



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

REPORT TO SUBCOUNCIL 20

1 ITEM NUMBER 20SUB26/11/2019
2 SUBJECT

PROPOSED LEASE OF CITY LAND, BEING PORTIONS OF ERF 46709 AND 46717 CAPE TOWN, KINGSBURY PARK, RONDEBOSCH, FOR PARKING, GARDENING AND SECURITY PURPOSES: RUAN AND LIESL LE ROUX.

2 ONDERWERP

VOORGESTELDE VERHURING VAN STADSGROND, NAAMLIK GEDEELTES VAN ERF 46709 EN 46717 KAAPSTAD, KINGSBURY PARK, RONDEBOSCH, VIR PARKERING-, TUINMAAK- EN SEKURITEITSDOELEINDES: RUAN AND LIESL LE ROUX

2 ISIHLOKO

ISIPHAKAMISO SOKUQESHISWA KOMHLABA WESIXEKO OZIZIQEPHU ZEZIZA-46709 NO-46717 EZISEKAPA, KINGSBURY PARK, E-RONDEBOSCH, KULUNGISELELWA IMIBANDELA YOKUPAKA, EYEGADI NEMIBANDELA YEZOKHUSELEKO: KU-RUAN NO-LIESL LE ROUX

K2903

PTMS NO: 130002712

File Ref No: CT14/3/6/1/2//1248/A00

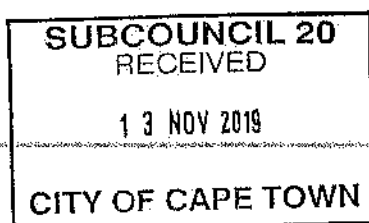
(Category 1)

3 DELEGATED AUTHORITY

- ☒ The report is for comment by Subcouncil to the competent authority in terms of Part 24, Delegation 10(1).

"To comment to the competent authority on the granting of rights to use, manage or control City immovable assets such as land, property and buildings and to recommend conditions of approval where deemed necessary."

- ☐ In terms of delegation Part 42 paragraph 1 (4), the following delegation was conferred upon the Immoveable Property Adjudication Committee.



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- (4) To approve or not approve transfer of ownership or disposal or granting of rights to use, control or manage non-exempted immovable capital assets provided that:

- a) Public participation process has been conducted (where necessary);
- b) S14 MFMA determinations (where applicable); and
- c) Approval in principle in terms of the Municipal Asset Transfer Regulations or approval by the decision making authority at the time prior to the Municipal Asset Transfer Regulations has been completed and subject to the final approval not being materially or significantly different from in principle approval by the relevant decision-making authority.

☐ Final decision lies with Immoveable Property Adjudication Committee.

4 EXECUTIVE SUMMARY

PURPOSE OF REPORT	Proposed lease for parking purposes		
Site extent	66m ² and 17 m ²		
Submission date	July 2016		
Current zoning	Public Street		
Current usage	Parking, gardening and security purposes		
Proposed usage	Parking, gardening and security purposes		
Internal circulation date	11 November 2016		
Internal department comments	Branch Comments Recieved		
Public participation outcome summary	Advertised in the Cape Argus and Die Burger on 10 November 2017. No objections were received.		
WARD CLLR	NOTICE DATE		WARD
Ian Iversen	14 November 2017		20
Viable	Yes		X
	Property cannot be developed on its own or function as a separate entity and therefore become functional only if used by an adjoining owner in conjunction with such owner's property		
Recommended decision	Approval	X	Refusal
Regulation 34(1) In-principle approval	Granted by Director: Property Management in terms of delegated authority prior to 5 January 2017		
Factors motivating recommendation:	<ul style="list-style-type: none"> The leasing of the land will relieve Council of the maintenance burden. A market related rental income will be generated. Better utilization of City land 		

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Strategic intent	SFA 1 : an OPPORTUNITY City of Cape Town	
	Objective 1.1	Positioning Cape Town as forward globally competitive City
	Programme 1.1 (g)	Leveraging the City's assests

