



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

CCG-0575

REPORT TO SUBCOUNCIL 1

DATE

1. ITEM NUMBER **01SUB30/05/2019**

2. SUBJECT

PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE TRANSFER, BY PUBLIC COMPETITION, OF VACANT ERF 66, ATLANTIS INDUSTRIAL, SITUATED ON PIETER VAN ECK STREET, FOR INDUSTRIAL PURPOSES

ONDERWERP

VOORGESTELDE TOESTAAN VAN BEGINSELGOEDKEURING VIR DIE OORDRAG, PER OPENBARE MEDEDINGING, VAN ONBEBOUDE ERF 66, ATLANTIS INDUSTRIA, GELEë TE PIETER VAN ECKSTRAAT, VIR INDUSTRIËLE DOELEINDES

ISIHLOKO

ISIPHAKAMISO SOKUVUNYEWA KWESIPHUMEZO NGOKOMTHETHO-SISEKO
SOKUNIKEZELWA NGOKOKHUPHISWANO LOLUNTU KWESIZA-66 ESIVULELEKILEYO, ATLANTIS
INDUSTRIAL, ESIKWI-PIETER VAN ECK STREET, KULUNGISELELWA IMIBANDELA YEMIZI-MVELISO

[LSU K2655]

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 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.

4. FOR NOTING

This report is for noting 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 66, Pieter van Eck Street, Atlantis industrial.			
PROPERTY DESCRIPTION	Erf 66 Atlantis Industrial, situated at Pieter van Eck Street, shown marked ABC on attached locality plan (Annexure A), in extent approximately 7173 m ² .			
PROPERTY LOCATION	Pieter van Eck Street, Atlantis Industrial.			
AREA	1 SUBCOUNCIL	1	WARD	32
SITE EXTENT	Approximately 7173m ²			
VIABLE	YES	X NO		
CURRENT ZONING	General Industrial 1.			
CURRENT USAGE	Vacant			
PROPOSED USAGE	Industrial purposes			
INTERNAL BRANCH COMMENTS	The proposed disposal of the property was circulated for internal comment. There were no objections to the sale of the property.			
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	15/10/2018
PUBLIC PARTICIPATION PROCESS	Date of advertising	10/11/2018	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 sale of the land will relieve Council of the maintenance burden; ▪ A market-related income will be generated; ▪ The sale will enable better utilization of City land; ▪ Vacant land will be developed to its highest and best use. 			
STRATEGIC INTENT	IDP SFA 1: An Opportunity City ODTP Optimisation and Rationalisation SDF Area Plan TOD TDA Urban Integration Management			
	Objective 1.1 (g) Leverage the City's assets, to rationalise and optimally utilise City assets to stimulate economic benefit for Cape Town.			
	The optimal utilisation of Council assets			
	The development of the property for industrial purposes is in line with the SDF			
	Supports the proposed disposal of land.			

6. DISCUSSION/CONTENT

6.1 BACKGROUND:

The subject property has been identified for transfer and included in the Property Management Disposal Program for the 2018/2019 financial year:

Erf 66 Atlantis Industrial, situated at Pieter van Eck Street, shown marked ABC on attached locality plan (**Annexure A**), measures approximately 7173 m² and is zoned General Industrial.

6.2 CONSULTATION WITH INTERNAL BRANCHES:

The proposed sale of erf 66 Atlantis Industrial was circulated to all relevant City service branches and external departments for comment. No objections were received and the following departments/service branches have commented as follows:

TELKOM / OPEN SERVE -2018-06-25

Approval is granted, subject to the following conditions. Telkom infrastructure will be affected.

Should alterations or relocations of existing infrastructure be required, such work will be done at the cost of the applicant.

ENERGY: ELECTRICITY GENERATION - 2018-06-21 and 2018-06-26

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.

There is no electricity supply connection to this vacant property. Its authorised supply capacity is Nil. Consequently, on application for supply, the fee will include SNC from Nil to whatever supply capacity is required. These costs will be for the account of the Purchaser.

TDA COMMENT – 2018-06-25

TDA Urban Integration Management supports the proposed disposal of land.

A summary of the branch comments is attached - see **Annexure B**. Branch requirements will form part of the conditions of sale, where applicable.

