCT to be cognisant of the following applicable legislative requirements:
- 4.1.1 Section 14 of the Municipal Finance Management Act, 56 of 2003, which reads as follows: "Disposal of capital assets".
- 4.1.2 A municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in the above-mentioned subsection, but only after the municipal council, in a meeting open to the public provides the grounds for the proposed disposal and allow the public to give their comments.
- 4.1.3 Paragraph 40 c (ii) of the Supply Chain Management Regulations, which highlights the criteria of the letting of assets, including unserviceable, redundant or obsolete assets which is subject to sections 14 and 90 of the Act. Paragraph 40 stipulate ways that immovable assets must be disposed of and the process to be followed.
- 4.1.4 Chapter 2 of the Municipal Assets Transfer Regulations, which reads as follows; "Transfer or disposal of non-exempted capital assets".
- 4.1.5 Section 21 of the Municipal System Act Section 21, which reads as follows: "the local community needs to be informed and notified and be allowed to comment regarding the proposed disposal of the municipal property.
- 4.1.6 (Paragraph 3.3.5 of the Capital Asset Management Guidelines, which highlights the disposal phase and how the transfer of ownership (in this case, the letting of assets should be consistent with Section 217 of the Constitution and further, be aligned with the Municipality's supply chain management policy.

5. COMMENTS

- 5.1 It would be prudent for the City to exercise careful consideration on the disposal of the land below the market value. Due diligence must be exercised in determining the expected market value of the land, proper application of the legislative framework applicable to the disposal of municipal land and the economic value and community value.
- 5.2 The Municipality as an organ of state must ensure that Section 26 of the Constitution is met, and that the reasonable legislative and other measures have been accounted for upon the disposal of the land and conclusion of the agreement.
- 5.3 To ensure that a sale is fair, equitable, transparent and competitive, the following should happen for determining the market value for different types of assets;
- The process 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;
 - Reasonable efforts should be made to ensure that an appropriately competitive process for disposal is adopted; and

- The correct accounting treatment of the assets of the financial statements and in the asset register should be affected by the institution.
- 5.4 The Accounting Officer must take cognisance of Chapter 4, section 33(3) of the Municipal Transfer Regulation that speaks about granting rates for an undetermined period that would exceeds the useful life of the capital asset. As well as (c) that it shall confers on the person to whom the rights is granted: -
- An option to buy or acquire ownership in the capital asset; and
 - The power to use, control or manage the capital asset as if that person is beneficial (but not legal) owner of the asset.
- 6. RECOMMENDATIONS**
- 6.1 Provincial Treasury has in principles, no objections against the City's intention to dispose of erf 5975 subject that the requirements of the SCM Policy and MFMA (especially Section 14 & 90) being adhered to.
- 6.2 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.



MR. REGINALD CLARKE

DEPUTY DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT

WESTERN CAPE PROVINCIAL TREASURY

Date: 17/02/2020