5 RECOMMENDATIONS FOR CONSIDERATION AND COMMENT BY THE RELEVANT SUBCOUNCIL

It is recommended that the lease of City Land, being portions of Ervens 46709 and 46717 Cape Town situated at Kingsbury Park, Rondebosch shown hatched and lettered ABCDEF and GHJ on the attached sketch STC 2991v1 marked annexure A, in extent approximately 66m² and 17m², to Ruan and Liesl Le Roux, owners of Erf 46710 Cape Town or their successors in title, be approved subject to inter alia the following conditions, that:

- a) A market rental of R500.00 per month inclusive of rates and excluding VAT calculated at the rate applicable at the time of transaction be payable. The monthly rental is to be adjusted on the basis of 8% per annum compounded annually commencing from date of this valuation. Accordingly the above recommended rental is effective and payable as from 01-06-2019. The rental will be reviewed after five years, beneficial occupation of R350 per month is payable as from 2019-09-01.
- b) The lease will endure for a period of ten years;
- c) The property be used for parking, gardening and security purposes only;
- d) Subject to such further conditions to be imposed by the Director: Property Management in terms of her delegated authority;
- e) Subject to compliance with any other statutory requirements;
- f) No compensation will be payable for any improvement made to the property.

5 AANBEVELINGS VIR OORWEGING EN KOMMENTAAR DEUR DIE BETROKKE SUBRAAD

Daar word aanbeveel dat die verhuring van Stadsgrond, naamlik gedeeltes van erwe 46709 en 46717 Kaapstad, geleë te Kingsbury Park, Rondebosch, gearseer en met die letters ABCDEF en GHJ aangetoon op die aangehegte skets STC 2991v1, gemerk bylae A, ongeveer 66m² en 17m² groot, aan Ruan en Liesl le Roux, eienaars van erf 46710 Kaapstad, of hulle regsopvolgers, goedgekeur word onderworpe onder andere aan die volgende voorwaardes dat:

- a) 'n Markhuurgeld van R500 per maand, eiendomsbelasting ingesluit en BTW uitgesluit - bereken teen die koers wat ten tye van die transaksie geld - betaal moet word. Die maandelikse huurgeld aangepas sal word teen 8% per jaar, jaarliks saamgesteld, vanaf die datum van hierdie waardasie. Die bogenoemde aanbevole huurgeld is dus effektief en betaalbaar vanaf 01-06-2019. Dit sal na vyf jaar hersien word, en okkupasiehuur van R350 per maand is betaalbaar vanaf 2019-09-01.
- b) Die huurooreenkoms vir 'n tydperk van tien jaar geld;
- c) Die eiendom slegs vir parkering-, tuinmaak- en sekuriteitsdoeleindes gebruik word;
- d) Onderworpe aan sodanige verdere voorwaardes wat die direkteur: eiendombestuur ingevolge haar gedelegeerde magtiging oplê;
- e) Onderworpe aan die nakoming van enige ander statutêre vereistes;
- f) Geen vergoeding betaal sal word vir enige verbeterings wat aan die eiendom aangebring word nie.

5 IZINDULULO UKUBA ZIQWALASELWE KWAYE KUVAKALISWE ULUVO LIBHUNGANA ELIFANELEKILEYO

Kundululwe ukuba makuphunyezwe uqeshiso loMhlaba weSixeko oziziqephu zeziza-46709 no-46717 eziseKapa kwi-Kingsbury Park, e-Rondebosch, ezibonakaliswe ngoonobumaba abakhulu u-ABCDEF no-GHJ kwiPlani yomzobo oqhotyoshelweyo ongu-STC 2991v1 ophawulwe isihlomelo-A, esibukhulu obumalunga nama-66 m² ne-17 m², ku-Ruan no-Liesl Le Roux, abangabanini besiza-46710, eziseKapa okanye kwabangena ezihlangwini zabo ngokwetayitile, ngokuxhomekeke ekuthotyelweni kwale miqathango ilandelayo yokuba:

