

9.1.1

Item number A51. 08.05.2023

RESUBMISSION: ALIENATION OF VACANT MUNICIPAL ERVEN (SWELLENDAM AND BARRYDALE)

Municipal Manager	A. Vorster
Department	Corporate Services
Section	Property Management
File Number	7/2/R

PURPOSE OF REPORT

The purpose of the report is to submit valuation reports to determine the reserve price on the mentioned erven.

FACTS AND BACKGROUND

The following decision was made at the Council meeting of 8 December 2022:

Item A213:

That Council:

1. Resolves that:

- 1.1. "the erven are not needed to provide the minimum level of basic municipal services;
- 1.2. each property be made available on tender by way of a competitive bidding process, led by the Supply Chain Management Unit, based on a fair market value, as determined by an average of two valuation reports;
- 1.3. valuation reports be secured and tabled for Council to determine a reserve price for each property;**
- 1.4. the reserve price for each property be valid for twelve (12) months;
- 1.5. Properties not sold on completion of the tender process, be sold "out of hand" in a piecemeal manner, based on the reserve price and /or at the average tender price (per m²) achieved for such property.
- 1.6. the full purchase price for each property be settled on the date of registration;
- 1.7. municipal rates be payable, calculated from the date of registration;
- 1.8. the decision of the Council to alienate the properties be advertised for public comments.**
- 1.9. that cognisance be taken of the remaining erven in the Panorama Development that was not taken up by a competitive bid process and that Council gives permission that the erven be taken up into the inventory at the reserve price to be sold out of hand.
- 1.10. that erf 1715, 1717 and 1718 in Upington and Van Riebeeck Street, Barrydale, be excluded from the alienation process in order to be preserved for possible middle-class income housing."

DISCUSSION

Notice V1/2023 was placed in the media on 9 February 2023 to advertise the decision of Council to alienate the mentioned properties in Swellendam and Barrydale. The time period for comments or objections closed on 13 March 2023.

The following objection was received (in Afrikaans) from M. Pieterse per e-mail:

From: "Marthinus Pieterse" <oomterus@gmail.com>
To: "Anneleen Vorster" <anneleenv@swellendam.gov.za>, "Anneleen Vorster" <anneleenv@swellenmun.co.za>
Sent: Tuesday, February 14, 2023 12:12:00 PM
Subject: Beswaar making

Goeie more Agbare Munisipale Bestuurder

Ontvang asseblief hiermee my beswaar teen die voorneme van die Raad om grond, soos waar van kennis gegee was, in die 09 Februarie uitgawe van die Langeberg bulletin, te vervreem.

- Die aanhaal van die volgende feite stellings, het dit ten doel om die beswaar making te ondersteun.

Daar was onlangs bekend gemaak van die raad se voorneme om met 'n deursigtige proses, die voorskrifte van die Swellendam Munisipaliteit se verordening, insake die Bestuur en Administrasie van Onroerende Eiendom, 2018 gaan weisig. Die Raad behoort hierdie proses te voltooi, voordat enige vervreemding van grond oorweeg word.

Die Raad moet die belangrikheid van grond reserveering vir essensiële dienste, soortgelyk ook reservering toepas, met die oog op grond- hervorming en grond transformasie.

Ontwikkelingsvoorlegging moet die tenderproses vervang.

Vriendelike groete

Die uwe
Marthinus

The following table indicates the market values (VAT excluded) received from M. Heyns and C. van Wyk:

Erf number	Town	M. Heyns		C.L. van Wyk		Average per square metres (excluding VAT)
			Per square metres		Per square metres	
7106	Railton	R54 000.00	R30,00	R63 000.00	R35,00	R32,50
7165	Railton	R39 000.00	R30,00	R46 000.00	R35,00	R32,50
8500	Railton	R532 000.00	R100,00	R543 000.00	R102,00	R101,00
8501	Railton	R60 000.00	R100,00	R65 000.00	R109,00	R104,50
7585	Railton	R26 000.00	R60,00	R28 000.00	R66,00	R63,00
6715	Swellendam	R3 240 000.00	R150,00	R3 300 000.00	R153,00	R151,50
8484	Swellendam	R1 600 000.00	R120,00	R1 650 000.00	R123,00	R121,50
643	Barrydale	R15 000.00	R50,00	R14 000.00	R45,00	R47,50
1689	Barrydale	R12 000.00	R50,00	R13 000.00	R56,00	R53,00

1690	Barrydale	R10 000.00	R50,00	R12 000.00	R60,00	R55,00
1691	Barrydale	R10 000.00	R50,00	R12 000.00	R60,00	R55,00
1692	Barrydale	R10 000.00	R50,00	R12 000.00	R60,00	R55,00

Documentation is attached on page 1 to 13 of the Annexures.

