



REPORT TO SUBCOUNCIL 19

1 ITEM NUMBER 19SUB19/08/21

2 SUBJECT

PROPOSED LEASE OF A PORTION OF PUBLIC STREET, BEING A PORTION OF ERF 88248 CAPE TOWN, BRAEMAR ROAD, ST JAMES: JOHN SIMON DRAPER

ONDERWERP

VOORGESTELDE VERHURING VAN 'N GEDEELTE VAN OPENBARE STRAAT, NAAMLIK 'N GEDEELTE VAN ERF 88248 KAAPSTAD, BRAEMARWEG, ST. JAMES: JOHN SIMON DRAPER

ISIHLOKO

ISIPHAKAMISO SENGQESHISO NGESIQEPHU SESITALATO SOLUNTU, ISIQEPHU SESIZA 88248, EKAPA, BRAEMAR ROAD, ST JAMES: KU-SIMON DRAPER

L0172 & N0049

PTMS NO: 130002959

File Ref No: S14/3/6/1/2/2192/00/88251

(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 Immovable Property Adjudication Committee.
- (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 Immovable Property Adjudication Committee.

4 EXECUTIVE SUMMARY

PURPOSE OF REPORT	For Subcouncil 19 to note and comment on the proposed lease of a portion of Public Street, being a portion of Erf 88248 Cape Town marked ABCD on the attached plan LT 1519v1.			
Site extent	± 25 m2			
Submission date	19/12/2017			
Current zoning	Transport 2			
Current usage	Vacant			
Proposed usage	Parking purposes			
WARD CLLR	NOTICE DATE		WARD	
Aimee Kuhl	04/10/2018		64	
Internal circulation date	30/11/2018			
Internal department comments	No objections received.			
Public participation outcome summary	Advertised in the Cape Argus and Die Burger on 19/10/2018. No objections were received.			
Viable	Yes		No	X
	The subject property is regarded as non-viable land which only has value to the abutting landowners in light of the fact that it cannot be developed or function as a separate entity. This property transaction may be approved without any competitive process having been followed on the basis that no purpose would be served by a competitive process.			

Recommended decision	Approval	X	Refusal	
Regulation 34(1) In-principle approval	Granted by Director: Property Management in terms of delegated authority after 21 June 2018.			
Factors motivating recommendation:	The application was circulated and all internal branches supported the application.			
Strategic intent	SFA 1 : an OPPORTUNITY City of Cape Town			
	Objective 1.1	Positioning Cape Town as forward looking globally competitive City		
	Programme 1.1(g)	Leveraging the City's assets		

5 RECOMMENDATIONS FOR CONSIDERATION AND COMMENT BY THE RELEVANT SUBCOUNCIL

It is recommended that the lease of portion of public street, being a portion of Erf 88248 Cape Town situated at Braemer Road, St James shown hatched and lettered ABCD on the attached plan LT 1519v0 marked annexure A, in extent approximately 25 m², to John Simon Draper, owner of Erf 88251 Cape Town or his successors in title, be approved subject to inter alia the following conditions:

- a) A market rental of R800 per month inclusive of rates and excluding VAT calculated at the rate applicable at the time of transaction be payable;
- b) The above rental shall escalate at **8% per annum** for the period 2018-12-01 until 2020-03-31; thereafter to escalate at **6% per annum** until date the lease contract has been signed by Council.
- c) The lease will endure for a period of ten years;
- d) The rental to be reviewed after a period of 5 years;
- e) The property be used for parking purposes only and no other structures other than the boundary fencing will be permitted in the area;
- f) Subject to such further conditions to be imposed by the Director: Property Management in terms of her delegated authority;
- g) Subject to compliance with any other statutory requirements;
- h) Any boundary fencing is to be of a non-permanent, visually permeable type, the submission and approval of any necessary building plans in terms of the national building regulations if applicable is required;
- i) Any fencing that does not require the submission of plans terms of the national building regulations will still require the approval of the Director: Property Management;