6.3 VALUATION

The City's professional valuers on 31 August 2018 assessed the desktop market value of the subject property to be in the order of R1 200 000 (excluding VAT), subject to an escalation rate of 8% per annum compounded annually on a pro-rata basis commencing 6 months after the date of valuation (ie as from 2019-03-01) until date of registration. The market valuation is to be reviewed if the transaction is not approved by the relevant decision-making authority within 18 months of the date of valuation. The valuation report is attached hereto marked **Annexure C**.

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 land 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.

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 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)(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 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 capital asset is required for municipality's own use at later date

Council's service branches have confirmed that the assets are not required for its own purposes.

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 property as well as future rates and taxes and the transfer of the asset 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

Council will receive a financial benefit in the form of the sales price as well as future rates and taxes in respect of the properties. The desktop market valuation report (Annexure C) estimates the market value of the property to be in the region of R1 200 000 (excluding VAT).

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 interests

No operational or control risk to the City

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

No impact

Factor F: Any limitations or conditions attached to the capital asset or the transfer or 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 transfer Erf 66, situated at Pieter van Eck Street, Atlantis Industrial, was duly advertised to the public in The Weekend Argus and Die Burger on 10 November 2018, and in the Weskus News on 13 November 2018. The relevant Subcouncil chairperson, Subcouncil manager, Ward Councillor, National and Provincial Treasury, and Regional Offices were notified. No objections to the intended transfer of the asset were received.

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

No comments were received.

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 transfer of the asset - in fact they will be supported.

Factor L: Compliance with legislative regime applicable to the proposed transfer or disposal

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

Yes

7.

RECOMMENDATIONS

Nie gedelegeer nie: vir besluitneming deur die Raad en kennisname deur subraad 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 66, Atlantis Industrial, situated at Pieter van Eck Street, in extent approximately 7173m², zoned general Industrial, shown lettered ABC on attached Locality Plan marked Annexure "A", 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 66, Atlantis Industrial, situated at Pieter van Eck Street, as described in (a)(i);
- c) Erf 66, Atlantis Industrial, situated at Pieter van Eck Street in extent approximately 7173m², zoned general Industrial, shown lettered ABC on attached Locality Plan marked Annexure "A", be transferred by a public competitive process, 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 Plaaslike Regering: Municipale Finansiële Bestuur (MFMA), Wet 56 van 2003:
 - i) Die Raad besluit dat erf 66, Atlantis Industria, geleë te Pieter van Eckstraat, ongeveer 7 173 m² groot, gesoneer as algemeen industrieel en aangetoon deur die letters ABC op die aangetoon liggingsplan gemerk bylae "A", nie

vir die voorsiening van die minimum vlak van basiese munisipale dienste benodig word nie;

- ii) Die Raad bevestig dat die billike markwaarde vann die bate beskryf in (a)(i) en die ekonomiese en gemeenskapswaarde wat in rul vir die bate beskryf in (a)(ii) 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 dat erf 66, Atlantis Industria, geleë te Pieter van Eckstraat, soos beskryf in (a)(i), in beginsel goedkeur;
- c) Erf 66, Atlantis Industria, geleë te Pieter van Eckstraat, ongeveer 7 173 m² groot, gesoneer as algemeen industrieel-en aangetoon deur die letters ABC op die aangehegte liggingsplan gemerk bylae "A", per openbare mededeling oorgedra word, onderworpe aan voorwaardes opgelê deur die direkteur: elendomsbestuur in die uitvoering van haar gedledeerde bevoegdheid.

IZINDULULO

Aziqunyaziswanga: isiqqibo seseBhunga nokuawatalaselwa libhungana-1:

Kundululwe ukuba:

- a) Ngokwamacandelo-14(2)(a) no-(b) oMthetho ongoLawulo IweziMali zikaMasipala (MFMA) ongunomb.56 wangowe-2003;
 - i) IBhunga malithabathe isiqqibo sokuba isiza-66 esise- Atlantis Industrial, kwi-Pieter van Eck Street, esibukhulu obumalunga nama-7173 m², esicandwe njengomzi-mveliso ngokuphangaleleyo, esibonakaliswe ngoonobumba abakhulu u-ABC kwiplani yendawo eqhotyoshelwe kwihiomelo-A, asifuneki nganto ukubonelela ngomlinganiselo othuile weenkonzo ezingundoqo zikamasipala;
 - ii) IBhunga maliqinisekise ukuba kuye kwathathelwa ingqalelo ixabiso lobulungisa lasemakethi njengoko fitchazwe ku-(a)(i) nexabiso lezoqoqosho neloluntu eliyakuthi lifurmaneke ngokutshintshelwana kweempahta ezicaciswe 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 kwsiza-11675, Tamarisk Street, e-Delft, njengoko kukhankanywe ku-(a) (i) ngentla apha;
- c) Isiza-66, esise-Atlantis Industrial, esikwi-Pieter van Eck Street, esibukhulu obumalunga nama-7173m², esicandwe njongomzi-mveliso ngokuphangaleleyo, esibonakaliswe ngoonobumba abakhulu u-ABC esiqhotyoshelwe kwiPlani yendawo engu-A, masinikezelwe ngokwenkubo yokhuphiswano loluntu, ngokuxhomkeke kwimiqathango eyakuthi inyanzeliswe nguMlawuli woLawulo IwePropati esebezisa amagunya ache awagunyazisiwyo.

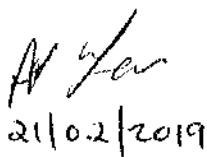
ANNEXURES

Annexure A: Locality Plan Erf 66 Atlantis Industrial

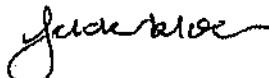
Annexure B: Summary of branch comments

Annexure C: Desktop Market Valuation report dated 2018-08-31.

FOR FURTHER DETAILS CONTACT:

NAME	SALLY CHAMBERS	CONTACT NUMBER	021 400 2236
E-MAIL ADDRESS	SALLY.CHAMBERS@CAPE TOWN.GOV.ZA		
DIRECTORATE	ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT	FILE REF NO	HO 14/3/4/3/1544/A81
SIGNATURE	TANIA LEWIS MANAGER : PROPERTY ACQUISITIONS AND DISPOSALS	ANDRE HUMAN	 21/02/2019

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

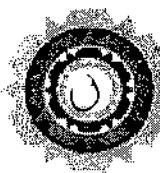
NAME	RUBY GELDERBLOEM	COMMENT:
DATE	2019-08-07	
SIGNATURE		

Comment:

MANAGER: SUBCOUNCIL 1

WESSION 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

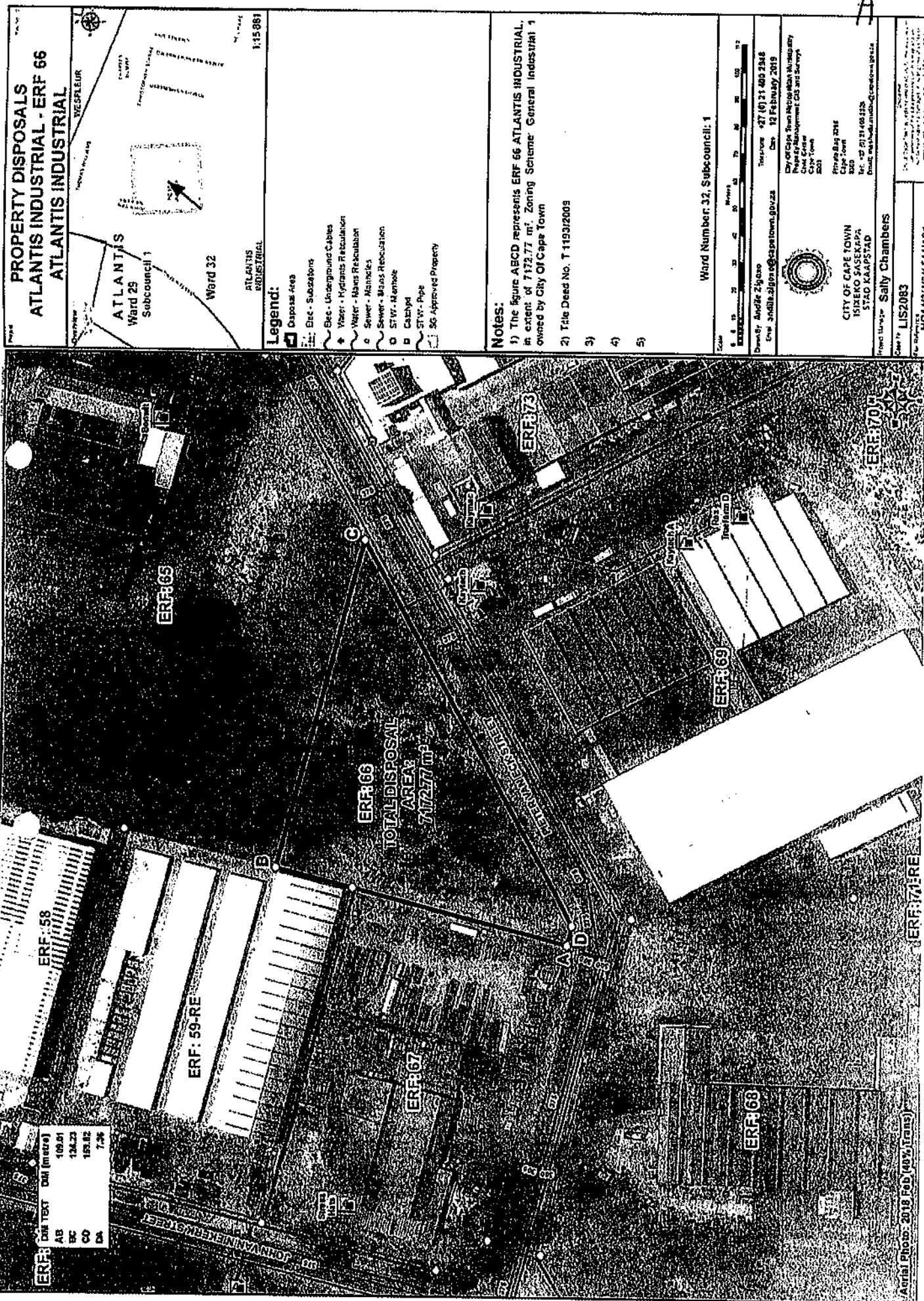
7 March 2019

Comment: _____

Cllr C Clayton
SUBCOUNCIL 1 CHAIRPERSON

Date

07/03/19





CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

PROPERTY DISPOSALS
ASSETS & FACILITATION MANAGEMENT

Jason Drummer
Clerk: Property Disposals

E: Jason.drummer@capetown.gov.za
File ref: 14/3/4/3/1544/A81

2018/6/04

000 0586

TECHNICAL INVESTIGATION CONTROL SHEET

PROPERTY	Erf 66, 6 Pieter Van Eck Street, Atlantis Industrial (Previously known as CA4-16)		
Extent	7.172.78		
Zoning	General Industrial 1		
Title Deed No.	T1193/2009		
Disposal Plan No.			
Date comments requested	04.6.2018		
Reminder	18.6.2018		
Closing date for comments	25.6.2018		

Department	Official	Response received Date	Comments
TDA: DEVELOPMENT MANAGEMENT	Dewaldt Smit/ Elmari Marais	6.6.2018	This office has no objection to the sale of the land. The zoning is General Industrial Subzone G1
TDA: ASSET MANAGEMENT AND MAINTENANCE	Sharniel Thomas	4.6.2018	The TDA: AMM Department has no objection to the sale of the property on condition that: 1. The applicant will be responsible to install the required stormwater connection to manage the stormwater run-off from the property in terms of the required Council policies relating to stormwater

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

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11

			management.
IDA: URBAN INTEGRATION	Willem Naudé	25.6.2018	Supports the disposal.
IDA: IMPACT ASSESSMENT & DEVELOPMENT CONTROL	Daniel Potgieter	-	No response.
IDA: BUILT ENVIRONMENT MANAGEMENT INFRASTRUCTURE & MANAGEMENT INVESTMENT	Glenwin Sampson	3.7.2018	As this does not affect a major road but only a local street, comments must be provided by the relevant TDA District office: Asset Management & Maintenance and TDA: TIA & Development Control.
IDA: ENVIRONMENTAL MANAGEMENT ENVIRONMENT AND HERITAGE MANAGEMENT	Morne Theron o.b.o Pat Timmuss	25.6.2018	No objection.
IDA: INTEGRATED TRANSPORT IMPLEMENTATION	Claude Madell	-	No response.
IDA: ENVIRONMENTAL MANAGEMENT COASTAL MANAGEMENT	Gregg Oelofse	N/a	Non Coastal matter.
FINANCE	Danie Malan	-	No response.
SOCIAL SERVICES: RECREATION AND PARKS	David Dunn Cynthia Minaar	18.6.2018 21.6.2018	No objection This office has no objection to the proposed disposal of the above mentioned property
SOCIAL SERVICES SOCIAL DEVELOPMENT & EARLY CHILDHOOD DEVELOPMENT (SDECD)	Grant Stephens/ Alfonso Sauls	15.6.2018	No objection from the Social Development and ECD Department.