- a) Makuhlululwe intlawulo yokurenta engama-R500.00 ngenyanga equka iintlawulo zobuhlali ngaphandle kweRhafu-ntengo neyakube ibalwe ngokwexabiso elisebenzayo ngexesha elo lonaniselwano. Le ntlawulo yokurenta iyakuthi ilungelelaniswe nge-8% ngonyaka iqukaniswa rhoqo ngonyaka ukususela ngomhla wobhengezo-maxabiso. Kananjalo, le ntlawulo yokurenta indululwe apha ngasentla iqale ukusebnza nokuhlululwa ngowo-01-06-19. Le ntlawulo yokurenta iyakuthi iphengululwe emva kweminyaka emihlanu, inkxamlo yokuhlala engama-R350 ngenyanga iyakuthi ihlawulwe ukususela ngowo-01-09-2019.
- b) Uqeshiso olu luyakuthi luqhubekeke isithuba seminyaka elishumi;
- c) Ipropati le mayisetyenziselwe kuphela imibandela yokuapaka isithuthi, eyezasegadini neyokhuseleko;
- d) Ngokuxhomekeke kweminye imiqathango eyakuthi inyanzeliswe nguMlawuli woLawulo lwePropati esebenzisa amagunya akhe awagunyaziselweyo;
- e) Ngokuxhomekeke ekuthotyelweni kwayo nayiphina imimiselo yomthetho engeminye;
- f) Akukho mbuyekezo eyakuthi ihlawulwe ngalo naluphina uphuculo oluthe lwenziwa kwipropati.

6 DISCUSSION/CONTENTS

6.1 BACKGROUND:

Ruan and Liesl Le Roux owners of Erf 46710 has applied to lease portions of City Land being Erven 46709 and 46717 Cape Town situated at Kingsbury Park, Rondebosch, shown lettered ABCDEF and GHJ on the attached Plan STC 2991v1 marked Annexure A, in extent approximately 66m² and 17m², for parking, gardening and security purposes.

The previous owners had a lease with the City of Cape Town and when the current owners bought their property they want to continue using the City Land, hence they submitted a lease application requesting to lease.

The proposal has been circulated to the relevant Council Branches for comment and no objections were received. The proposal has also been circulated to the surrounding neighbours and the ratepayer's association and no objections were received.

This is non-viable City land. During the currency of the lease period the agreement of lease will contain a clause that in the event that Council does require the land, a two months' cancellation period will be applied.

6.2 CONSULTATION WITH INTERNAL BRANCHES:

The various Council departments were consulted and have no objection to the lease subject to the following conditions that will form part of the lease agreement:

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- i. The access into the area shall be available 24 hours a day to personnel of the Water and Sanitation Department;
- ii. The access control system shall be uncomplicated and to the satisfaction of the Water and Sanitation Department in order to provide immediate access to Water and Sanitation personnel, together with all vehicles and plant as may be required. In addition to vehicular access pedestrian gates incorporating water pattern padlocks may be required;
- iii. No infilling or changing of the existing ground level is permitted without written consent of the City of Cape Town;
- iv. No permanent structures will be permitted in the leased area;
- v. Only Gardening will be permitted on the leased area;
- vi. Access must be granted to the council staff to conduct inspections and maintenance activities, Palaside fencing or similar will be permitted for security reasons, but should be constructed in a way that it does not hinder flow in the event of bigger storms.

6.3 VALUATION

The City's Professional Valuers on 2019-05-31 assessed the rental value of the Subject Property at R500.00 per month excluding VAT and including rates. The valuation synopsis is attached to the report as **Annexure B**.