- j) A 50mm diameter water main crosses the area in question and adherence is required to the City of Cape Town's water by-laws;
- k) The City of Cape Town should have 24hour unrestricted access to the lease area where water services exist;
- l) No construction, excavation or building works to take place on or in close proximity of the existing water services (i.e within 5m);
- m) No trees and shrubs with invasive roots are to be planted with close proximity of the existing water infrastructure (water pipeline);
- n) The City (Water Services Department) will not be liable for any damages incurred to structures and/or vehicles, due to unforeseen repair/maintenance on and in the surrounding area;
- o) Electrical services are shown to exist within the lease area and any alterations or deviation to the electricity services necessary as a consequence of the proposal, or requested by the applicant, will be carried out at the applicant's cost;
- p) Unrestricted 24 hour vehicular and personnel access to the area is to be maintained for the purposes of accessing and maintaining electricity services;
- q) A minimum of 3m to any overhead mains conductors shall be maintained at all times;
- r) A wayleave must be obtained from Electricity Generation Department before any excavation work may commence;
- s) Telkom services are known to exist within the lease area and it is the responsibility of the applicant to notify Telkom immediately should the applicant locate any Telkom plant which might not be indicated on the plan;
- t) It must be made known to the applicant that Telkom requires access to carry out maintenance or upgrade existing plants at all times;
- u) Should the lease be cancelled or required for storm water purposes, the entire leased area will be required to be reinstated at the lessee's expense to a condition acceptable to the Transport Urban Development Authority Department;
- v) No compensation will be payable for any improvement made to the property.

AANBEVELINGS VIR OORWEGING EN KOMMENTAAR DEUR DIE BETROKKE SUBRAAD

Daar word aanbeveel dat die verhuring van 'n gedeelte van openbare straat, naamlik 'n gedeelte van erf 88248, Kaapstad, geleë te Braemerweg, St. James, gearseer en met die letters ABCD aangetoon op die aangehegte plan LT 1519v0, gemerk bylae A, ongeveer 25 m² groot, aan John Simon Draper, eienaar van erf 88251 of sy regsopvolgers, goedgekeur word onderworpe onder meer aan die volgende voorwaardes:

- a) 'n Markverwante huurbedrag van R800 per maand, eiendomsbelasting ingesluit en BTW bereken teen die koers van toepassing ten tye van die transaksie uitgesluit, betaalbaar is;
- b) Die boonste huurbedrag met 8% per jaar styg vir die tydperk 2018-12-01 tot 2020-03-31; daarna sal dit met 6% per jaar styg tot wanneer die huurkontrak deur die Raad onderteken is.
- c) Die huurooreenkoms vir 'n tydperk van tien jaar duur;
- d) Die huurbedrag na 'n tydperk van vyf jaar hersien word;
- e) Die eiendom slegs vir parkeerplekdoeleindes gebruik word en geen ander struktuur, behalwe 'n grensheining, op die gebied toegelaat sal word nie;
- f) Onderworpe aan sodanige verdere voorwaardes opgelê deur die direkteur: eiendombestuur ingevolge haar gedelegeerde magtiging;
- g) Onderworpe aan die nakoming van enige ander statutêre vereistes;
- h) Enige grensheining tydelik en visueel deursigtig moet wees en onderworpe sal wees aan die indiening en goedkeuring van enige nodige bouplanne ingevolge die nasionale bouregulasies, indien van toepassing;
- i) Enige omheining wat nie die indiening van planne vereis ingevolge die nasionale bouregulasies nie, sal steeds die goedkeuring benodig van die direkteur: eiendombestuur;
- j) 'n Hoofwaterpypleiding van 50 mm in deursnee loop deur die onderhawige gebied en daar moet aan die Stad Kaapstad se waterverordeninge voldoen word;
- k) Die Stad Kaapstad moet 24 uur- onbepaalde toegang tot die verhuurde gebied hê waar daar waterdienste voorkom;
- l) Geen konstruksiewerke, uitgrawings of bouwerke mag op of naby die bestaande waterdienste plaasvind nie (d.w.s. binne 5 m);

- m) Geen bome en struik met indringerwortels mag naby bestaande waterinfrastruktuur (waterpylyn) geplant word nie;
- n) Die Stad (departement waterdienste) nie aanspreeklik gehou word vir enige skade aan strukture en/of voertuie, as gevolg van onvoorsiene herstelwerk en instandhoudingswerk op en in die omliggende gebied nie;
- o) Elektrisiteitsdienste kom in die verhuurde gebied voor en enige verandering aan of afwyking van die elektrisiteitsdienste wat nodig is as gevolg van die voorstel, of versoek deur die aansoeker, op onkoste van die aansoeker uitgevoer word;
- p) Onbepaalde voertuig- en personeeltoegang 24 uur per dag tot die gebied moet volgehou word vir toegang en instandhouding van elektrisiteitsdienste;
- q) 'n Minimum ruimte van 3 m van die oorhoofse geleiers moet te alle tye volgehou word;
- r) 'n Reg-van-toegang moet van die departement elektrisiteitsopwekking verkry word voor enige uitgrawingswerk mag begin;
- s) Telkomdienste kom in die huurgebied voor en dit is die aansoeker se verantwoordelikheid om Telkom onmiddellik in kennis te stel indien die aansoeker enige Telkom-installasie vind wat dalk nie op die plan aangedui is nie;
- t) Die aansoeker moet daarvan bewus gemaak word dat Telkom te alle tye toegang verlang om instandhouding of opknapping van bestaande installasies te kan doen;
- u) Indien die huurkontrak gekanselleer word of vir stormwaterdoeleindes benodig word, moet die hele verhuurde gebied op die huurder se onkoste herstel word na 'n toestand wat vir die departement vervoer en stedelike ontwikkeling aanvaarbaar is;
- v) Geen vergoeding betaalbaar sal wees vir enige verbeteringe aan die eiendom nie.

