



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

# **ANNEXURE 2**

## **PROPERTY (TAX) RATES 2022/23**

**MAY 2022**



## PROPERTY RATES 2022/23

Property rates are levied in accordance with Council policies, the Local Government: Municipal Property Rates Act 2004 (MPRA), the MPRA Regulations, and the Local Government: Municipal Finance Management Act 56 of 2003.

Property rates are based on values indicated in the General Valuation Roll 2018 (GV) with the date of valuation being 2 July 2018. The Rate-in-the-Rand for Property Rates for 2022/2023 financial year are:

	PROPERTY CATEGORIES	RATE-IN-THE-RAND
1.1	Residential (The City will not levy a rate on the first R300 000 of the market value as per the Valuation Roll)	R0.006344
1.2	Business and Commercial Properties	R0.012688
1.3	Industrial Properties	
1.4	Mining Properties	
1.5	Properties owned by an Organ of State and used for public service purposes	
1.6	Vacant land	
1.7	Agricultural land	R0.001269
1.8	Public Service Infrastructure (The City will not levy a rate on the first 30% of the market value as per the Valuation Roll)	R0.001586
1.9	Properties owned by an organisation – not for profit and used as an early childhood development facility	
1.10	Properties owned by an organisation – not for profit and used for youth development	
1.11	Properties owned by an organisation – not for profit and used as accommodation for the vulnerable	
1.12	Properties owned by an organisation – not for profit and used for an old age home	
1.13	Properties owned by an organisation – not for profit and used exclusively for amateur sport	
1.14	Properties owned by a Social Housing Regulatory Authority accredited Social Housing Institution and used for social housing	
1.15	Properties owned by war veterans' associations and used for the welfare of war veterans	
1.16	Properties owned by PBO and used for specified public benefit activities	
1.17	Properties used for multiple purposes	per allocation
1.18	Cemeteries and Crematoria	R0.000000
1.19	Properties owned by an organisation – not for profit and used for animal shelters	
1.20	Properties owned by an organisation – not for profit and used as a local community museum	
1.21	Nature conservation land	

The rates levied per individual property will be calculated based on the value of that property and multiplied by the rate-in-the-rand set out in this document. Rebates are also taken into consideration.

The definitions of categories are reflected in the Rates Policy 2022/2023 attached as Annexure 5.



## RATES RATIOS

The residential category is used as the base rate. The rates ratio per property rating category are:

	PROPERTY CATEGORIES	Ratio to Residential
1.1	Residential (The City will not levy a rate on the first R300 000 of the market value as per the Valuation Roll)	1:1
1.2	Business and Commercial Properties	1:2
1.3	Industrial Properties	
1.4	Mining Properties	
1.5	Properties owned by an Organ of State and used for public service purposes	
1.6	Vacant land	
1.7	Agricultural land	1:0.20
1.8	Public Service Infrastructure (The City will not levy a rate on the first 30% of the market value as per the Valuation Roll)	1:0.25
1.9	Properties owned by an organisation – not for profit and used as an early childhood development facility	
1.10	Properties owned by an organisation – not for profit and used for youth development	
1.11	Properties owned by an organisation – not for profit and used as accommodation for the vulnerable	
1.12	Properties owned by an organisation – not for profit and used for an old age home	
1.13	Properties owned by an organisation – not for profit and used exclusively for amateur sport	
1.14	Properties owned by a Social Housing Regulatory Authority accredited Social Housing Institution and used for social housing	
1.15	Properties owned by war veterans' associations and used for the welfare of war veterans	
1.16	Properties owned by PBO and used for specified public benefit activities	
1.17	Properties used for multiple purposes	per allocation
1.18	Cemeteries and Crematoria	1:0
1.19	Properties owned by an organisation – not for profit and used for animal shelters	
1.20	Properties owned by an organisation – not for profit and used as a local community museum	
1.21	Nature conservation land	

## EXEMPTIONS, REDUCTIONS AND REBATES

### Reduction

For all residential properties, the property value appearing on the Valuation Roll, the City will not levy a rate on R300 000 of the property value for rating purposes. The R300 000 comprises of the first R15 000 statutory impermissible rate and R285 000 reduction determined in the Rates Policy.



## **Rebates in respect of a category of owners of property are as follows:**

### **Indigent owners**

In terms of sections 3(3)(f) and 15 of the MPRA all indigents, for rating purposes, will qualify in respect of their primary place of residence for the benefits as set out in this policy and Chapter 4 of the Credit Control and Debt Collection By-Law and Policy and may also qualify for the 100% rebate if the applicant is dependent on pension or a social grant for their livelihood on condition that all other criteria remain applicable. The cumulative rebates shall not exceed 100%.

### **Owners who are dependent on Pension or Social Grants for their livelihood**

In order to qualify for a rebate, this category of owners must meet the following criteria:

- a) be a natural person;
- b) be dependent on a pension or social grant for their livelihood - the dependency on pension or social grants is not a sole dependency but there must be a dependency to some degree. At the discretion of the CFO, an owner, applying for the pension rebate, who is still economically active may be considered for the rebate if all the other criteria set out in the paragraph are met and they are not yet dependent on a pension;
- c) the property must satisfy the requirements of the category of Residential Property;
- d) be the registered owner of the Residential Property; and
- e) on 1 July of the financial year:
  - i. occupy the property as his/her primary place of residence, provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or partner or children (including minor children) may satisfy the occupancy requirement;
  - ii. With regards to owners who are dependent on pensions, the applicant must be at least 60 years of age; or if the owner turns 60 during the year the rebate will be granted on a pro rata basis from the date on which the applicant turned 60;
  - iii. be in receipt of a gross monthly household income not exceeding R17 500 (seventeen thousand five hundred Rand) and proven by the submission of the minimum of three months bank statements from all financial institutions or, if the person does not have a bank account, such proof as the City may require to substantiate the person's level of gross monthly household income.



The gross monthly household income and rebate for the 2022/2023 financial year is as follows:

Gross Monthly Household Income		% Rebate
R 0	R 4 500.00	100%
R 4 501.00	R 6 000.00	95%
R 6 001.00	R 7 500.00	90%
R 7 501.00	R 9 000.00	80%
R 9 001.00	R 10 500.00	70%
R 10 501.00	R 12 000.00	60%
R 12 001.00	R 13 500.00	50%
R 13 501.00	R 14 500.00	40%
R 14 501.00	R 15 500.00	30%
R 15 501.00	R 16 500.00	20%
R 16 501.00	R 17 500.00	10%

## BUDGET IMPLICATIONS

The Budget for 2022/2023 has been balanced using the estimated income from levying the rates in this report.

Provision has been made in the Budget for 2022/2023 for the income foregone arising from the rates relief as detailed in the Rates Policy 2022/2023.