6.4 CONSTITUTIONAL AND POLICY IMPLICATIONS

6.4.1 The proposal complies with Section 14 of the Municipal Finance Management Act No.56 of 2003 in that the relevant branches of Council have confirmed that the land is not required for the provision of the minimum level of a basic municipal service.

6.4.2 Chapter C 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 leasing of immovable property.

6.5 FINANCIAL IMPLICATIONS

All costs involved in this transaction will be for the Applicant's account.

6.6 TAX COMPLIANCE

In terms of the City's Supply Chain Management Policy, approved by Council on 30 May 2019 (C18/05/19), paragraph 98.3 stipulates the City may not consider a bid or quote unless the bidder who submitted the bid or quote has

submitted a valid tax clearance certificate certifying that the provider's tax matters are in order.

In terms of the City's Supply Chain Management Policy, approved by Council on 30 May 2019 (C18/05/19), paragraph 99 stipulates "Irrespective of the procurement process, the City may not make any award above R15 000,00 to a person who's tax matters have not been declared by the SARS to be in order."

Paragraphs 372 – 375 of the afore-mentioned policy deal with the sale and letting of City owned immovable property and are silent on the SARS requirement. Property Management adopted the principle as per paragraph 99 above and applicants need to submit a SARS clearance certificate or exemption certificate for the sale of all City Owned immovable property. Except for tariff based rentals, which do not exceed R15 000,00 all applicants need to submit a SARS clearance or exemption certificate for the leasing of City owned immovable property.

No agreement will be concluded until a valid Tax Clearance Certificate is furnished. A valid Tax Clearance Certificate will be furnished when submitted for Final IPAC Approval.

6.7 FINANCIAL DUE DILIGENCE

The applicant's debt profile has been verified and it is confirmed that the debt profile is not in arrears.

6.8 SUSTAINABILITY IMPLICATIONS

Does the activity in this report have any sustainability implications for the City? No ☒ Yes ☐

6.9 LEGAL IMPLICATIONS

Regulation 36 of the MATR

In terms of the above Regulation, Council must take into account a number of factors (highlighted in bold) when considering any proposed granting of rights to use, control or manage municipal capital assets, and it is herewith confirmed that:

Whether asset may be required for the municipality's own use during the period for which the right is to be granted

Council's service branches confirmed that the asset is not required for own purposes.

Extent to which any compensation to be received, estimated value of improvements or enhancements to party the right is granted to will be required to make, economic or financial benefit to the City

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Council will receive a financial benefit in the form of a market related rental to the amount of R500.00 per month excluding VAT as well as rates and taxes, if applicable.

Management of Risk

No operational or control risk to the City.

Stakeholder comments and recommendations

The Director: Property Management, in terms of her delegated powers, has approved the public participation process as required, resulting in the proposed lease being advertised in the Cape Argus and Die Burger on 10 November 2017. Closing date for the objections is 11 December 2017. Copies of the advertisement were sent to the Ward Councillor, Manager and Chairperson of the relevant Sub-Council and registered local community organisations. No objection or comments were received.

Views from National and Provincial Treasury

In terms of Regulation 34 of the MATR the subject property falls within the category of a capital asset in respect of which the proposed right to be granted has a value less than R10 million and a period exceeding 3 years (Non-Significant Property Right). National and Provincial Treasury have been notified. No objections or comments were received.

Strategic, Legal and Economic Interests

None of these interests will be compromised through the granting of the right to use, control or manage the asset. In fact, they will be supported.

Compliance with Legislative Regime that is Applicable to Proposed Granting of Rights

Granting of the right to use, control or manage the asset is compliant with the Municipal Finance Management Act, Municipal Asset Transfer Regulations and Council's policy on the management of certain of the City of Cape Town's immovable property.