IZINDULULO ZOKUBA ZIQWALASELWE KWAYE KUHLONYULWE KUZO LIBHUNGANA ELIFANELEKILEYO

Kundululwe ukuba makuphunyezwe ingqeshiso yesiqephu sesitalato soluntu, esisiqephu sesiza-88248, eKapa, esime e-Braemar Road, St James esibonakaliswe ngemigca ekrweliweyo noonobumba ABCD kwiplani engu-LT 1519v0 esiqhotyoshelwe nesiphawulwe njengesihlomelo A, esibukhulu bumalunga ne-25 m², kuJohn Simon Draper, ongumnini wesiza-88251 okanye

abangena ezihlangwini zakhe ngokwetayitile, ngokuxhomekeke phakathi kwezinye izinto kule miqathango ilandelayo yokuba:

- a) Makuhlawulwe ixabiso lerenti elingama-R800 ngenyanga kuqukwa iintlawulo zobuhlali ngaphandle kweRhafu-ntengo elibalwe ngokwexabiso elisetyenziswayo ngexesha lonaniselwano;
- b) Irenti engentla apha, iyakuthi inyuke nge8% ngonyaka kwisithuba esisusela ngowama 2018-11-01 kude ibengowama 2020-03-31; emva koko kude ibe inyuka nge 6% ngonyaka kude ibengomhla ekutyikitywe ngayo ikhontrakthi yoqeshiso liBhunga.
- c) Ingqeshiso iya kuhlala isithuba seminyaka elishumi;
- d) Ixabiso lerenti kufuneka lihlaziywe emva kwesithuba seminyaka emihlanu;
- e) Ipropati izakusetyenziselwa imibandela yokupaka kuphela kwaye akusayi kuvumeleka zakheko ngaphandle kobiyo lomda kwindawo yengqeshiso;
- f) Ngokuxhomekeke kweminye imiqathango eyongeziweyo eyakuthi inyanzeliswe nguMlawuli woLawulo lweePropati ngokwamagunya akhe awagunyaziselweyo;
- g) Ngokuxhomekeke ekuthotyelweni kwayo nayiphina imimiselo yomthetho engeminye;
- h) Naluphi na ubiyelo lomda kufuneka ibeluhlobo olungesosigxina nolubonisayo, kwaye luxhomekeke ekungenisweni nasekuphunyezweni kwezicwangciso zokwakha ezifunekayo ngokweMigaqo kaZwelonke ejongene nezaKhiwo ukuba kufanelekile;
- i) h) Naluphi na ubiyo olungafuni ukuba kungeniswe izicwangciso ngokungqinelana nemigaqo yezakhiwo kazwelonke kuzakufuneka iphunyezwe nguMlawuli woLawulo lwePropati;
- j) Kukho umbhobho wamanzi obukhulu buyi-50 yedayamitha onqumla kulo mmandla kwaye kufuneka kuthotyelwe imithetho kamasipala engamanzi yeSixeko saseKapa;
- k) ISixeko saseKapa kufuneka sivuleleke iiyure ezingama-24 ukungena kummandla wengqeshiso apho iinkonzo zamanzi zifumaneka khona;
- l) Akuvumelekanga zakhiwo, ukomba okanye imisebenzi yolwakhiwo kufutshane neenkonzo zamanzi ezikhoyo (kumgama oyi-5m)
- m) Akuvumelekanga ukutyala imithi kunye notyani kufutshane neenkonzo zamanzi ezikhoyo kulo mmandla (kumbhobho wamanzi);

