



REPORT TO SUBCOUNCIL 1

DATE

1. ITEM NUMBER

01SUB28/05/2019

2. SUBJECT

**PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE TRANSFER, OF VACANT ERF 41,
SITUATED AT 14 CHARLES DUMINY STREET, ATLANTIS INDUSTRIAL, BY PUBLIC COMPETITION
FOR INDUSTRIAL PURPOSES**

ONDERWERP

**VOORGESTELDE TOESTAAN VAN BEGINSELGOEDKEURING VIR DIE OORDRAG VAN
ONBEBOUDE ERF 41, GELEë TE CHARLES DUMINYSTRAAT 14, ATLANTIS INDUSTRIAL PER
OPENBARE MEDEDINGING VIR INDUSTRIËLE DOELEINDES**

ISIHLOKO

**ISIPHAKAMISO SOKUVUNYELWA KWESIPHUMEZO NGOKOMTHETHO-SISEKO
SOKUNIKEZELWA NGOKOKHUPHISWANO LOLUNTU KWESIZA-41 ESIVULEKILEYO, ESIKWA
14 CHARLES DUMINY STREET, ATLANTIS INDUSTRIAL, KULUNGISELELWA IMIBANDELA YEMIZI-
MVELISO**

K2944

3. DELEGATED AUTHORITY

- Not delegated: for decision by Council

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

4. FOR NOTING

- This report is for comment by Subcouncil 1

5. EXECUTIVE SUMMARY

PURPOSE OF REPORT	To inform Subcouncil 1 of the City's intention to obtain in-principle approval from Council for the transfer by a public competitive process of City-owned vacant erf 41 situated at 14 Charles Duminy Street, Atlantis Industrial.						
PROPERTY DESCRIPTION	Erf 41 situated at 14 Charles Duminy Street, Atlantis Industrial in extent approximately 3493m ² , shown lettered ABCDE on the attached Plan LIS 2027 (Annexure A).						
PROPERTY LOCATION	14 Charles Duminy Street, Atlantis Industrial						
AREA	1	SUBCOUNCIL	1	WARD	32		
SITE EXTENTS	±3493m ²	VIABLE	YES <input checked="" type="checkbox"/>	X <input type="checkbox"/>	NO <input type="checkbox"/>		
CURRENT ZONING	General Industrial 1 (GI 1)						
CURRENT USAGE	Vacant						
PROPOSED USAGE	Industrial purposes						
INTERNAL BRANCH COMMENTS	The proposed transfer of the property was circulated for internal comments. There were no objections to the sale of the property. (refer to Annexures B).						
FULL ASSESSMENT BY CITY DEPARTMENTS	The property is not required for municipal purposes and can be transferred for industrial purposes.						
AUTHORITY FOR PUBLIC PARTICIPATION	Authority granted	Director: Property Management	Date	30/10/2018			
PUBLIC PARTICIPATION PROCESS	Dates of advertising	10/11/2018 & 13/11/2018	Public comments	No objections received.			
WARD COUNCIL COMMENTS	Date of notification	15/11/2018	Comment	No comment received.			
FACTORS MOTIVATING DECISION	<ul style="list-style-type: none"> The transfer of the property will relieve Council of the maintenance burden; Market-related income will be generated; The transfer of property will enable better utilization of City-owned land; Vacant land will be developed to its highest and best use. 						
STRATEGIC INTENT	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.				
	ODTP	Optimisation & Rationalisation	The optimal utilisation of City-owned assets				
	SDF	Area Plan	The development of the property for industrial purposes is in line with the SDF				
	TOD	Category 1	Subject property does not meet the requirement for Urban Planning and Mechanisms to do a TOD Comprehensive Land Use assessment.				

6. DISCUSSION/CONTENT

6.1 BACKGROUND:

Erf 41 is situated at 14 Charles Duminy Street, Atlantis Industrial and measures approximately 3493 m² in extent, see **Annexure A** for Plan LIS 2027. The site is zoned General Industrial 1 (GI1) which is in line with its highest and best use zoning.

6.2 CONSULTATION WITH INTERNAL BRANCHES:

The various City's Departments were consulted and have no objection to the proposed sale of the property. A summary of branch comments attached as **Annexures B** will form part of the conditions of sale, where applicable.

6.3 VALUATION

The City's Professional Valuers on 31 December 2018 assessed the market value of erf 41 situated at 14 Charles Duminy Street, Atlantis Industrial at R700 000 (excluding VAT). The valuation synopsis is attached to this report as **Annexure C**.