6.10 STAFF IMPLICATIONS

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

No ☒

Yes ☐

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ANNEXURES

Annexure A: STC 2991v1
Annexure B: Valuation Synopsis

FOR FURTHER DETAILS CONTACT:

NAME	SANDISIWE TSHANDU
CONTACT NUMBERS	0214006548
E-MAIL ADDRESS	SANDISIWE.TSHANDU@CAPETOWN.GOV.ZA
DIRECTORATE	ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT
FILE REF NO	CT14/3/6/1/2/1248/A00
MANAGER: PROPERTY HOLDING RACHEL SCHNACKENBERG	<i>Schnackenberg</i> 18-03-2019

Gelderbloem
DIRECTOR : PROPERTY MANAGEMENT IN HER
CAPACITY AS EXECUTIVE DIRECTOR : ECONOMIC
OPPORTUNITIES AND ASSET MANAGEMENT

NAME RUBY GELDERBLOEM

DATE 2019.03.25

Comment:

Guleb
LEGAL COMPLIANCE

NAME *Jean-Mari Holt*

TEL 021 400 2753

DATE 05/11/2019

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

☐ NON-COMPLIANT

Comment:

JAHH
certified as legally compliant
Based on the contents of the report.

Richard White
RICHARD WHITE
SUBCOUNCIL MANAGER

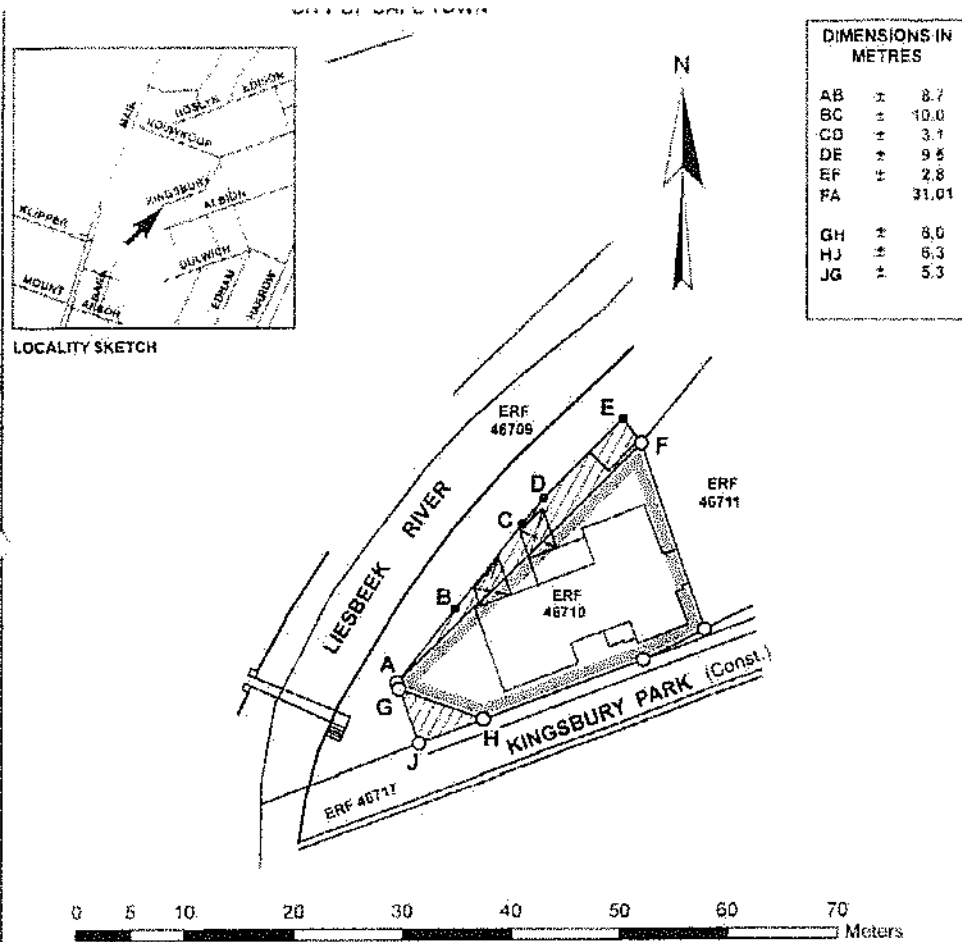
Tel No. 021 444 8112

DATE:

13/11/2019.