- n) ISebe leNkonzo zaManzi leSixeko alisayi kuthatha xanduva ngawo nawuphi na umonakalo owenzeke kwizakheko kunye/okanye kwizithuthi, ngenxa yolungiso lwezakheko kunye nonophelo kummandla ongqongileyo;
- o) Kukho iinkonzo zombane ezikhoyo kulo mmandla wengqeshiso kwaye naziphina izilungiso okanye inguqulelo ezenziweyo kwezi nkonzo zombane ezifunekayo ngenxa yesi siphakamiso, okanye ezicelwe ngumfaki-sicelo, ziya kwenziwa ngeendleko zomfaki-sicelo;
- p) Kuza kufuneka kugcinwe isango lokungena izithuthi iiyure ezingama- 24 kule ndawo ukulungiselela imibandela yokufikelelela nokulondoloza iinkonzo zombane;
- q) Makunonotshelwe iimitha ezintathu ngakwipali ezinde zombane ngawo onke amaxesha;
- r) Kufuneka kufunyanwe imvume kwiSebe lokuVeliswa koMbane ngaphambi kokuqaliswa komsebenzi wokugrumba kule ndawo;
- s) Kukho iinkonzo zikaTelkom zikhoyo kummandla wengqeshiso kwaye iyakuba luxanduva lomfaki-sicelo ukwazisa u-Telkom ngokukhawuleza xa umfaki-sicelo enokufumanisa nawuphi na umatshini wakwa-Telkom ongaboniswa kwiplani;
- t) Umfaki-sicelo kufuneka aziswe ukuba u-Telkom ufuna ufikelelo ngawo onke amaxesha xa esenza ugcino okanye uphuculo lo matshini esele bekhona ngamaxesha onke;
- u) Ukuba kunokwenzeka ingqeshiso irhoxiswe okanye ummandla lo ufunwe ngeenjongo zendlela okanye amanzi esitshi, ummandla wengqeshiso kuzakufuneka ubuyiswe usekwisimo ubufunyenwe ukuso eyonelisa icandelo likaGunyaziwe wezoThutho noPhuhliso lweDolophu;
- v) Akusayi kuhlululwa mbuyekezo ngophuculo oluthe lwenziwa kwipropati.

6 DISCUSSION/CONTENTS

6.1 BACKGROUND:

An application is received from John Simon Draper for the lease of a portion of Public Street, being a portion of Erf 88248 Cape Town at St James.

The application to lease is for parking purposes as the streets in the area are very narrow making parking very difficult and many of the houses have no garages.

The application to lease was circulated to the affected branches of the City of Cape Town and no objection were received.

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:

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:

- a) Any boundary fencing is to be of a non-permanent, visually permeable type, the submission and approval of any necessary building plans in terms of the national building regulations if applicable is required;
- b) Any fencing that does not require the submission of plans terms of the national building regulations will still require the approval of the Director: Property Management;
- c) A 50mm diameter main crosses the area in question and adherence is required to the City of Cape Town's water by-laws;
- d) There is a 50mm diameter water main traversing the proposed lease area, the City of Cape Town should have 24 hour unrestricted access to the lease area where water services exist;
- e) No construction, excavation or building works to take place on or in close proximity of the existing water services (i.e within 5m);
- f) No trees and shrubs with invasive roots are to be planted with close proximity of the existing water infrastructure (water pipeline);
- g) The City (Water Services Department) will not be liable for any damages incurred to structures and/or vehicles, due to unforeseen repair/maintenance on and in the surrounding area;

- h) Electrical services are shown to exist within the lease area and any alterations or deviation to the electricity services necessary as a consequence of the proposal, or requested by the applicant, will be carried out at the applicant's cost;
- i) Unrestricted 24 hour vehicular and personnel access to the area is to be maintained for the purposes of accessing and maintaining electricity services;
- j) A minimum of 3m to any overhead mains conductors shall be maintained at all times;
- k) A wayleave must be obtained from Electricity Generation Department before any excavation work may commence;
- l) Should the lease be cancelled or required for the storm water purposes, the entire leased area will be required to be reinstated at the lessee's expense to condition acceptable to the Transport Urban Development Authority Department.

6.3 VALUATION

The City's Professional Valuers on 18/06/2021 assessed the rental value of the Subject Property at R800 per month inclusive of rates and excluding VAT (if applicable). The valuation synopsis is attached to the report as **Annexure "B"**.

6.4 CONSTITUTIONAL AND POLICY IMPLICATIONS

6.4.1 Chapter C of Council's Policy on the Management of Certain of the City of Cape Town's Immovable Property (approved by Council 26 August 2010, C 54/08/10), permits the leasing of immovable property.

