

ITEM NUMBER: C 37/05/16

**RECOMMENDATION FROM THE EXECUTIVE MAYOR: 03 MAY 2016**

**MC 16/05/16 PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE SALE, BY PUBLIC COMPETITION, OF VACANT ERVEN 7152 AND 7153, CONSTANTIA AT LA RHONE ROAD, KIRSTENHOF FOR RESIDENTIAL PURPOSES**

It is **RECOMMENDED** that:

- (a) in terms of sections 14(2)(a) and (b) of the Municipal Finance Management Act (MFMA), Act 56 of 2003:
  - (i) Council resolve that Erven 7152 and 7153, Constantia situated at La Rhone Road, Kirstenhof, in extent approximately 732 m<sup>2</sup> and 745 m<sup>2</sup> respectively, zoned Single Residential Zone 1: Conventional Housing (SR1), lettered AHGF and BCDE respectively on Plan LIS 1435v0 attached as Annexure A to the report on the agenda, not be required for the provision of the minimum level of basic municipal services;
  - (ii) Council confirm that the fair market value of the assets described in (a)(i) and the economic and community value to be received in exchange for the assets 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 disposal of Erven 7152 and 7153, Constantia, as described in (a)(i) above
- (c) Erven 7152 and 7153, Constantia, be disposed of by public competition, subject to conditions to be imposed by the Director: Property Management in the exercise of her delegated authority
- (d) any gain or loss incurred by the municipality in respect of the transfer of the assets be included in the adjustment budget of the municipality (sections 28 and 87 of the MFMA), if not budgeted for in the approved annual budget.

IPAC 46/03/2016 PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE SALE, BY  
PUBLIC COMPETITION, OF VACANT ERVEN 7152 AND 7153, CONSTANTIA,  
AT LA RHONE ROAD, KIRSTENHOF FOR RESIDENTIAL PURPOSES

MC 16/05/16 VOORGESTELDE TOESTAAN VAN BEGINSELGOEDKEURING VIR DIE  
VERKOOP, DEUR OPENBARE MEDEDINGING, VAN ONBEOUDE ERWE  
7152 EN 7153, CONSTANTIA, GELÛE IN LA RHONE ROAD,  
KIRSTENHOF VIR RESIDENSIËLE DOELEINDES

UKUNIKEZELWA OKUCETIWEYO KOKUGUNYAZISWA NGOKOMGAQO  
KOKUTHENGISWA, NGOKHUPHISWANO LUKAWONKE WONKE LWESIZA  
ESINGENAMNTU IZIZA 7152 NO-7153, EZISE-CONSTANTIA, E-LA RHONE  
ROAD, E-KIRSTENHOF UKUZE KUHLALE ABANTU

*Property Management representative was present to answer any question for  
clarity*

### RECOMMENDATIONS

Not delegated: for decision by Council

It is recommended that:

- a) In terms of sections 14(2)(a) and (b) of the Municipal Finance Management Act (MFMA), Act 56 of 2003:
  - i) Council resolve that erven 7152 and 7153, Constantia, situated at La Rhone Road, Kirstenhof, in extent approximately 732 m<sup>2</sup> and 745 m<sup>2</sup> respectively, zoned Single Residential Zone 1: Conventional Housing (SR1), shown lettered AHGF and BCDE respectively on Plan LIS 1435v0, not be required for the provision of the minimum level of basic municipal services;
  - ii) Council confirm that the fair market value of the assets described in (a)(i) and the economic and community value to be received in exchange for the assets 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 disposal of erven 7152 and 7153, Constantia, as described in (a)(i);
- c) Erven 7152 and 7153, Constantia, be disposed of by public competition, subject to conditions to be imposed by the Director: Property Management in the exercise of her delegated authority;
- d) Any gain or loss incurred by the municipality in respect of the transfer of the assets be included in the adjustment budget of the municipality (sections 28 and 87 of the MFMA), if not budgeted for in the approved annual budget.