COMMENT

ANNEXURE A



SCALE 1:500

LEASE OF PORTION OF CITY LAND - KINGSBURY PARK - RONDEBOSCH - CAPE TOWN

The figure ABCDEF and GHJ shown hatched represents City Land, portions of Erf 46709 and 46717 Cape Town in extent ±66m² and ±17m² available for lease to

RUAN AND LIESL LE ROUX

Property of above bordered grey and zoned: General Residential 4 - GR4 (G.T. 11413 dated 2017/03/03)

City Land Zoned: Public Street

Note: Erf 46709 Cape Town is registered in the name of the City of Cape Town by D.T. 669 dated 1945/01/18. Erf 46717 Cape Town is registered in the name of Charles Robert Abbott by D.T. 1756 dated 1928/02/09 and vests in the name of the City of Cape Town as Public Street

WARD 59 SUBCOUNCIL 20		REVISION: NEW OWNER		SUPERSEDES STC 2991	
REFER TO	ROLL 28 AT 1493- 303 SHIT 1102	PROPERTY HOLDING CAPE TOWN REGION		SURVEYOR	T VAN BUITER
CASE NO	ST 2991v1			DIG OPERATOR	T VAN BUITER 20100515
PROP REF				CHECKED	JOHANNES 15/11/20
FILE/REG	CT14/3551/21248/A00 (20005622)			STC 2991v1	
MEMO					

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ANNEXURE B



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT
PROPERTY MANAGEMENT

Aneesah Abrahams
Professional Valuer

T: 021 400-2301 F: 086 202 9562
E: aneesah.abrahams@capetown.gov.za
Ref: Job 7584 Your Ref: Case 130002712

DATE	2019-05-09
To	Head: Cape Town Region
ATTENTION	Charlene Davis

VALUATION REPORT

MARKET RENTAL VALUATION OF PORTIONS OF ERVEN 46709 AND 46717 CAPE TOWN AT KINGSBURY PARK, RONDEBOSCH: RUAN AND LIESL LE ROUX

1. Brief and background

We were requested by the Cape Town Region to determine the market value of portions of Erven 46709 and 46717, Cape Town (hereafter the 'subject property'), shown by the figures ABCDEF and GHJ shown on attached plan STC 2991v1 (refer Annexure A), in extent approximately 66m² and 17m² respectively, for lease purposes.

In a previous valuation report dated 2017-06-30, a rental of R350 per month was determined which was accepted by the applicant. The rental was subsequently not implemented and an updated market rental assessment is therefore required.



2. Date of Valuation

2019-05-31

3. Date of Inspection

2019-05-13

4. Caveats

The reader should note the following:

- (i) This valuation is for internal requirements only and must not be made available to the public without prior written consent from the Head: Market Valuations.
- (ii) All values in this report exclude VAT.

CIVIC CENTRE ISIXO LOMUNTU SURGERSENTRUM
12 HERTZOG BOULEVARD, CAPE TOWN 8001 P O BOX 258, CAPE TOWN 8000
www.capetown.gov.za

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- (iii) This report has been prepared in conformity with recognized standard procedure regarding the leasing of City land.

