AGENDA of the
Portfolio Committee: Planning and Development
18 August 2026
(Also the agenda for the Mayoral Committee Meeting: 25 August 2026)

8.
TRANSFER OF UNREGISTERED ERF 12974 HERMANUS, A PORTION OF REMAINDER ERF 241 (CLOSED ROAD RESERVE), ADJACENT TO ERF 100 HERMANUS, TO MJ & K SMUTS

A Le Roux **Divisional Manager: Property Management**
17 March 2026 **(028) 316 - 5623**

1. **Executive Summary**

   To obtain final approval for the transfer of Unregistered Erf 12974 Hermanus (142m^2 in extent), being a portion of Remainder Erf 241 Hermanus, adjacent to Erf 100 Hermanus, situated at 54 Rocklands Street, Hermanus to the owners of the adjoining property, MJ & K Smuts, hereinafter referred to as “the Applicant”, for gardening purposes and the erection of a boundary fence or wall. See the locality maps attached hereto marked “Annexures A1 & A2”.

2. **Service Delivery and Budget Implementation Plan - IGNITE**

   Planning and Development
   Property Management

3. **Compliance with Strategic Priorities**

   Provision of democratic, accountable and ethical governance
   Creation and maintenance of safe and healthy environment

4. **Delegated Authority**

   None

5. **Legal Requirements**

   - Local Government: Municipal Finance Management Act (Act 56 of 2003) (“MFMA”)
   - Municipal Asset Transfer Regulations (R. 878 of 2008)
   - Administration of Immovable Property Policy of the Overstrand Municipality (2015)

6. **Background/Discussion/Evaluation/Conclusion**

   Background/Discussion

   Council approved the following on 28 February 2024:

"1. That the direct alienation of a portion of Remainder Erf 241 Hermanus (±170m^2 in extent) adjacent to Erf 100, situated at 54 Rocklands Street, Hermanus, to MJ & K Smuts, the owners of the adjoining property, for gardening purposes and the erection of a boundary fence or wall, at an amount of R650.00/m² (SIX HUNDRED AND FIFTY RAND) per square metre (VAT excluded) be approved in principle;

2. that it be noted that the direct alienation is possible as the said portion of Remainder Erf 241 Hermanus can be classified as a non-viable property;

3. that, subject to the approval in 1 above, a public participation process be followed at the cost of the Applicants/purchasers;

4. that it be noted that a condition for the alienation will be that the said portion of Remainder Erf 241 Hermanus must be consolidated with the adjoining property of Applicants/purchasers, being Erf 100 Hermanus, simultaneous with the registration of the transfer;

5. that a condition be registered against the title deed of the to be consolidated property that the portion of property envisaged to be transferred may only be used for gardening purposes and no structures, excluding a boundary fence or wall, may be erected thereon;

6. that the alienation of said portion of Remainder Erf 241 Hermanus be subject to a suspensive condition that the Applicant/purchasers obtains approval for all the required land use rights, which may include, the partial closure of a road, rezoning, subdivision and consolidation;

7. that all the costs pertaining to the transaction, e.g. application costs, valuation costs, closure, rezoning, subdivision and consolidation, advertisement and the related costs, etc. be paid by the Applicants/purchasers; and;

8. that it be noted that the municipal property herewith envisaged to be alienated is not required for the provision of basic municipal services in terms of the provisions of paragraph 5 of Council's Administration of Immovable Property Policy and Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003)."

The public participation was followed as discussed in more detail below.

The required land use planning processes have been completed, and all necessary approvals have been obtained. With the subdivision of Remainder Erf 241 Hermanus the portion being alienated was allocated its own erf number, namely, Erf 12974 Hermanus, and the final size confirmed as 142m^2 in extent. This Property cannot be used independently; thus, the sale and subsequent land use planning approval clearly impose the condition that the new Property must be consolidated with the property of the Applicant, Erf 100 Hermanus, at the Applicant's cost. It will be done simultaneous with the transfer of the Property. See the approved SG Diagram attached hereto as "Annexure B".

Evaluation

A: Administration of Immovable Property Policy of the Overstrand Municipality:

The following conditions of the said Policy will apply:

Paragraph 7: "the transfer of ownership of immovable property must be fair, equitable, transparent, competitive (unless it is not applicable or unpractical e.g. non-viable immovable property) and consistent with the supply chain management policy of the Municipality in accordance with Section 14(5) of the MFMA."

