



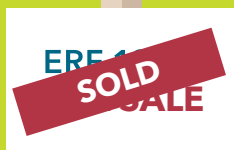
CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

PROPERTY TRANSACTIONS

APPLYING TO BUY OR LEASE MUNICIPAL LAND



ERF 1234
TO LET



ERF 1234
**SOLD
SALE**



This booklet details the rules,
regulations and procedures involved
in leasing or buying municipal land.

Making progress possible. Together.



Current information is valid
as at July 2024

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VIABLE LAND

APPLYING TO BUY VIABLE MUNICIPAL LAND

1. When selling City property, the law requires that the City do so at market value. The buyer will have to pay the price of the land, plus all costs relating to the transaction, such as surveying, advertising, the deed of sale, and transfer. The City may not sell a property that it needs to provide the minimum level of basic municipal services.
2. All applications to buy City property are considered in terms of current laws and the City's Management of Certain of the City of Cape Town's Immovable Property Policy.
3. **Viable properties** may only be sold through a process of public competition, for instance, through a public tender, auction, or call for proposals. Viable properties are those that can be developed and can function as separate properties, which the Registrar of Deeds can register. These include properties used for commercial, residential, business and social reasons (including early childhood development centres and public places of worship). Just because a member of the public has shown interest in a property does not imply that they have any right to buy that property. The City has no obligation to sell any specific property to anyone.

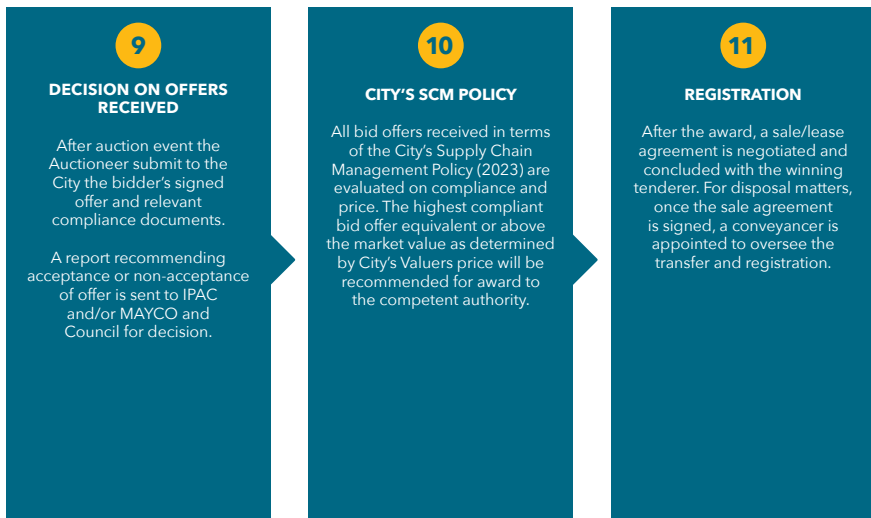
APPLYING TO LEASE VIABLE MUNICIPAL LAND

1. All applications to lease City property are considered in terms of current laws and the City's Management of Certain of the City of Cape Town's Immovable Property Policy.
2. **Viable properties** may only be leased through a process of public competition, for instance, through a public tender or call for proposals. Viable properties are those that can be developed and can function as separate properties, which the Registrar of Deeds can register. These include properties used for commercial, residential, business and social reasons (including early childhood development centres and public places of worship). Just because a member of the public has shown interest in a property does not imply that they have a right to lease that property. The City has no obligation to lease any specific property to anyone.



PROCESS SUMMARY: SELLING/LEASING VIABLE LAND





RELEASE OF PROPERTY VIA TENDER PROCESS

A tender is drafted after taking into account the findings of the technical investigation and resolution from Council. The Bid Specification Committee formulates the tender specifications and conditions. The tender is advertised to the public in the Die Burger and Cape Argus newspapers on Fridays and on the City's Tender Portal and is open for 30 working days.