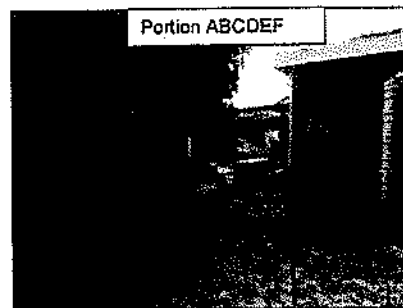
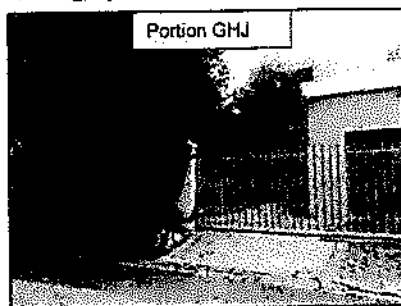
5. Details of Applicants' property

Description	Erf 46710, Cape Town
Address	9 Kingsbury Park Road, Rondebosch Village
Owner	Ruan and Liesl Le Roux
Zoning	GR4
Extent	349m ²
Municipal valuation 2018	R3 444 000
Purchase date	2016-12-02
Purchase price	R3 160 000
Improvements	Double-storey dwelling with a single garage.
Comments	Property is situated in a cul-de-sac and abuts the Liesbeek River.

6. Details of subject property

Description	Portions of Erven 46709 and 46717, Cape Town
Extent to be leased	66m ² and 17m ² respectively
Zoning	Public Street
Plan	STC 2991v1 (refer Annexure A)
Usage	The portions of the subject property have been fenced off with the applicant's property. Portion ABCDEF is situated at the rear of the property and serves as a paved recreation area and the portion GHJ forms part of the secure garden and parking area situated at the front of the property.
Branch Comments	No permanent structures within the leased area.

7. Photographs



8. Benefit derived from the subject property

In principle the rental for a portion of non-viable land such as this is aimed at reflecting the enhancement which the portion brings to the property with which it is to be consolidated.

The applicant's buildings cover a relatively high percentage of the site and the additional area facilitates a more meaningful use of the limited recreation area. Notwithstanding that no permanent structures are permissible, taking the enhancement to the applicant's property

into account, it is considered fair and reasonable that a 25% utility be applied to the subject property.

9. Physical description of the general neighbourhood

Applicants' property is located in Kingsbury Park Road in suburb of Rondebosch Village. The property is situated metres from the Newlands Rugby Stadium and within close distance to Cavendish Square Shopping Centre. Improvements in the immediate vicinity are predominantly residential developments. Houses for sale in Rondebosch provide easy access to exclusive schools, the University of Cape Town, Groote Schuur Hospital and sporting facilities such as the Rondebosch Golf Course and Newlands Rugby and Cricket Grounds. Property for sale in Rondebosch ranges from family homes to smaller compact residences which are popular with students studying nearby. House prices have recently transacted from R3 million and up, while flats have sold for R1,8 million and up, depending on accommodation, finishes and extent.

10. 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.

11. Highest and best use of subject property

We deem the highest and best use of the subject property to be for residential use.

12. Method of valuation

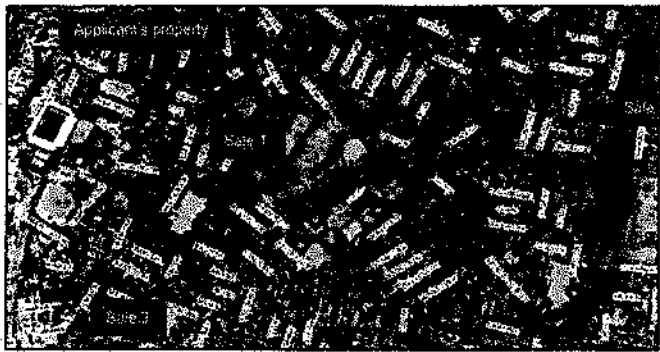
The most appropriate approach to this rental determination is considered to be to take an annual return of 6% based on a market value of the land as the usage of the land cannot be seen as purely aesthetic.

With this method, sales of comparable properties in the area or further afield are traced and have been researched and compared to the subject property, with adjustments made for differences in value forming attributes and for the efflux in time, if necessary. Only those properties deemed to have similar value adding attributes compared to the subject property have been used.

13. Findings

The applicant's property is zoned General Residential GR4, but due to the small erf extent and taking into account the use of the property, it is not likely that it will be redeveloped for a General Residential development. It is therefore considered reasonable to research Single Residential sales to determine the market value thereof.