6.4.2 Chapter 4 of the MATR governs the granting of a property right in circumstances where section 14 of the MFMA does not apply, in other words, where the granting of such rights do not amount to the transfer or permanent disposal of the asset, for example when a right is acquired through a leasing, letting or hiring out arrangement.

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 29 March 2017 (C22/03/17), paragraph 92.3 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 29 March 2017 (C22/03/17), paragraph 93 stipulates "Irrespective of the procurement process, the City may not make any award above R15 000,00 to a person whose 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 93 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.

6.1 FINANCIAL DUE DILIGENCE

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

6.2 SUSTAINABILITY IMPLICATIONS

Does the activity in this report have any sustainability implications for the City?	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>
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6.3 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

Council will receive a financial benefit in the form of a market related rental to the amount of R 800 per month excluding VAT calculated at the rate applicable at the time of transaction be payable, 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 19/10/2018. Copies of the advertisement were sent to the Ward Councillor, Manager and Chairperson of the relevant Sub-Council and registered local community organisations. Closing dates for objections were 19/11/2018. No objections 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 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.

Compliance with Immovable Property Adjudication Committee Delegation

- a) A Public Participation process has been conducted;
- b) Approval in principle in terms of the Municipal Asset Transfer Regulations has been completed and the final approval by the Immovable Property Adjudication Committee (IPAC) will not be materially or significantly different from in principle approval by the relevant decision-making authority.

6.4 STAFF IMPLICATIONS

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

No ☒

Yes ☐

ANNEXURES

Annexure A: Plan LT 1519v1

Annexure B: Valuation synopsis

FOR FURTHER DETAILS CONTACT:

NAME	SHIVONN-LEE PECK
CONTACT NUMBERS	0214442593
E-MAIL ADDRESS	SHIVONN-LEE.PECK@CAPETOWN.GOV.ZA
DIRECTORATE	ECONOMIC OPPORTUNITIES & ASSET MANAGEMENT
FILE REF No	S14/3/6/1/2/2192/00/88251
MANAGER: PROPERTY HOLDING RACHEL SCHNACKENBERG	

Comment:

**ACTING DIRECTOR : PROPERTY MANAGEMENT IN
HIS CAPACITY AS EXECUTIVE DIRECTOR :
ECONOMIC OPPORTUNITIES & ASSET
MANAGEMENT NOMINEE**