All bid offers received in terms of the City's Supply Chain Management Policy (2023) are evaluated on compliance and price by the Bid Evaluation Committee. The highest compliant bid offer equivalent or above the market value as determined by City's Valuers price will be recommended for award to the competent authority. A report recommending acceptance or non-acceptance of offer is sent to IPAC and/or MAYCO and Council for decision.

NON-VIABLE LAND

APPLYING TO BUY NON-VIABLE MUNICIPAL LAND

1. When selling City property, the law requires that the City do so at market value. The buyer will have to pay the price of the land, plus all costs relating to the transaction, such as surveying, advertising, the deed of sale, and transfer. The City may not sell a property that it needs to provide the minimum level of basic municipal services.
2. All applications to buy City property are considered in terms of current laws and the City's Management of Certain of the City of Cape Town's Immovable Property.
3. **Non-viable properties** are dealt with by the regional offices of the City's Property Holding Branch. Non-viable properties" are those that cannot be developed on their own or function as separate properties because of urban planning rules, physical constraints or size, and can therefore only be functional if a neighbouring owner uses the property together with their own. Those interested in buying a non-viable City property should complete an application form and return it to the relevant regional office.
 - 3.1. The City will have to consult a number of its service departments for comment as part of its internal processes.
 - 3.2. If the service departments above support the application, the applicant will receive notice of the conditions that will apply to the sale, as well as the price. If the applicant accepts the conditions and price, the proposal will be advertised for objections, in terms of the law.

- 3.3. The City will send any objections to the applicant for comment before they are submitted to Council to make a decision.
- 3.4. For the sale of a portion of road or public place, the property needs to be closed through a Provincial Gazette notice before it can be sold. The law also requires this closure to be advertised.
- 3.5. In some cases, the property needs to be rezoned so that it can be used for the intended purpose. If so, the applicant will have to submit a separate application to the City's Planning and Building Development Management Department, which will carry its own costs. The rezoning of a public place will also require an environmental impact assessment (EIA).
- 3.6. A land surveyor will have to be appointed at the applicant's cost to prepare diagrams for the property to be transferred.
- 3.7. Once the approved diagrams have been received, a deed of sale will be prepared, which the applicant needs to sign and then send to Council's conveyancer to register the transfer.

TARIFFS AND CHARGES APPLICABLE TO NON-VIABLE LAND SALES (01.07.2024 - 30.06.2025) EXCL. VAT

SUBJECT TO ANNUAL ESCALATION AS DETERMINED BY COUNCIL

 Application fee	R2 913 incl. VAT
 Advertising fee [statutory advertising]	R5 818 incl. VAT
 Fee to prepare sale agreement	R1 348 incl. VAT

PROCESS SUMMARY: BUYING NON-VIABLE LAND






APPLYING TO LEASE NON-VIABLE MUNICIPAL LAND


1. All applications to lease City property are considered in terms of current laws and the City's Management of Certain of the City of Cape Town's Immovable Property Policy.
2. **Non-viable properties** are dealt with by the regional offices of the City's Property Holding Branch. Non-viable properties are those that cannot be developed on their own or function as separate properties because of urban planning rules, physical constraints or size, and can therefore only be functional if a neighbouring owner uses the property together with their own. Those interested in leasing a non-viable City property should complete an application form and return it to the relevant regional office.
 - 2.1. The City will have to consult a number of its service departments for comment as part of its internal processes.
 - 2.2. If the service departments above support the application, the applicant will receive notice of the conditions that will apply to the lease, as well as the rental amount. If the applicant accepts the conditions and rental amount, the proposal will be advertised for comments and objections, in terms of the law.
 - 2.3. The leasing of a public place may also require an EIA.
 - 2.4. The City will send any objections to the applicant for comment before they are submitted to the decision-making authority.
 - 2.5. A lease agreement will then be prepared, which the applicant needs to sign.
 - 2.6. Tenants may put up certain structures on leased property only if Council's approval and permission are obtained beforehand.