The following vacant Residential sales have therefore been traced within close proximity to the subject property and are considered comparable:

Comparable sales transactions						
#	Description	Area (m ²)	Sale's information			Comments
			Date	R	R/m ²	
1	Erf 159768 Cape Town 8A Dumbarton Road, Rondebosch	500	2018-09	R2 400 000	R4 800	Rectangular shaped site, subdivided from remainder Erf 96984. Situated on a bend in a slightly inferior location.
2	Erf 178493 Cape Town 8A Epworth Road, Rondebosch	251	2017-09	R850 000	R3 386	Small square shaped site situated in an inferior location, closer towards Rondebosch East and smaller in extent.
3	Erf 177474 Cape Town 44A Palmyra Road, Rondebosch	311	2018-11 2019-03	R1 650 000 R2 000 000	R5 305 R6 431	Rectangular shaped site situated on a busy road and slightly smaller in extent. 2019 sale not yet registered
						

14. Additional market information

- The City, in April 2019, determined the market value of Erf 48859 Cape Town, situated at 39 Finsbury Avenue, Newlands and measuring 776m² in extent, for the purpose of disposing the abutting City land, being portion of Erf 48833, and determined a value of the stand as if vacant to be in the region of R3 500 000 or R4 500/m². The property is much larger than the applicant's property and is situated in a superior location.
- The City, in March 2019, determined the market value of Erf 96654 Cape Town, situated at 17 San Soucci Road, Newlands and measuring 890m² in extent, for the purpose of disposing the abutting City land, being portion of Erf 96654, and determined a value of the stand as if vacant to be in the region of R2 750 000 or R3 090/m². The property is much larger than the applicant's property and is situated in a slightly superior location.

- The City, in November 2018, determined the market value of Remainder Erf 56834 Cape Town, situated at 13 Upper Noreen Avenue, Claremont and measuring 533m² in extent, for the purpose of disposing to the abutting City land, being portion of Erf 56833, and determined a value of the stand as if vacant to be in the region of R2 100 000 or R3 900/m². The property is larger than the applicant's property and is situated in a superior location.

15. Conclusion

Taking cognisance of the abovementioned market information and making adjustment for the extent, location and efflux of time, the value of the applicants' property, in extent 349m², as if vacant is considered to be in the region of R1 700 000 (±4 871/m²) Excl VAT

Based on the aforesaid, a rate of R4 871/m² is considered fair and reasonable to apply in assessing the rental quantum.

16. Valuation calculation

Description	Area (m ²)	Utility factor (%)	Market Rental per month	
			R/m ²	Rental @ 6%
Figure ABCDEF	66	25%	R4 871	R401
Figure GHJ	17	25%	R4 871	R103
Total	83			R500

17. Negotiations

The revised rental of R500 per month is essentially in line with the previous successfully negotiated escalated rental, as per valuation report dated 2017-06-30, and negotiations is therefore not required.

18. Recommendation

It is recommended that the City land, being portions of Erven 46709 and 46717, Cape Town, in extent approximately 66m² and 17m² respectively, shown by the hatched figures ABCDEF and GHJ shown on attached plan STC 2991v1 (refer Annexure A), be leased to Ruan and Liesl Le Roux for an amount of R500 (Inclusive of rates and exclusive of VAT) per month escalating at 8% per annum for a period of 10 years, subject to a review after five years.

- The monthly rental is to be adjusted on the basis of 8% per annum compounded annually commencing from date of this valuation. Accordingly, the above recommended rental is effective and payable as from 2019-06-01
- Beneficial occupation of R350 per month is payable as from 2017-09-01 until 2019-06-01.



Aneesah Abrahams
Professional Valuer (Reg. no. 7367/1)



Paul Pendlebury
Head: Market Valuations
Date: 2019-05-15