### AANBEVELINGS

Nie gedelegeer nie: vir besluitneming deur die Raad

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 erwe 7152 en 7153, Constantia, geleë te La Rhoneweg, Kirstenhof, onderskeidelik ongeveer 732 m<sup>2</sup> en 745 m<sup>2</sup> groot, enkelresidensiële sone 1: konvensionele behuising (SR1) gesoneer, aangetoon met die letters AHGF en BCDE op plan LIS 1435v0, nie vir die voorsiening van die minimum vlak van basiese munisipale dienste benodig word nie;
  - ii) Die Raad bevestig dat die billike markwaarde van die bates beskryf in (a)(i) en die ekonomiese en gemeenskapswaarde wat verkry sal word in ruil vir die bate beskryf in (a)(i) oorweeg 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 vervreemding van erwe 7152 en 7153, Constantia, soos beskryf in (a)(i) in beginsel goedkeur;
- c) Erwe 7152 en 7153, Constantia, deur openbare mededinging vervreem word, onderworpe aan voorwaardes wat die direkteur: eiendomsbestuur in die uitvoering van haar gedelegeerde bevoegdheid sal opleë;
- d) Enige wins of verlies vir die munisipaliteit as gevolg van die oordrag van die bate, ingesluit word by die munisipaliteit se aansuiweringsbegroting (artikel 28 en 87 van die MFMA), indien daar nie in die goedgekeurde jaarlikse begroting daarvoor voorsiening gemaak is nie.

## IZINDULULO

### Ayigunyaziswanga: isigqibo seseBhunga

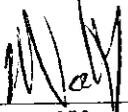
Kundululwe ukuba:

- a) Ngokungqinelana namacandelo 14(2)(a) no (b) oMthetho ojongene neeMali zikaMasipala (MFMA), uMthetho 56 wango-2003:
- i) Ibhunga ligqibe kwelokuba iziza 7152 no 7153, eziseConstantia, eLa Rhone Road, eKirstenhof, ezinobukhulu obumalunga nama-732 m<sup>2</sup> ne 745 m<sup>2</sup> ngokulandelelanayo, zibe ziZiza esineSakhiwo eSinye Sokuhlala 1: Izindlu Eziqhelekileyo (SR1), ezibonise zinoonobumba AHGF no BCDE kwiPlani LIS 1435v0, masithathwe njengekungafunekiyokuba sibonelelwe ngeenkonzo ezingundoqo zikamasipala;
  - ii) Ibhunga liqinisekisa ukuba ixabiso elithengiswa ngalo iiasethi lihambelana namaxabiso afanelekileyo eemarike ngokuchazwe ku (a)(i) nangexabiso lwezozoqoqosho nelasekuhlaleni oza kuzithengisa ngalo iiasethi ngokuchazwe ku (a)(i) kuye kwaqwalaselwa;
- b) Ngokungqinelana noMgaqo 5(1)(b) weMigaqo yokuHanjiswa kwee-Asethi zikaMasipala (MATR), i-R.878 yabhengezwa ngomhla wama-22 Agasti 2008, iBhunga maliphumeze ngengqiqo ukuthengiswa kwesiza 7152 no 7153, eziseConstantia, njengoko kuchaziwe ku (a)(i);
- c) Iziza 7152 no 7153, eziseConstantia, mazithengiswe ngendlela yokhuphiswano loluntu, ngokuxhomekeke kwimiqathango emiselwe nguMlawuli: UmLawuli wePropati ngokuvumelana negunya alinikiweyo;
- d) Nayiphi na ingeniso okanye ilahleko eyenziwe ngumasipala

ngokuphathelele unikezelo lwee-asethi mayifakelwe kuhlalo-lwabiwo-mali lolungelelwaniso lukamasipala (icandelo 28 nele 87 leMFMA), ukuba azifakwanga kuhlalo-lwabiwo-mali lonyaka olugunyazisiweyo

**ACTION: A HUMAN; R GELDERBLOEM**

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



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

DATE: 2/4/16

COMMENT:

---

---

---



**DIRECTOR : LEGAL SERVICES**  
**LUNGELO MBANDAZAYO**

DATE: 2016 -04- 1 1

COMMENT:

---

---

---



**ALDERMAN IAN NEILSON**  
**MAYORAL COMMITTEE MEMBER : FINANCE**

DATE: 14/4/2016

COMMENT:

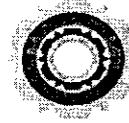
---

---

---

L CP 929

**REPORT TO IMMOVABLE PROPERTY  
ADJUDICATION COMMITTEE**



**CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD**

Making progress possible. Together.