Non-viable immovable property is defined in the relevant Policy as *"a property that, owing to urban planning, physical constraints or extent, cannot be developed on its own or function as a separate entity and can therefore only become functional if alienated or leased to an adjoining owner for usage in conjunction with the said owner's property."* The Property forms part of a road reserve and due to the locality, shape, intended use and size of the Property, it cannot be developed independently, and thus it can be classified as a non-viable property. Non-viable property can in terms of the current Administration of Immovable Property Policy be alienated directly to adjoining property owner, subject to certain conditions.

Paragraph 9(1)(a): "*The Municipality may transfer ownership or otherwise dispose of a non-exempted immovable property only after the Municipal Council has, in terms of section 14(2)(a) and (b) of the MFMA decided on reasonable grounds that the immovable property is not needed to provide the minimum level of basic municipal services."*

Council, when the in-principle approval was obtained, confirmed that the Property is not needed to provide the minimum level of basic municipal services.

Paragraph 9(1)(b): ***"The Municipality may transfer ownership or otherwise dispose of non-exempted immovable property only after the municipal council, in terms of sections 14(2)(a) and (b) of the MFMA considered the fair market value of the immovable property***

and the economic and community value to be received in exchange for the immovable property in accordance with section 14(2) of the MFMA."

HCB Valuations and Services (Pty) Ltd determined the market related value on 1 January 2023 at an amount of R650.00/m² (SIX HUNDRED AND FIFTY RAND) per square metre (VAT excluded). The valuation was done taking into consideration the size, shape, locality, zoning and proposed use (restriction) of the Property. The purchase amount will thus be an amount of R92,300.00 (NINETY-TWO THOUSAND THREE HUNDRED RAND) (VAT excluded).

Paragraph 9(1)(c): ***"The Municipality may transfer ownership or otherwise dispose of a non-exempted immovable property only after the Municipal Council has, in terms of sections 14(2)(a) and (b) of the MFMA has as a consequence to 9.1(a) and (b) above approved in principle that the immovable property may be transferred or disposed of, and the method of disposal or transfer."***

The direct sale of the Property to the adjoining property owner of Erf 100 Hermanus was approved in principle by Council on 28 February 2024.

Paragraph 9.2: ***"The Municipality may transfer ownership or otherwise dispose of a non-viable immovable property, as nonexempted immovable property which can be of no practical use to any other person, directly to adjoining property owner(s), only after the Municipal Council has, in terms of sections 14(2)(a) and (b) of the MFMA:***

(a) ***decided on reasonable grounds that the non-viable immovable property is not needed to provide the minimum level of basic municipal services;***

(b) ***considered the fair market value of the immovable property and the economic and community value to be received in exchange for the immovable property in accordance with Section 14(2) of the MFMA, and***

(c) ***has as a consequence to 9.2(a) and (b) above approved in principle that the immovable property may be transferred or disposed, provided that, when giving the in principle approval, it is recorded in the minutes the full reasons for the Municipality preferring such direct transfer."***

(a) The comments received from the relevant departments indicated that the Property is not needed for the provision of municipal services.

(b) HCB Valuations and Services (Pty) Ltd determined the market related value on 1 January 2023 at an amount of R650.00/m² (SIX HUNDRED AND FIFTY RAND) per square metre (VAT excluded). The valuation was done taking into consideration the size, shape, locality, zoning and proposed use (restriction) of the Property. The purchase amount will thus be an amount of R92,300.00 (NINETY-TWO THOUSAND THREE HUNDRED RAND) (VAT excluded).

(c) The reasons for the preferred direct sale are discussed above and was recorded in the minutes of the in-principle approval granted by Council on 28 February 2024.

Paragraph 28: ***"All costs pertaining to a transaction shall be borne by the successful bidder/purchaser, e.g. survey, advertisements, valuation, rezoning, relocation or provision of services where necessary, etc. The Municipality may, however, waive its right to claim the costs should it be to its advantage to bear the costs."***

The Applicant will be liable for the costs of the transaction which will include, but not be limited to, the application fee, valuation costs, rezoning and consolidation, closure of public road, the required public participation process and transfer costs. The Applicant already paid the majority of the costs as per the approval.

Paragraph 30: **"*Small areas of land such as closed roads or portions of public place sold to an adjacent owner must be consolidated with the existing property of the adjacent owner, unless circumstances exist which, in the opinion of the Municipality, make such consolidation undesirable."***

A condition to this effect was included in the Deed of Sale.

Paragraph 32: ***"Save with prior approval, the immovable property alienated may only be used for the purpose for which it was originally sold and purposes permitted by town planning scheme regulations pertaining to such purposes."***

A condition to this effect was included in the Deed of Sale.

Paragraph 34: ***"A 10% deposit of the agreed/tendered purchase price will be due and payable by the purchaser/successful bidder***

within 10 days of date of request in writing thereof by the Municipality."