The transfer price shall escalate at 8% per annum compounded annually on a pro rata basis commencing 6 months after the date of valuation (i.e. as from 2019-07-01), until date of registration.

The market value of the property is to be re-assessed, if the transaction is not approved by the relevant decision-making authority of Council within 18 months from the date of valuation (i.e. by 2020-07-01).

6.4 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 assets 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 (C54/08/10), permits the transfer of immovable property.

6.5 FINANCIAL IMPLICATIONS

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

6.6 SUSTAINABILITY IMPLICATIONS

Does the activity in this report have any sustainability implications for the City?

No Yes

6.7 LEGAL COMPLIANCE

The proposals comply with section 14 of the Municipal Finance Management Act, Act 56 of 2003 (MFMA);

The transfer of municipal capital assets is governed by Chapter 2 of the MATR.

Council may, in terms of **Reg 5(1)(b)(i) 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 **Reg 7 of the MATR**, Council must take into account a number of factors (highlighted in bold) when considering any proposal to transfer or dispose of non-exempted capital assets and it is herewith confirmed that:

Factor A: Whether the asset is required for 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 Annexures B) for inter-departmental comments.

Factor B: Loss or gain expected to result from proposed transfer;

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

Factor C: 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;

Council will receive financial benefits in the form of the sales price as well as future rates and taxes revenue in respect of the property. The market valuation report (**Annexure C**) estimates the market value of the property to be in the region of R700 000 (**excluding VAT**) in respect of erf 41 situated at 14 Charles Duminy Street, Atlantis industrial.

The transfer price shall escalate at 8% per annum compounded annually on a pro rata basis commencing 6 months after the date of valuation (i.e. as from 2019-07-01), until date of registration.

The market value of the property is to be re-assessed, if the transaction is not approved by the relevant decision-making authority of Council within 18 months from the date of valuation (i.e. by 2020-07-01).

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 and taxes revenue. There is no envisaged operational or control risk anticipated against the City' interest.

Factor E: Impact of the proposed transfer or disposal on 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 asset will attribute positively into the financial position of the City, through sales income, future rates and taxes revenue anticipated. The envisaged transactions are not expected to have negative impact on the credit rating of the City, due to anticipated cash inflows.

Factor F: Limitations and conditions attached to capital assets;

None.

Factor G: Estimated cost of 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: Transfer of liabilities and reserve funds associated with the asset;

None.

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

The Council's intention to transfer erf erf 41 situated at 14 Charles Duminy Street, Atlantis Industrial was duly advertised to the public in The Cape Argus and Die Burger on 10 November 2018, and in Weskus News on 13 November 2018. The relevant Subcouncil Chairperson, Subcouncil Manager, Ward Councillor, Regional Offices were notified on 15 November 2018 for comment and notification purposes. No objections to the intended transfer were received.

Factor J: Views and recommendations on the proposed transfer or disposal by National and Provincial Treasury;

No views or recommendations were received.

Factor K: The interest of any affected organ of State, the municipality's own strategic, legal and economic interest 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 this 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).

6.8 STAFF IMPLICATIONS

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

No	<input checked="" type="checkbox"/>
Yes	<input type="checkbox"/>

7. RECOMMENDATIONS

Not delegated; for decision by Council and comment by Subcouncil 1;

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 resolve that erf 41, situated at 14 Charles Duminy Street, Atlantis Industrial in extent approximately 3493m², zoned General Industrial 1 (GI1), shown lettered ABCDE on Plan LIS 2027, not be required for the provision of the minimum level of basic municipal services;
 - ii) Council confirm 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 approve in principle the transfer of erf 41, situated at 14 Charles Duminy Street, Atlantis Industrial as described in (a)(i);
- c) Erf 41, situated at 14 Charles Duminy Street, Atlantis Industrial be transferred by public competition, subject to conditions to be imposed by the Director: Property Management in the exercise of her delegated authority;

AANBEVELINGS

Nie gedelegeer nie: vir besluitneming deur die Raad en kennisname deur Subraad 1;

Daar word aanbeveel dat:

- a) Ingevolge artikel 14(2)(a) en (b) van die Wet op Munisipale Finansiële Bestuur (MFMA), Wet 56 van 2003:
 - i) Die Raad besluit dat erf 41, geleë te Charles Duminystraat 14, Atlantis Industria, ongeveer 3 493 m² groot en gesoneer as algemeen industrieel 1(GI1), aangevoer deur die letters ABCDE op plan LIS 2027, nie benodig word vir die voorsiening van die minumum vlak van basiese munisipale dienste nie;
 - ii) Die Raad bevestig dat die billeke 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, gepromulgeer op 22 Augustus 2008, die Raad die oordrag van erf 3694, geleë te Charles Duminystraat 14, Atlantis Industria, soos beskryf in (a)(i), in beginsel goedkeur;
- c) Erf 41, geleë te Charles Duminystraat 14, Atlantis Industria, per openbare mededinging oorgedra word, onderworpe aan voorwaardes opgelê deur die direkteur: eiendomsbestuur in die uitvoering van haar gedelegeerde bevoegdheid.

IZINDULULO

Aziqunyaziswanga: isigqibo seseBhunga nokuba ziqwatalaselwe iBhungana-1:

Kundululwe ukuba:

- a) Ngokwamacandela-14(2)(a) no-(b) oMthetho ongoLawulo IweziMali zikaMasipala (MFMA) ongunomb.56 wangowe-2003;
 - i) iBhunga malithabathe isigqibo sokuba isiza-41, esikwa 14 Charles Duminy Street, Atlantis Industrial, esibukhulu obumalunga nama-3493 m², esicandwe njengo commandla 1 wemizi-mveliso ngokuphangaleleya (G11), abonakaliswe ngoonobumba abakhulu u-ABCDE kwiplani engu-LIS 2027, asifuneki nganto ukuba sibonelele ngomlinganiselo othile weenkonzo ezingundoqo zikamasipala;
 - ii) iBhunga maliqinisekise ukuba kuye kwathathelwa ingqalelo ixabiso lobulungisa lasemakethi njengoko lichazwe ku-(a)(i) nexabiso lezoqoqosho nelotuntu eliyakuthi lifumanekе ngokutshintshelwana kwempahla ecaciswe ku-(a)(i);
- b) NgokoMigaqo-5(1)(b) yeMigaqo engokuTshintshelwa kweMpahla kaMasipala (MATR), R. 878 owamiselwa ngowama-22 kweyeThupha 2008, iBhunga maliphumeze ngokomthetho-siseko ukunikezelwa kwesiza-41, 14 Charles Duminy Street, Atlantis Industrial, njengoko kukhankanywe ku-(a) (i) ngentla apha;
- c) Isiza-41, esikwa 14 Charles Duminy Street, Atlantis Industrial, masinikezelwe ngokokhuphiswano loluntu, ngokuxhornekeke kwimiqathango eyakuthi Inyanzeliswe nguMlawuli woLawulo IwePropati esebezisa amagunya akhe awagunyaziselweyo.

ANNEXURES

Annexure A: Plan LIS 2027 - Erf 41, Atlantis industrial

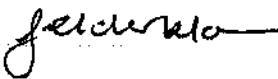
Annexure B: Summary of branch comments - Erf 41, Atlantis industrial

Annexure C: Market Valuation Report dated 31/12/2018 - Erf 41, Atlantis industrial

FOR FURTHER DETAILS CONTACT:

NAME	MARSHA HELDSINGER	CONTACT NUMBER	021 400 3903
E-MAIL ADDRESS	MARSHA.HELDINGER@CAPE TOWN.GOV.ZA		
DIRECTORATE	ECONOMIC OPPORTUNITIES & ASSET MANAGEMENT	FILE REF NO	HO 14/3/4/3/1615/A81
SIGNATURE	ACTING MANAGER : PROPERTY ACQUISITIONS AND DISPOSALS	TANIA LEWIS	

DIRECTOR: PROPERTY MANAGEMENT (IN HER CAPACITY AS NOMINEE FOR THE EXECUTIVE DIRECTOR – ECONOMIC OPPORTUNITIES & ASSET MANAGEMENT)

NAME	Ruby Gelderbloem	COMMENT:
DATE	2019.08.07	
SIGNATURE		

Comment:

MANAGER: SUBCOUNCIL 1
WESSIE VAN DER WESTHUIZEN

DATE



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Making progress possible. Together.