1. **ITEM NUMBER:** To be inserted by Executive Support

2. **SUBJECT**

**PROPOSED GRANTING OF IN-PRINCIPLE APPROVAL FOR THE SALE, BY PUBLIC COMPETITION, OF VACANT ERVEN 7152 AND 7153, CONSTANTIA, AT LA RHONE ROAD, KIRSTENHOF FOR RESIDENTIAL PURPOSES**

**ONDERWERP**

**VOORGESTELDE TOESTAAN VAN BEGINSELGOEDKEURING VIR DIE VERKOOP, DEUR OPENBARE MEDEDINGING, VAN ONBEOUDE ERWE 7152 EN 7153, CONSTANTIA, GELÛE IN LA RHONE ROAD, KIRSTENHOF VIR RESIDENSIËLE DOELEINDES**

**ISIHLOKO**

**UKUNIKEZELWA OKUCETYIWEYO KOKUGUNYAZISWA NGOKOMGAQO KOKUTHENGISWA, NGOKHUPHISWANO LUKAWONKE WONKE LWESIZA ESINGENAMNTU IZIZA 7152 NO-7153, EZISE-CONSTANTIA, E-LA RHONE ROAD, E-KIRSTENHOF UKUZE KUHLALE ABANTU**

**[G2372]**

3. **STRATEGIC INTENT**

**SFA 1: THE OPPORTUNITY CITY**

<b>Objective 1.5</b>	Leverage the City's assets to drive economic growth and sustainable development
Programme 1.5(a)	City strategic assets investigation

4. **PURPOSE**

To obtain approval from Council to proceed with the sale by public competition of erven 7152 and 7153, Kirstenhof, Constantia, in extent 732 m<sup>2</sup> and 745 m<sup>2</sup>, situated at La Rhone Road, Kirstenhof, zoned Single Residential Zone 1: Conventional Housing (SR1), shown on plan LIS 1435v0 (**Annexure A**).

## 5. FOR DECISION BY

This report is 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.

---

## 6. EXECUTIVE SUMMARY

This report is submitted in order to obtain authority from Council to proceed with the sale by public competition of vacant erven 7152 and 7153, La Rhone Road, Kirstenhof, Constantia shown on the attached plan LIS 1435v0 (**Annexure A**).

The subject properties have been included in the Property Disposal Programme as they have been found to be surplus to Council's requirements and available for sale by public competition.

---

## 7. RECOMMENDATIONS

Not delegated: for decision by Council

It is recommended that:

- a) In terms of sections 14(2)(a) and (b) of the Municipal Finance Management Act (MFMA), Act 56 of 2003:
  - i) Council resolve that erven 7152 and 7153, Constantia, situated at La Rhone Road, Kirstenhof, in extent approximately 732 m<sup>2</sup> and 745 m<sup>2</sup> respectively, zoned Single Residential Zone 1: Conventional Housing (SR1), shown lettered AHGF and BCDE respectively on Plan LIS 1435v0, not be required for the provision of the minimum level of basic municipal services;
  - ii) Council confirm that the fair market value of the assets described in (a)(i) and the economic and community value to be received in exchange for the assets 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 disposal of erven 7152 and 7153, Constantia, as described in (a)(i);

- c) Erven 7152 and 7153, Constantia, be disposed of by public competition, subject to conditions to be imposed by the Director: Property Management in the exercise of her delegated authority;
- d) Any gain or loss incurred by the municipality in respect of the transfer of the assets be included in the adjustment budget of the municipality (sections 28 and 87 of the MFMA), if not budgeted for in the approved annual budget.