SOCIAL SERVICES CITY HEALTH	David Chapman / Colin Abrahams	7.6.2018	No objection.
SOCIAL SERVICES PLANNING AND DEVELOPMENT & PMO	Leeroy May Bradley Burger	-	No response.
SAFETY AND SECURITY FIRE SERVICES	Ian Schenier	18.6.2018	No objections to the proposal.
SAFETY AND SECURITY LAW ENFORCEMENT, TRAFFIC & CO- ORDINATION LAW ENFORCEMENT SERVICES	Ashley Baron	12.02.2019	No objection to the proposal.
SAFETY AND SECURITY LAW ENFORCEMENT, TRAFFIC & CO- ORDINATION TRAFFIC SUPPORT SERVICES: TRAFFIC	Desre Liebenberg/ Kevin Heckrath	26.6.2018	Traffic Services have no objection to the Proposed Sale of ERF 66 [6 Pieter van Eck Street, Atlantis]. The sale will not affect traffic operations in the area.
AREA BASED SERVICE DELIVERY	Freddie Prince/ Vessie van der Westhuysen	-	No response.
AFM: FACILITIES MANAGEMENT CENTRALISED FACILITIES MANAGEMENT AND MAINTENANCE PLANNING	Alan Pharo	4.6.2018	No objection from Facilities Management.
AFM PROPERTY MANAGEMENT PROPERTY HOLDING	BongiweMaliSwelindawo Pieter Strumpher	5.6.2018	This regional office has no objection to the proposed disposal of the industrial site.
PROPERTY TRANSACTION MANAGEMENT	Samuel Mukor	4.6.2018	No Objections

	Deidre Khan	<p>IPP has no objection to the disposal.</p> <p>Manager Directive 19 of 2017 required all Directorates to identify their need for immovable property assets over the next 5 years. This asset demand data reveals the following needs for operational purposes:</p>	<table border="1"> <thead> <tr> <th>Proximity/Area where need identified (Y/ N)</th><th>Type of need (usage)</th></tr> </thead> <tbody> <tr> <td>Suburb</td><td>Atlantis</td></tr> <tr> <td>Ward</td><td>32</td></tr> <tr> <td>Sub - council</td><td>1 Law Enforcement Deployment office</td></tr> </tbody> </table>	Proximity/Area where need identified (Y/ N)	Type of need (usage)	Suburb	Atlantis	Ward	32	Sub - council	1 Law Enforcement Deployment office	<p style="text-align: right;">589</p> <p>Furthermore, 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> <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>
Proximity/Area where need identified (Y/ N)	Type of need (usage)											
Suburb	Atlantis											
Ward	32											
Sub - council	1 Law Enforcement Deployment office											
		21.6.2018	AFM PROPERTY MANAGEMENT IMMOVABLE PROPERTY PLANNING									

AFM: PROPERTY MANAGEMENT TRANSVERSAL REAL ESTATE SERVICES	Fareed Sheriff	-	No response.
ENERGY: ELECTRICAL GENERATION AND DISTRIBUTION ENGINEERING	Shiraaz Swartland/ Fadia Martin/ Michael Schmidt	21.6.2018 26.6.2018	<p>There is no objection to the application for disposal subject to the following conditions:</p> <ol style="list-style-type: none"> 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. 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 david.smith@capetown.gov.za <p>The Electricity department has no objection to the proposed sale of this property. However, the deed of sale is to stipulate that:</p> <ol style="list-style-type: none"> There is no electricity supply connection to this vacant property. Its authorised supply capacity is nil. Consequently upon application for supply, the fee will include SNC from nil to whatever supply capacity is required.
ENERGY: ELECTRICAL GENERATION AND DISTRIBUTION ENGINEERING REVENUE MANAGEMENT	Natalie Allies	-	No response.