NAME MIKE SIMS

DATE

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

☐ NON-COMPLIANT

LEGAL COMPLIANCE

NAME

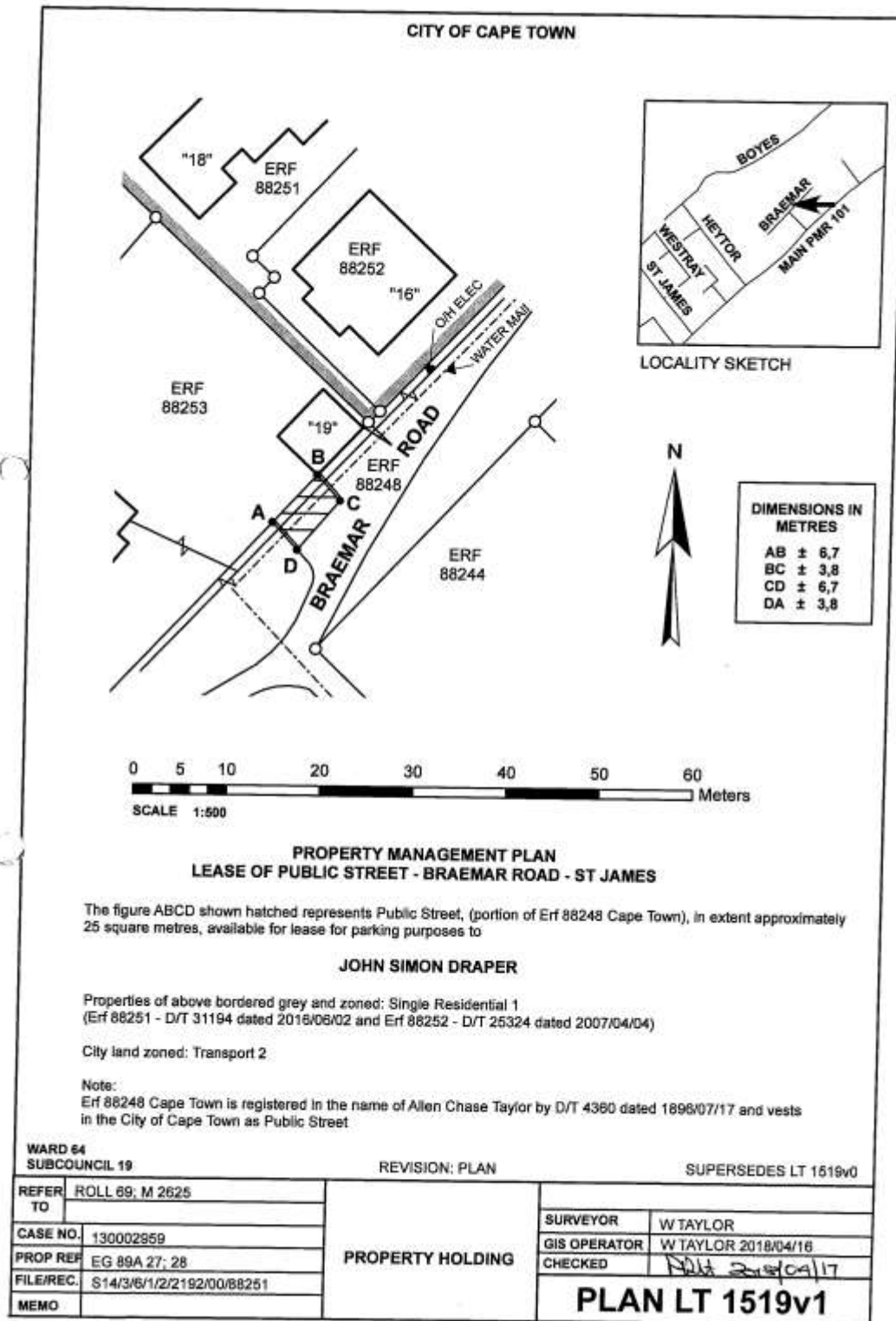
TEL

DATE

Comment:

Certified as legally compliant based on the contents of the report

ANNEXURE "A"





CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT
PROPERTY MANAGEMENT

Michael John Spaans
Professional Valuer

MEMORANDUM

T: 021 400 2731 F: 021 419 5303
E: michaeljohn.spaans@capetown.gov.za
Ref: Job 8860 Your Ref: 130002959

DATE	2021-06-18
TO	Head: South Peninsula
ATTENTION	Wilson Baartman

MARKET RENTAL DETERMINATION FOR LEASE OF PUBLIC STREET, PORTION OF ERF 88248 CAPE TOWN, BRAEMAR ROAD, ST JAMES: MR JOHN SIMON DRAPER

1. Purpose of this memorandum

As the previous valuation and agreement has taken some time to implement, we have been requested to re-value/comment on whether the escalated rental is still market related.

2. Previous valuation

It was recommended that portion of Erf 88248 Cape Town, shown lettered ABCD on Plan LT 1519v1 (refer Annexure A), measuring approximately $\pm 25\text{m}^2$, be leased to John Simon Draper for an amount of R800 per month, (inclusive of rates and exclusive of VAT), for a period of 10 years, subject to:

- (i) The rental being reviewed after a period of 5 years;
- (ii) The monthly rental is to be adjusted on the basis of 8% per annum commencing 6 months from date of this valuation. Accordingly, the above recommended rental is to be adjusted as from 2018-12-01.

3. Background

A valuation was completed and after discussions with the applicant's representatives, the rental was successfully negotiated on 2018-05-31 at R800 per month but however was not implemented; hence a revised valuation is now required.

4. Recommendation

After considering the most recent market evidence and our internal parking rental database as well as taking into account the current state of the property market and market forecasts; we conclude that the escalated previous rental amount is still market related.

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

Making progress possible. Together.

Given the aforementioned, we recommend that portion of Erf 88248 Cape Town, shown lettered ABCD on Plan LT 1519v1 (refer **Annexure A**), measuring approximately $\pm 25\text{m}^2$, be leased to John Simon Draper for an amount of R800 per month, (inclusive of rates and exclusive of VAT), subject to:

- i) The lease term is for a period of ten (10) years. The rental is to be reviewed after a period of five (5) years.
- ii) The above rental shall escalate at 8% per annum for the period 2018-12-01 until 2020-03-31; thereafter to escalate at 6% per annum until date the lease contract has been signed by Council.



Mike Spaans
Professional Valuer
Registration No. 7509/3

RP



Paul Pendlebury
Head: Market Valuations

Date: 2021-06-25