



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

# **ANNEXURE 2**

## **PROPERTY (TAX) RATES 2024/25**

**May 2024**



## PROPERTY RATES 2024/25

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

In terms of the MPRA, the City:

- is required to institute the prescribed property rating categories provided it exists within the municipal jurisdiction;
- may determine additional categories of rateable property, including vacant land; and
- must align its exemptions, reductions and rebates to the legislation.

The City has 23 property rating categories in total. The definitions of the categories are reflected in the Rates Policy.

Property rates are based on the values indicated in the General Valuation Roll 2022 (GV2022 - with the date of valuation being 1 July 2022) and multiplied by the rate-in-the-Rand (RiR) set out in this document. The residential category is used as the base rate. Exemptions, reductions and rebates are also taken into consideration.

The rates ratio and the RiR per property rating category for 2024/2025 financial year are:

|    | PROPERTY CATEGORIES                                                        | RATIO  | RiR      |
|----|----------------------------------------------------------------------------|--------|----------|
| 1. | Residential Properties                                                     | 1:1    | 0.006631 |
| 2. | Business and Commercial Properties                                         | 1:2.35 | 0.015582 |
| 3. | Industrial Properties                                                      |        |          |
| 4. | Mining Properties                                                          |        |          |
| 5. | Properties owned by an Organ of State and used for public service purposes |        |          |
| 6. | Miscellaneous                                                              |        |          |
| 7. | Vacant land                                                                | 1:2    | 0.013261 |
| 8. | Agricultural land                                                          | 1:0.20 | 0.001326 |



|     | PROPERTY CATEGORIES                                                                                                                                                    | RATIO          | RiR      |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------|
| 9.  | 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         | 0.001658 |
| 10. | Properties owned by an organisation – not for profit and used as an early childhood development facility                                                               |                |          |
| 11. | Properties owned by an organisation – not for profit and used for youth development                                                                                    |                |          |
| 12. | Properties owned by an organisation – not for profit and used as accommodation for the vulnerable                                                                      |                |          |
| 13. | Properties owned by an organisation – not for profit and used for an old age home                                                                                      |                |          |
| 14. | Properties owned by an organisation – not for profit and used exclusively for amateur sport                                                                            |                |          |
| 15. | Properties owned by a Social Housing Regulatory Authority accredited Social Housing Institutions or accredited Other Delivery Agents (ODA) and used for social housing |                |          |
| 16. | Properties owned by war veterans' associations and used for the welfare of war veterans                                                                                |                |          |
| 17. | Properties owned by PBO and used for specified public benefit activities                                                                                               |                |          |
| 18. | Properties owned by Religious Organisations and used for specified religious purposes                                                                                  |                |          |
| 19. | Properties used for multiple purposes                                                                                                                                  | per allocation |          |
| 20. | Cemeteries and Crematoria                                                                                                                                              | 1:0            | 0.000000 |
| 21. | Properties owned by an organisation – not for profit and used for animal shelters                                                                                      |                |          |
| 22. | Properties owned by an organisation – not for profit and used as a local community museum                                                                              |                |          |
| 23. | Nature conservation land                                                                                                                                               |                |          |

## EXEMPTIONS, REDUCTIONS AND REBATES

### Owners of categories of properties

#### Exemption

The City will not levy a rate on any private road or any other property where the market value of the property is equal to or less than R50 000 or such other amount as determined by Council from time to time. This clause will not apply when other service charges (including availability charges) or an additional rate in respect of property situated in a special rating area (as contemplated in section 22 of the MPRA and the Special Rating Area By-law and Policy) are billed to that property nor will it apply to any units in a sectional title scheme.



## Category of owners of properties

The City has determined the following categories of owners of property for the purpose of exemptions, rebates and reductions in accordance with section 15 (2) of the MPRA.

### 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 R22 000 (twenty two thousand 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 2024/2025 financial year is as follows:

| Gross Monthly Household Income |             | % Rebate |
|--------------------------------|-------------|----------|
| R 0                            | R 7 500.00  | 100%     |
| R 7 501.00                     | R 10 000.00 | 95%      |
| R 10 001.00                    | R 14 000.00 | 90%      |
| R 14 001.00                    | R 15 000.00 | 80%      |
| R 15 001.00                    | R 16 000.00 | 70%      |
| R 16 001.00                    | R 17 000.00 | 60%      |
| R 17 001.00                    | R 18 000.00 | 50%      |
| R 18 001.00                    | R 19 000.00 | 40%      |
| R 19 001.00                    | R 20 000.00 | 30%      |
| R 20 001.00                    | R 21 000.00 | 20%      |
| R 21 001.00                    | R 22 000.00 | 10%      |

## Residential Property

In terms of section 15(2)(e) of the MPRA, when granting exemptions, rebates or reductions in respect of categories of owners of properties, such categories may include owners of residential properties with a market value lower than an amount determined by the City. The City determines the market value of below R5 000 001,00. (Five million and one rand.)

The City has determined a reduction of R435 000,00 (Four hundred and thirty five thousand Rand) which will apply to owners of residential properties used as a primary place of residence with a market value of below R5 000 001,00 (Five million and one Rand.)

If more than 40% of the extent of a residential property (freestanding house or the sectional title unit) is being used for purposes other than residential purposes, these properties will not qualify for the residential relief. Properties (freestanding and/or sectional title units) that are categorised as residential property by virtue of it being used in conjunction with a primary place of residence will not be eligible for the reduction.

## BUDGET IMPLICATIONS

The Budget for 2024/2025 has been balanced using the estimated income from levying the rates in this report.

Provision has been made in the Budget for 2024/2025 for the income foregone arising from the exemptions, reductions and rebates as detailed in the Rates Policy 2024/2025.

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