## AANBEVELINGS

Nie gedelegeer nie; vir besluitneming deur die Raad

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 erwe 7152 en 7153, Constantia, geleë te La Rhoneweg, Kirstenhof, onderskeidelik ongeveer 732 m<sup>2</sup> en 745 m<sup>2</sup> groot, enkelresidensiële sone 1: konvensionele behuising (SR1) gesoneer, aangetoon met die letters AHGF en BCDE op plan LIS 1435v0, nie vir die voorsiening van die minimum vlak van basiese munisipale dienste benodig word nie;
  - ii) Die Raad bevestig dat die billike markwaarde van die bates beskryf in (a)(i) en die ekonomiese en gemeenskapswaarde wat verkry sal word in ruil vir die bate beskryf in (a)(i) oorweeg 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 vervreemding van erwe 7152 en 7153, Constantia, soos beskryf in (a)(i) in beginsel goedkeur;
- c) Erwe 7152 en 7153, Constantia, deur openbare mededinging vervreem word, onderworpe aan voorwaardes wat die direkteur: eiendomsbestuur in die uitvoering van haar gedelegeerde bevoegdheid sal oplê;
- d) Enige wins of verlies vir die munisipaliteit as gevolg van die oordrag van die bate, ingesluit word by die munisipaliteit se aansuiweringsbegroting (artikel 28 en 87 van die MFMA), indien daar nie in die goedgekeurde jaarlikse begroting daarvoor voorsiening gemaak is nie.

**IZINDULULO**

Ayigunyaziswanga: isigaibo seseBhunga

Kundululwe ukuba:

- a) Ngokungqinelana namacandelo 14(2)(a) no (b) oMthetho ojongene neeMali zikaMasipala (MFMA), uMthetho 56 wango-2003:
  - i) Ibhunga ligqibe kwelokuba iziza 7152 no 7153, eziseConstantia, eLa Rhone Road, eKirstenhof, ezinobukhulu obumalunga nama-732 m<sup>2</sup> ne 745 m<sup>2</sup> ngokulandelelanayo, zibe ziziza esineSakhiwo eSinye Sokuhlala 1: Izindlu Eziqhelekileyo (SR1), ezibonise zinoonobumba AHGF no BCDE kwiPlani LIS 1435v0, masithathwe njengekungafunekiyo ukuba sibonelelwe eeenkonzo ezingundoqo zikamasipala;
  - ii) Ibhunga liqinisekisa ukuba ixabiso elithengiswa ngalo iiasethi lihambelana namaxabiso afanelekileyo eemarike ngokuchazwe ku (a)(i) nangexabiso lwezoqoqosho nelasekuhlaleni oza kuzithengisa ngalo iiasethi ngokuchazwe ku (a)(i) kuye kwaqwalaselwa;
- b) Ngokungqinelana noMgaqo 5(1)(b) weMigaqo yokuHanjiswa kwee-Asethi zikaMasipala (MATR), i-R.878 yabhengezwa ngomhla wama-22 Agasti 2008, iBhunga maliphumeze ngengqiqo ukuthengiswa kwesiza 7152 no 7153, eziseConstantia, njengoko kuchaziwe ku (a)(i);
- c) Iziza 7152 no 7153, eziseConstantia, mazithengiswe ngendlela yokhuphiswano loluntu, ngokuxhomekeke kwimiqathango emiselwe nguMlawuli: UmLawuli wePropati ngokuvumelana negunya alinikiweyo;
- d) Nayiphi na ingeniso okanye ilahleko eyenziwe ngumasipala ngokuphathelele unikezelo lwee-asethi mayifakelwe kuhlalho-lwabiwo-mali lolungelelwaniso lukamasipala (icandelo 28 nele 87 leMFMA), ukuba azifakwanga kuhlalho-lwabiwo-mali lonyaka olugunyazisiweyo.

**8. DISCUSSION/CONTENTS****8.1. Background**

The purpose of this report is to obtain authority for the sale of vacant erven 7152 and 7153, Kirstenhof, Constantia by public competition, in order to allow the development of the properties for residential purposes in accordance with Council's Disposal Management System.

Erven 7152 and 7153, Constantia are two rectangular, adjacent erven situated in the upper-income suburb of Kirstenhof. They overlook a wetland area and are zoned Single Residential 1: Conventional Housing (SR1). They are expected to be developed in line with their current zoning, for residential purposes.

