

**AGENDA of the
Portfolio Committee : Planning and Development
19 August 2025
(Also the agenda for the Mayoral Committee Meeting : 26 August 2025)**

9.

A PORTION OF REMAINDER ERF 243 HERMANUS (OLIFANTSBERG, ROTARY WAY): ASSIGNMENT OF LEASE AGREEMENT FROM ESKOM HOLDINGS SOC LTD TO THE NATIONAL TRANSMISSION COMPANY SOUTH AFRICA SOC LTD

**A Le Roux
30 June 2025**

Divisional Manager: Property Management

(028) 316 5623

1. Executive Summary

To obtain approval to assign the lease agreement between the Overstrand Municipality and Eskom Holdings SOC Ltd, (hereinafter referred to as "ESKOM") to The National Transmission Company South Africa SOC Ltd (hereinafter referred to as "NTCSA") for the remainder of the lease period of 9 (NINE) years and 11 (ELEVEN) months in respect of a portion of Remainder Erf 243 Hermanus, ±2,85m² in extent, situated at the Olifantsberg Mast, Rotary Way, Hermanus, hereinafter referred to as "the Property", to retain the equipment on the mast and space in the adjoining building for telecommunication purposes.

The locality maps are attached hereto as Annexures "A1" & "A2".

2. Service Delivery and Budget Implementation Plan - IGNITE

Planning and Development
Property Management

3. Compliance with Strategic Priority

Provision of democratic, accountable and ethical governance

4. Delegated Authority

Executive Mayor

5. Legal Requirements

- Administration of Immovable Property Policy of the Overstrand Municipality (2015)
- Municipal Asset Transfer Regulations (R. 878 of 2008)

6. Background/Discussion/Evaluation/Conclusion

Background/ Discussion

ESKOM has been leasing the Property since 2011 for equipment on the mast and space in the adjoining building for telecommunication purposes.

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The latest lease agreement entered into between the Overstrand Municipality and ESKOM is for a period of 9 (NINE) years and 11 (ELEVEN) months which commenced on 1 September 2023 and will expire on 31 July 2033. The Executive Mayor at a Mayoral Committee Meeting held on 14 August 2024 resolved as follows:

- “1. *that the lease of municipal property, being a portion of Remainder Erf 243 Hermanus (±2,85m² in extent), to Eskom Holdings SOC Ltd to retain equipment on the mast and space in the building for telecommunication purposes at the rental amount of R4,282.49 (FOUR THOUSAND TWO HUNDRED AND EIGHTY-TWO RAND AND FORTY-NINE CENTS) (VAT Excluded) per month for a period of 9 (NINE) years and 11 (ELEVEN) months from 1 September 2023 in terms of the Administration of Immovable Property Policy of the Overstrand Municipality, **be approved**, and;*
2. *that the rental amount mentioned in 1 above escalate every year on the 1st of July in accordance with the tariffs stipulated in the Annual Budget as approved by Council, the next escalation to be on 1 July 2024.”*

ESKOM formed a wholly owned subsidiary company, NTCSA, for the purposes to manage the transmission business conducted by ESKOM as a separate division. ESKOM now operates under NTCSA which is now the new owner of the transmission business and all assets. ESKOM will remain closely invested in the success of NTCSA.

ESKOM therefore applied to assign the existing lease agreement with the Municipality to NTCSA.

The Property has been used by ESKOM for approximately fourteen years without any complaints from the public regarding the use of the Property and ESKOM delivers an essential service to the Overstrand community.

ESKOM has been provided with invoices for the payment of the rental, but the rental payments are in arrears due to the change in ownership from ESKOM to NTCSA coming into effect before the approval for the assignment of the lease agreement. ESKOM could not process any payments for invoices which were issued in their name after the change and the Municipality could not issue invoices in the name of NTCSA until the assignment has been approved by the Executive Mayor. Thus, if the assignment is approved by the Executive Mayor, an invoice in the name of NTCSA will be issued for the arrears to be settled.

Conclusion

With reference to the above discussion, it is recommended that the application for the assignment of the lease agreement for the Property to NTCSA be approved for the remainder of the lease period.

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7. Financial Implications

None

8. Staff Implications

None

9. Annexures

Annexures A1 & A2: Locality maps

RECOMMENDATION:

that the assignment of the lease agreement for municipal property, being a portion of Remainder Erf 243 Hermanus, ±2,85m² in extent, from Eskom Holdings SOC Ltd to The National Transmission Company South Africa SOC Ltd effective from 1 July 2024 for telecommunication purposes, **be approved**.

RESPONSIBLE OFFICIAL :

R OCTOBER

TARGET DATE FOR IMPLEMENTATION :

10 SEPTEMBER 2025