TARIFFS AND CHARGES APPLICABLE TO LEASES

01.07.2024 - 30.06.2025 EXCL. VAT

SUBJECT TO ANNUAL ESCALATION AS DETERMINED BY COUNCIL

 Application fee	R2 913 incl. VAT
 Advertising fee	R5 829 incl. VAT
 Lease agreement preparation fee (Excluding minor encroachments, gardening or security leases)	R1 348 incl. VAT

 Tariffs for minor encroachments	
>0 cm to 10 cm over the property boundary	No tariff
10 cm to 50 cm over the property boundary	R1 569 per annum incl. VAT

TARIFFS FOR GARDENING AND/OR SECURITY PURPOSES

<100 m²	R755 per annum incl. VAT
>100 m² <200 m²	R1 506 per annum incl. VAT
>200 m² <300 m²	R2 260 per annum incl. VAT
>300 m² <400 m²	R3 013 per annum incl. VAT
>400 m² <500 m²	R3 768 per annum incl. VAT
>500 m²	R4 519 per annum incl. VAT

Applications for security leases must be accompanied by documents that prove existing security/nuisance threats.

TARIFFS FOR LAND LEASED FOR SOCIAL-RELATED PURPOSES

Social care, sports facilities and public amenities portfolio.	R1 326 per annum incl. VAT
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PROCESS SUMMARY: LEASING NON-VIABLE LAND

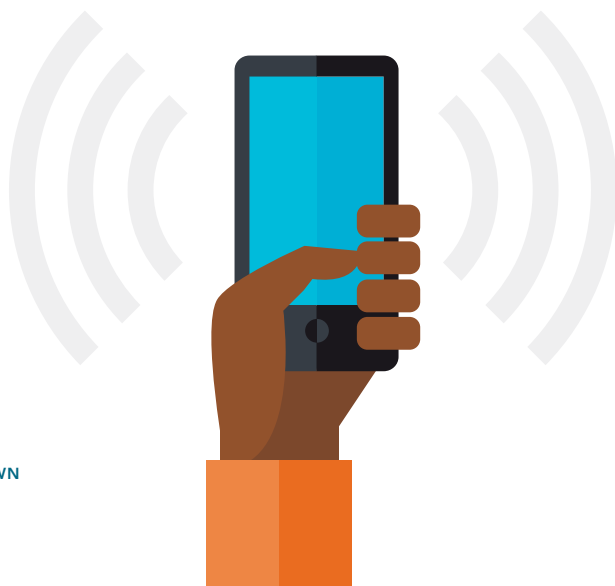


CONTACT US FOR FURTHER INFORMATION:

Property.Transactions@capetown.gov.za

Non-viable and improved properties: Property Holding Branch

Tygerberg region	Goodwood Municipal Offices, 1st floor, corner Voortrekker Road and De Villiers Street, Goodwood
Southern region	Plumstead Administrative Offices, 3 Victoria Road, Plumstead
Cape Town region	Cape Town Civic Centre, 13th floor, 4 bay side 12 Hertzog Boulevard Cape Town
East region	Omniforum Building, 2nd floor, 94 Van Riebeeck Street, Kuils River



Important notes to applicants

1. Submission of an application does not mean that the land transaction has been approved. All application and advertising fees are, however, non-refundable.
2. No correspondence except a properly signed lease/sale agreement should be interpreted as final approval of the transaction. All other correspondence up until that point is merely part of the assessment process.
3. Immovable properties are high value when they are worth more than R50 million, and carry significant property rights if they are valued at more than R10 million with a lease period longer than three years. Different processes apply when these types of properties are to be sold or leased. Similarly, different processes apply to the sale of non-high-value properties or the leasing of those with insignificant property rights.
4. Property transactions are subject to many laws and regulations. The City has no choice but to comply with all the prescripts, particularly those of the Municipal Finance Management Act and its associated asset transfer regulations. This makes the process lengthy and complicated.
5. All applicants' municipal debt profile will be checked. Applications will not be processed until all arrears are settled.

www.capetown.gov.za



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