## 8.2 Public Participation

In accordance with the authority obtained from the Director: Property Management on 6 October 2015, Council's intention to dispose of the subject properties was advertised as follows:

Advertising	Cape Times & Burger	16 October 2015
	Provincial & National Treasury	16 October 2015
	Ward Councillor	16 October 2015
	Subcouncil Chair & Manager	16 October 2015
Outcome	Objections	No
	Ward Councillor's support	Yes

## 8.3 Constitutional and Policy Implications

- (i) 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 disposal of immovable property.
- (ii) A resolution to proceed with the disposal of these properties is supported by the applicable policies.

## 8.4 Sustainability Implications

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

## 8.5 Legal Implications

- (i) The proposal complies with section 14 of the Municipal Finance Management Act, Act 56 of 2003.
- (ii) The disposal 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 erven (assets) are 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 asset is required for municipality's own use at later date (also Sec 14(1), Sec 14(2)(a) and Sec 90(1) of MFMA)**

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

**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, future rates and taxes, and the sales will stimulate economic growth.

**Factor C: Significant economic or financial cost or benefit to municipality/compensation**

Council will receive a financial benefit in the form of the sales proceeds as well as rates and taxes following the development of the properties. A desktop valuation estimates the market value of the properties to be R750 000 each (see **Annexure B**).

**Factor D: Management of risk**

No operational or control risk to the City

**Factor E: Impact on credit rating, financial position, cash flow of municipality**

No impact

**Factor F: Limitations and conditions attached to capital assets**

None

**Factor G: Cost of 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: Stakeholder comments and recommendations**

The Council's intention to alienate erven 7152 and 7153, La Rhone Avenue, Kirstenhof, Constantia was duly advertised to the public in the Cape Times and Die Burger on 16 October 2015. The relevant subcouncil Chairperson, subcouncil co-ordinator, Ward Councillors and Regional Offices were notified. No objections to the intended alienation were received.

**Factor J: Views from National and Provincial Treasury**

No comments were received

**Factor K: Strategic, legal, and economic interests**

None of these interests will be compromised through the alienation of the assets - in fact they will be supported.

**Factor L: Compliance with legislative regime that is applicable to proposed transfer or disposal**

Alienation of these assets 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).

**8.6 Staff Implications**

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

No

**8.7 Risk Implications**

No operational or control risk to the City

## 8.8 Other Services Consulted

The proposal was circulated to all relevant planning and service branches of the City for comment. There were no objections, but conditions of transfer were stipulated by the following department:

- Water and sanitation: Adherence to the requirements of the City of Cape Town's water by-law will be required. A services servitude will need to be registered over the sewer that traverses erf 7153.

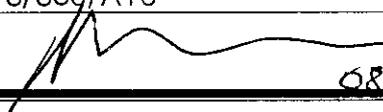
## 9. **SUBCOUNCIL RECOMMENDATION**

Subcouncil 20 on 20 January 2016 (See Item 20SUB48/1/2016 attached as **Annexure C**) resolved to recommend the sale of vacant erven 7152 and 7153, Kirstenhof, Constantia.

### **ANNEXURES**

- Annexure A: Plan LIS 1435v0  
Annexure B: Valuation report dated 16 September 2015  
Annexure C: Subcouncil recommendation (Item 20SUB48/1/2016)

FOR FURTHER DETAILS CONTACT:

NAME	JASON TOAY
CONTACT NUMBERS	(021) 400 4981
E-MAIL ADDRESS	jason.toay@capetown.gov.za
DIRECTORATE	FINANCE
FILE REF NO	14/3/4/3/336/A16
SIGNATURE : MANAGER PROPERTY DEVELOPMENT	 08.03.2016

Comment:

*Ruby Gelderbloem*  
 DIRECTOR: PROPERTY MANAGEMENT IN HER  
 CAPACITY AS NOMINEE FOR THE EXECUTIVE  
 DIRECTOR: FINANCE  
 RUBY GELDERBLOEM

NAME RUBY LEONI GELDERBLOEM  
 DATE 2016-03-11

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

*Charlyne Arendse*  
 NAME CHARLYNNE ARENDOSE  
 TEL 021 400 1265  
 DATE 15-03-2016

Comment:

Certified as legally compliant:  
 Based on the contents of the report.

*[Signature]*