Mr W van der Westhuizen
SUBCOUNCIL 1 MANAGER

DATE

07 March 2019

Comment: _____

666 Day, 201
Cllr C Clayton
SUBCOUNCIL 1 CHAIRPERSON

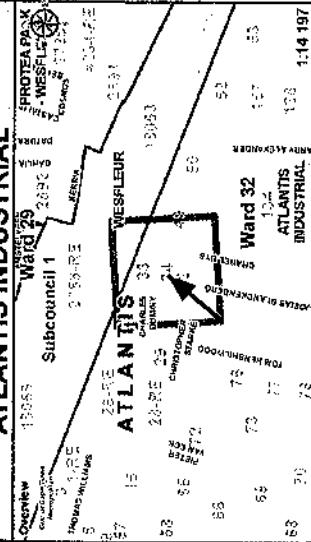
Date

07/03/19

PROPERTY DISPOSALS
ATLANTIS INDUSTRIAL - ERF 41
ATLANTIS INDUSTRIAL

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DM TEXT	DM [metre]
AB	14.14
BC	77.57
CD	47.82
DE	52.82



Legend:

- Disposal Areas
 - Elec - Substations
 - Streetlight
 - Elec - Overhead Lines
 - Elec - Underground Cables
 - Water - Hydrants Recalibration
 - I. Water - Valves Recalibration
 - Water - Mains Recalibration
 - Sewer - Mains Recalibration
 - Sewer - Mains Rehabilitation
 - STW - Manhole
 - Catchpit:
 - STW - Pipe Servitude

Notes:

- 1) The figure ABCDE represents ERF 44 ATLANTIS INDUSTRIAL, in extent of 34.92,73 m², a portion of a registered remainder of ERF 34 ATLANTIS INDUSTRIAL, Zoning Scheme: General Industrial 1 owned by City Of Cape Town.
 - 2) Title Deed No. T 56972/2005.

3) Pending the position of services' utilities on site, a minimum 5m wide servitude to be registered for future maintenance.

4) 5)

Ward Number: 32, Subcouncil: 1



CITY OF CAPE TOWN

STAD

FF-193
Aerial Photo: 2018 Feb (40% Trans)

See [Case Team](#) for those who correspond to the Society or
Committee of those who presented the case and
not to the same for others. [Society](#) has 12 groups,
as [indicated](#) above.



CITY OF CAPE TOWN
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PROPERTY DISPOSALS
ASSETS & FACILITATION MANAGEMENT

Jason Drummer
Clerk: Property Disposals

E: jason.drummer@capetown.gov.za
File ref: 14/3/4/3/1615/A81

2018/7/17

TECHNICAL INVESTIGATION CONTROL SHEET

PROPERTY	Erf 41, 14 Charles Duminy Street, Atlantis Industrial (US:124)		
Extent	3492m ²		
Zoning	General Industrial 1 (G1)		
Title Deed No.	T56972/2006		
Disposal Plan No.			
Date comments requested	17.7.2018		
Reminder	31.7.2018		
Closing date for comments	06.8.2018		

Department	Official	Response received Date	Comments
TDA: DEVELOPMENT MANAGEMENT	Elmarie Marais	18.7.2018	This office has no objection to the sale of the property. Access to be obtained off Charles Duminy close.
TDA: URBAN INTEGRATION	Lutz de wet	-	No response.

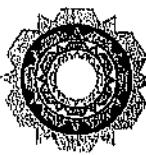
TDA: IMPACT ASSESSMENT & DEVELOPMENT CONTROL	Marwaan Williams	-	No response.
TDA URBAN INTEGRATION SUSTAINABLE URBAN MANAGEMENT	Mervyn August Shanaaz Soeker	-	No response.
TDA: BUILT ENVIRONMENT MANAGEMENT INFRASTRUCTURE & MANAGEMENT INVESTMENT	Glenwin Sampson	2.8.2018	With reference to the CIP 2017-22 and the approved Public Right of Way / Road Network Plan (2017), The Conceptual Design & Planning Branch of TDA; Urban Catalytic Investment has no objection to the disposal of Ef 41, Charles Durnin Street, Atlantis as the property is not required for future road network improvements.
TDA: ENVIRONMENTAL MANAGEMENT AND HERITAGE MANAGEMENT	Pat Thirnus	30.7.2018	1. In terms of the City Environmental Management Framework (i.e. a component of the approved Bergvleenberg District Plan) Ef 41, Atlantis does not support any critical biodiversity area (CBAs). 2. The property is not located on any recognized heritage or archaeological zone that warrants caution. 3. The release of this city owned land facilitates the CIP 2017-2022 envisioned Atlantis Special Economic Zone (SEZ) and thereby contributes to more job creation opportunities. 4. No EMD related conditions are required. In light of the above the Environmental Management Department (EMD) has <u>no objection</u> to the proposed sale.
TDA: INTEGRATED TRANSPORT IMPLEMENTATION	Claude Madell	-	No response.
TDA: ENVIRONMENTAL MANAGEMENT COASTAL MANAGEMENT	Gregg Oelofse	17.7.2018	Non-Coastal Matter
FINANCE	Danie Malan	-	No response.
SOCIAL SERVICES: RECREATION AND PARKS	Nabeel Bassadien	6.8.2018	HEAD: Cemetery Planning I have no objection against the sale of the subject property.
SOCIAL SERVICES SOCIAL DEVELOPMENT & EARLY CHILDHOOD DEVELOPMENT (SDECD)	Grant Stephens	19.7.2018	Considering SD&ECD Capital Budget for ECD Centres, there is no objection.