INFORMAL SETTLEMENTS WATER AND SANITATION ALL BRANCHES	Eduard Albertrijn	-	No response.
CORPORATE SERVICES	Thembelani Mangena Wallied Tailep	-	No response.
INFORMAL SETTLEMENTS: WATER AND WASTE SERVICES	Thembelani Mangena Wallied Tailep	-	No response.
INFORMAL SETTLEMENTS AND BACKYARDS	Johan Gerber	-	No response.
INFORMAL SETTLEMENTS ENGINEERING SERVICE			
INFORMAL SETTLEMENTS: WATER AND WASTE SERVICES	Rosina Lesoetsa	29.6.2018	No objection.
SOLID WASTE MANAGEMENT			
			<p>As important cables are affected, please contact our representative PAUL SIMPSON at telephone number (021) 552 6583 / 081 365 8603 at least 48 hours prior of commencement on construction work.</p> <p>I hereby inform you that Open Serve approves the proposed work indicated on your drawing in principle. This approval is valid for 12 months only, after which reapplication must be made if the work has not been completed. Any changes or deviations from the original planning during or prior to construction must immediately be communicated to this office.</p> <p>Approval is granted, subject to the following conditions.</p> <p>Telecommunication services position is shown as accurately as possible but should be regarded as approximate only. Should alterations or relocation of existing infrastructure be required, such work will be done at the request and cost of the applicant.</p> <p>Please notify this office within 21 working days from this letter of acceptance and if any alternative proposal is available or if a recoverable work should commence.</p> <p>It would be appreciated if this office can be notified within 30 days of completion of the construction work. Confirmation is required on completion of construction as per agreed requirements.</p>
TELKOM SA LTD	Erica Burg (E) <EricaB@openserve.co.za>	25.6.2018	



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: 6982 Your Ref: HO 14/3/4/3/1544/A81

DATE	2018-08-06
TO	Head: Property Disposals
ATTENTION	Tania Lewis

VALUATION REPORT

DESKTOP MARKET VALUATION OF ERF 66 ATLANTIS INDUSTRIAL, LOCATED AT 6 PIETER VAN ECK STREET, ATLANTIS INDUSTRIAL, REQUIRED FOR IN-PRINCIPLE APPROVAL FOR DISPOSAL

1. Brief and Background

We were requested by Tania Lewis, Head: Property Disposals, to determine the market value of Erf 66 Atlantis Industrial (hereafter 'the subject property'), situated at 6 Pieter van Eck Street, Atlantis Industrial. The valuation is required in order to obtain in-principle approval to dispose of the property.

2. Date of Valuation

2018-08-31

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

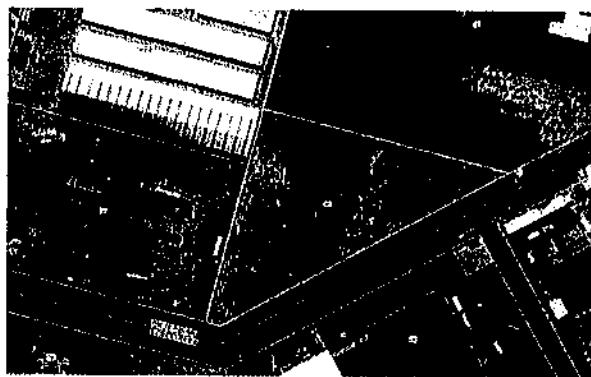
The reader should note the following:

- (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 66 Atlantis Industrial
Address	6 Pieter Van Eck Street, Atlantis Industrial
Owner	City of Cape Town
Zoning	General Industrial 1 (GI1)
Site extent	7 173m ²
Improvements	Vacant, level and unfenced site.
Municipal Value	R 1 290 780 as at 1 July 2016
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 R1 200 000 (excluding VAT) or R165/m² of land.

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 2019-03-01) 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 2020-03-01).



Garth Johnson
Principal Professional Valuer



Paul Pendlebury
Head: Market Valuations

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