A condition to this effect was included in the Deed of Sale.

Paragraph 35: ***"Interest on the purchase price, as from date of signature of the deed of sale, must be charged by the Municipality should payment or transfer be delayed due to an action or failure on the part of the successful bidder/ purchaser."***

A condition to this effect was included in the Deed of Sale.

B. Advertisement/Notification

An advertisement for the transfer of the Property was published in the Village News on 29 August 2025 for a 30 (THIRTY) day objection/comment period. No objection/comments were received.

Conclusion

It is recommended that the transfer of the Property to the Applicant at a market related amount of R92,300.00 (NINETY-TWO THOUSAND THREE HUNDRED RAND) (VAT excluded) for gardening purposes and the erection of a boundary fence or wall, be approved.

7. Financial Implications

The Municipality stands to gain an income of R92,300.00 (NINETY-TWO THOUSAND THREE HUNDRED RAND) (VAT excluded) for the sale of the Property.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

Divisional Manager: Expenditure, Fleet & Asset Management - Mr J Vorster

"The full extent of Erf 241 Hermanus, adjacent to Erf 100 Hermanus, is currently reflected as Public Place (Open Space 2) in the fixed asset register for PPE: Land at a carrying value of R4'892'407-40 as at 30 June 2026. Once the proposed alienation of the 142m² has been concluded, it will have to be written out of the fixed asset register at the applicable selling price in order to account for the actual gain / (loss) on the disposal of a portion of an asset.

There is no objection against the alienation."

10. Annexures

Annexures A1 & A2: Locality maps
Annexure B: SG Diagram

RECOMMENDATION TO THE COUNCIL:

1. that the transfer of Unregistered Erf 12974 Hermanus, being a portion of Remainder Erf 241 Hermanus, adjacent to Erf 100 Hermanus, situated at 54 Rocklands Street, Hermanus, to MJ & K Smuts, the owners of the adjoining property, for gardening purposes and the erection of a boundary fence or wall, at an amount of R92,300.00 (NINETY-TWO THOUSAND THREE HUNDRED RAND) (VAT excluded), **be approved**;

2. that Council take cognisance of the fact that the direct alienation and subsequent transfer is only approved as unregistered Erf 12974 Hermanus is classified as a non-viable property;

3. that it be noted that a condition of the alienation will be that the unregistered Erf 12974 Hermanus must be consolidated with the adjoining property of MJ & K Smuts, being Erf 100 Hermanus;

4. that a condition be registered against the title deed of the to be consolidated property that the portion of property envisaged to be transferred may only be used for gardening purposes and no structures, excluding a boundary fence or wall, may be erected thereon;

5. that all costs pertaining to the transaction, e.g. application costs, valuation costs, closure of public open space, rezoning, subdivision and consolidation, transfer and related costs, advertisements, etc. be paid by MJ & K Smuts; and

7. that it be noted that the municipal property herewith envisaged to be transferred is not required for the provision of basic municipal services in terms of the provisions of paragraph 5 of Council's Administration of Immovable Property Policy and Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003).

RESPONSIBLE OFFICIAL: **M ERASMUS**

TARGET DATE FOR IMPLEMENTATION : **26 SEPTEMBER 2026**

TARGET DATE TO INFORM APPLICANT: **26 SEPTEMBER 2026**

AGENDA of the
Portfolio Committee : Planning & Development
18 August 2026
(Also the Agenda for the Mayoral Committee Meeting : 25 August 2026)

8.
TRANSFER OF UNREGISTERED ERF 12974 HERMANUS, A PORTION OF REMAINDER ERF 241 (CLOSED ROAD RESERVE), ADJACENT TO ERF 100 HERMANUS, TO MJ & K SMUTS

A Le Roux **Divisional Manager: Property Management**
17 March 2026 **(028) 316 - 5623**

THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON 18 AUGUST 2026, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:

RECOMMENDATION TO THE COUNCIL:

1. that the transfer of Unregistered Erf 12974 Hermanus, being a portion of Remainder Erf 241 Hermanus, adjacent to Erf 100 Hermanus, situated at 54 Rocklands Street, Hermanus, to MJ & K Smuts, the owners of the adjoining property, for gardening purposes and the erection of a boundary fence or wall, at an amount of R92,300.00 (NINETY-TWO THOUSAND THREE HUNDRED RAND) (VAT excluded), **be approved**;

2. that Council take cognisance of the fact that the direct alienation and subsequent transfer is only approved as unregistered Erf 12974 Hermanus is classified as a non-viable property;

3. that it be noted that a condition of the alienation will be that the unregistered Erf 12974 Hermanus must be consolidated with the adjoining property of MJ & K Smuts, being Erf 100 Hermanus;