LEGAL IMPLICATIONS

The following legislation regulates property management:

- The provisions of Section 14 of the Municipal Management Act, 2003, (Act 56 of 2003);
- The By-Law relating to the Management and Administration of Immovable Property, 2005.
- The Asset Transfer Regulations, 2008.
- Land Disposal Policy, 2018

FINANCIAL IMPLICATIONS

None

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

According to the resolution.

COMMENTS FROM DEPARTMENTS

Corporate Services

Town Planning & Building Control – Mr R. Brunings

No further comments.

Director: Community Services

No further comments

Director: Financial Services

No further comments.

Director: Infrastructure Services

No further comments.

Municipal Manager

No further comments

This item served on the Corporate and Financial Portfolio Committee meeting held on Monday, 17 April 2023.

This item served on the Mayoral Committee meeting held on Tuesday, 25 April 2023.

RECOMMENDED TO COUNCIL

- a. That it is confirmed that erven 7106, 7165, 8500, 8501, 7585, 6715 and 8484, Swellendam and Erven 643, 1689, 1690, 1691 and 1692, Barrydale are not needed for essential services and may be alienated.
- b. That the market values per erven, be as indicated in table A below, per square metres, excluding VAT, as determined by the average of two valuation reports;

Table A

Erf number	Town	Size Per square metres	Average per square metres (excluding VAT)
7106	Railton	1802.7	R32,50
7165	Railton	1306.4	R32,50
8500	Railton	5322	R101,00
8501	Railton	594	R104,50
7585	Railton	425	R63,00
6715	Swellendam	21.598	R151,50
8484	Swellendam	13.416	R121,50
643	Barrydale	312	R47,50
1689	Barrydale	232	R53,00
1690	Barrydale	200	R55,00
1691	Barrydale	200	R55,00
1692	Barrydale	200	R55,00

- c. That each property be made available on tender, by way of a competitive bidding process;
- d. That the reserve price for each property, as indicated in table A above, be valid for a twelve (12) month period;
- e. That the properties not sold on completion of the tender process, be sold "out of hand" in a piecemeal manner, based on the reserve price and /or at the average tender price (per m²) achieved for such property;
- f. That the full purchase price for each property be settled on date of registration;
- g. That the municipal rates and availability fees be payable, calculated from the date of registration;
- h. That a building clause for a two (2) year period be included in the sales agreement;
- i. That the Municipal Manager be mandated to sign the sales agreement, as drawn up by Council's attorney, in terms of the existing delegations.

1. that the objection from Mr M. Pieterse be noted and rejected as the current policy is adhered to in terms of alienation.
2. that erf 1715, 1717 and 1718 in Upington and Van Riebeeck Street, Barrydale be included in the alienation process and made available on tender, by way of the competitive bidding process.

DISCUSSION

The Executive Mayor, Councillor H.F. Du Rand indicated that he urges the Administration to make haste in getting the properties sold in order to get money for the municipality.

Councillor J.A. Matthysen raised a question regarding the objection received from Mr M. Pietersen and what Council's answer was in terms of putting a moratorium on all municipal land until the public participation processes were followed to discuss the alienation and leasing of erven with the community. The Speaker indicated that Mr Pietersen's objection was taken into consideration, however, it will not stop the process as the municipality needs to generate money and the mentioned erven were not needed by the municipality for essential services.

The Speaker shared that Council will have a workshop later in May 2023 where the land audit will be one of the important matters on the agenda.

The Executive Mayor, Councillor H.F. Du rand indicated that the community has incite in buying the property as it was available for everyone to buy.

The Speaker confirmed that all Councillors were in favor of the recommendation as-is and that the item was unanimously resolved as follows:

UNANIMOUSLY RESOLVED

Item A51/08/05/2023

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