SOCIAL SERVICES CITY HEALTH	David Chapman	18.7.2018	No objection.
SOCIAL SERVICES PLANNING AND DEVELOPMENT & PMO	Leeroy May Bradley Burger	-	No response.
SAFETY AND SECURITY FIRE SERVICES	Cyprian Caimcross	7.8.2018	No objections from Fire Services.
SAFETY AND SECURITY LAW ENFORCEMENT, TRAFFIC & CO- ORDINATION LAW ENFORCEMENT SERVICES	Shaun Graham Smith	18.7.2018	No objection from Law enforcement services
SAFETY AND SECURITY LAW ENFORCEMENT, TRAFFIC & CO- ORDINATION - TRAFFIC SUPPORT SERVICES: TRAFFIC	Desre Liebenberg	24.7.2018	Traffic Services have no objection to the Proposed Disposal of Erf 41, 14 Charles Duminy Street, Atlantis Ind. Our operations will not be affected.
AREA BASED SERVICE DELIVERY	Freddie Prince	-	No response.
AFM: FACILITIES MANAGEMENT CENTRALISED FACILITIES MANAGEMENT AND MAINTENANCE PLANNING	Alan Pharo	17.7.2018	No objection.

AFM PROPERTY MANAGEMENT PROPERTY HOLDING	Bongiwe	30.7.2018	No objectives nor comments
PROPERTY TRANSACTION MANAGEMENT	Samuel Mukari	17.7.2018	No objection.
	Deidre Khan		<p>The subject area proposed for disposal is erf 41 Atlantis, zoned G11.</p> <p>IPP's has no objection to the disposal. In the event that transfer occurs, IPP must be notified in order to ensure that the City's Immovable Property Asset Register (IPAR) is updated. Furthermore, we bring to your attention that an Accountable Department must be designated in accordance with the Immovable Property Asset Management Policy (C06/12/15):</p>
		20.8.2018	<p>7.4 The Immovable 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> <ul style="list-style-type: none"> (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; (c) Being the definitive record of the City's immovable property assets and which Directorates and Departments are accountable for such assets. <p>The immovable property asset has not been subject to an immovable property asset management performance assessment.</p>
AFM PROPERTY MANAGEMENT IMMOVABLE PROPERTY PLANNING	Fareed Shariff	-	No response.
AFM: PROPERTY MANAGEMENT TRANSVERSAL REAL ESTATE SERVICES			

Electricity Distribution System Development North	Fadia Martin	26.7.2018	We have no objection to the proposal subject to the following conditions:
			<p>1. Any alterations or deviations to electricity services necessary as a consequence of the proposal, or requested by the applicant, will be carried out at the applicants cost.</p> <p>1. Electrical infrastructure may exist on the property or in its vicinity. A wayleave shall be obtained from the Electricity Services Department before any excavation work may commence. In this regard, please contact this Department's Drawing Office Manager Mr D. Smith on 021 444 2146 or davidb.smith@capetown.gov.za</p>
INFORMAL SETTLEMENTS WATER AND SANITATION ALL BRANCHES	Chwayita Macakati		No response.
CORPORATE SERVICES	Thembelani Mangena Waliied Tafiep		No response.
INFORMAL SETTLEMENTS: WATER AND WASTE SERVICES INFORMAL SETTLEMENTS AND BACKYARDS INFORMAL SETTLEMENTS ENGINEERING SERVICE	Susan Groenewald	6.8.2018	Informal Settlements do not have any objection regarding the application, not suitable for our market.
INFORMAL SETTLEMENTS: WATER AND WASTE SERVICES SOLID WASTE MANAGEMENT	Rosina Lesoeta	6.8.2018	The property is not required for the provision of waste management services; the proposed sale is therefore supported.