4. that a condition be registered against the title deed of the to be consolidated property that the portion of property envisaged to be transferred may only be used for gardening purposes and no structures, excluding a boundary fence or wall, may be erected thereon;

5. that all costs pertaining to the transaction, e.g. application costs, valuation costs, closure of public open space, rezoning, subdivision and consolidation, transfer and related costs, advertisements, etc. be paid by MJ & K Smuts; and

7. that it be noted that the municipal property herewith envisaged to be transferred is not required for the provision of basic municipal services in terms of the provisions of paragraph 5 of Council's Administration of Immovable Property Policy and Section 14 of the Local Government: Municipal Finance Management Act (Act 56 of 2003).

RESPONSIBLE OFFICIAL:	**M ERASMUS**
TARGET DATE FOR IMPLEMENTATION :	**26 SEPTEMBER 2026**
TARGET DATE TO INFORM APPLICANT:	**26 SEPTEMBER 2026**

ANNEXURE A1


ARCADIA
A Portion of
Erf 241 Hermanus
(170m² in extent)
PROPOSED
ALTERNATIVE
241
ROCKLANDS
OVERSTRAND
MUNICIPALITY
Erf 241 Hermanus
Date: 2023/04/24

ANNEXURE A2

ANNEXURE B

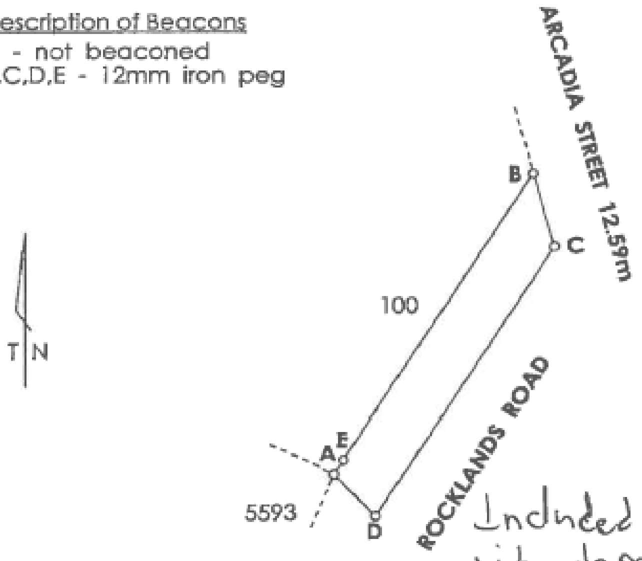
GENERAL PLAN TP 14LD (6769)

SIDES	Metres	ANGLES OF DIRECTION		CO-ORDINATES Y System: WG19°	X	S.G. No.
		Constants:		± 0,00	± 0,00	837/2026
AB	30,43	213 27 40	A	-20 800,56	+3 811 215,80	Approved
BC	6,50	343 44 20	B	-20 817,34	+3 811 190,41	
CD	27,24	33 35 30	C	-20 819,16	+3 811 196,65	
DA	5,00	135 04 50	D	-20 804,09	+3 811 219,34	for SURVEYOR-GENERAL
Indicatory beacon:						
AE	1,48	213 27 40	E	-20 801,39	+3 811 214,58	
		73G2	⊕	-20 858,47	+3 810 980,65	Date:22-06-2026
		74G2	⊕	-20 631,92	+3 811 153,58	

DIGITAL REGISTRATION DOCUMENT
for SURVEYOR GENERAL
DATE 23-06-2026

I, N.A. CLARK, PLS No. 1072, hereby certify that this Digitally approved Deeds Registration Document was extracted by myself from the Digital Registration Document provided by the Surveyor General's office, Cape Town.
Professional Land Surveyor
24/6/2026
Date

Description of Beacons
A - not beaconed
B,C,D,E - 12mm iron peg



Included in Consol vide dgm 838/2026 Erf 12975

Scale 1:500

The figure **A B C D**

represents 142 square metres of land being

ERF 12974 HERMANUS

Situate in Hermanus Extension No.2 * in the Overstrand Municipality
* Township
Administrative District of Caledon
Province of Western Cape
Surveyed in March 2026 by me

P2C

NA Clark
Professional Land Surveyor
Registration Number PLS1072

THIS DIAGRAM REPRESENTS A ....CLOSED ROAD

This diagram is annexed to		File : S/2479/46 v.2
No.		S.R. : 508/2026
d.d. :		G.P. : TP 14LD (6769)
i.f.o.		Comp. AI-3CB/Z51 (460)
Registrar of Deeds		LPI C0130013