TELKOM SA LTD		-	No response.
SPECIAL CONDITIONS			
Department	Official	Response received Date	Comments
IDA: ASSET MANAGEMENT AND MAINTENANCE	Shamel Thomas	18.7.2018	<p>The application for the sale of the above mentioned properties has reference:</p> <p>The Asset Management and Maintenance Department has no objection to the sale of the property on condition:</p> <ol style="list-style-type: none"> That the exact location of the existing services (Stormwater and sewer pipelines), as depicted on the attached detailed photograph crossing the site (see survey ref: 1). That a services servitude (minimum 5m wide), to accommodate any future maintenance, shall be registered over these services. That the Stormwater runoff shall be managed on site in terms of the Management of Stormwater Impacts Policy. That the site shall be provided with a stormwater connection to obtain to the underground Municipo Stormwater system. That access to the site be taken from Charles Lumley Street and that no access will be afforded from Church Lane Drive.



CITY OF CAPE TOWN
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**ASSETS AND FACILITIES MANAGEMENT
PROPERTY MANAGEMENT**

Garth Johnson
Professional Valuer

T: 021 400 2831 F: 021 419 5303
E: Garth.Johnson@capetown.gov.za
Job no: 7102 Your Ref: HO 14/3/4/3/1615/A81

DATE	2018-08-30
To	Head: Property Disposals
ATTENTION	Tania Lewis

VALUATION REPORT

DESKTOP MARKET VALUATION OF ERF 41 ATLANTIS INDUSTRIAL, LOCATED AT 14 CHARLES DUMINY STREET, ATLANTIS INDUSTRIAL, REQUIRED FOR AUTHORITY TO ADVERTISE AND/OR IN-PRINCIPAL APPROVAL

1. Brief and Background

We were requested by Tania Lewis, Head: Property Disposals, to determine the market value of Erf 41 Atlantis Industrial (hereafter 'the subject property'), situated 14 Charles Duminy Street, Atlantis Industrial. The valuation is required in order to obtain authority to advertise and/or in-principle approval.

2. Date of Valuation

2018-12-31

3. Date of Inspection

A physical inspection was not deemed necessary at this stage of the disposal process, although we did make use of aerial photos and other imagery.

4. Caveats

The reader should note the following:

- (i) The 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 or transfer duty.
- (iii) This report has been prepared in conformity with recognized standard procedure regarding the disposal of City property.
- (iv) This is a desktop valuation and therefore for indicative purposes only. A more comprehensive valuation should be requested before tender or auction date.

5. Salient information

The most relevant property information is listed in **Table 1**.

Table 1: Salient Information of the subject property	
Description	Erf 41 Atlantis Industrial
Address	14 Charles Duminy Street, Atlantis Industrial
Owner	City of Cape Town
Zoning	General Industrial 1
Site extent	3 493m ²
Improvements	From aerial imagery it is evident that the subject property is vacant.
Municipal Value	R120 000 (according to GRM records)
Branch Comments	The Branch comments included in the brief are all in support of the proposed disposal, subject to standard conditions of sale, and not considered to affect the value from a valuation perspective.



6. 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.

7. Method of Valuation

The comparable sales method was applied, which entails the following steps:

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

8. Conclusion

We considered sales in the immediate vicinity and also further afield in similar submarkets and, based on the latter evidence, as well as recent valuations conducted in similar areas, are of the opinion that the market value is in the order of:

$$3\,493\text{m}^2 \quad \times \quad \text{R}200/\text{m}^2 \quad = \quad \text{R}700\,000 \text{ (excluding VAT)}$$

Importantly: This is a desktop valuation that is for indicative purposes and hence should not be used for purposes of transacting, in which case a more comprehensive analysis will be undertaken. Notwithstanding the above and to allow for the efflux in time the following escalation and validity period should apply:

- a. The transfer price shall escalate at 8% per annum compounded annually on a pro rata basis commencing 6 months after date of valuation (i.e. as from 2019-07-01) 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 18 months from date of valuation (i.e. by 2020-07-01).



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2018-12-19