

**AGENDA of the  
Portfolio Committee : Planning and Development  
17 February 2026  
(Also the agenda for the Mayoral Committee Meeting : 25 February 2026)**

---

**2.**

**A PORTION OF ERF 830 HERMANUS, KNOWN AS “BIENTANG’S CAVE RESTAURANT”: DEVIATION FROM PARAGRAPH 18 OF THE ADMINISTRATION OF IMMOVABLE PROPERTY POLICY OF 2015 ALLOWING THE MUNICIPALITY TO TEMPORARILY RENEW THE LEASE OF MUNICIPAL PROPERTY TO BIENTANG SE GROT (PTY) LTD**

**A Le Roux  
14 January 2026**

**Divisional Manager: Property Management  
(028) 316 5623**

---

**1. Executive Summary**

To obtain approval from the Executive Mayor to enter into a further temporary lease agreement with Bientang se Grot (Pty) Ltd in respect of a portion of Erf 830 Hermanus,  $\pm 450\text{m}^2$  in extent, for the purpose of managing the restaurant known as “Bientang’s Cave”; and

To obtain approval from Council for the deviation from paragraph 18 of the Administration of Immovable Property Policy (as approved by Council on 25 November 2015) allowing the Municipality to enter into a further temporary lease agreement with Bientang se Grot (Pty) Ltd (the “Lessee”) in respect of a portion of Erf 830 Hermanus (the “Property”) for the purpose of managing the restaurant known as “Bientang’s Cave”, without following a competitive bidding process.

See the locality map attached hereto marked “Annexure A” and the site layout as “Annexure B”.

**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  
Promotion of tourism, economic and social development

**4. Delegated Authority**

Partly delegated to the Executive Mayor

**5. Legal Requirements**

- Local Government: Municipal Financial Management Act (Act 56 of 2003) (“MFMA”)

**AGENDA of the  
Portfolio Committee : Planning and Development  
17 February 2026  
(Also the agenda for the Mayoral Committee Meeting : 25 February 2026)**

---

- 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**

Following a call for tenders in 2015, the Lessee, was awarded the tender for the lease of the Property for the purpose of managing the Bientang's Cave Restaurant, as identified on the locality map attached hereto as "Annexure A" for a period of 9 (NINE) years and 11 (ELEVEN) months.

The lease agreement would expire on 31 December 2025 and the last lease amount for the lease of the Property was R69,067.92 (SIXTY-NINE THOUSAND AND SIXTY-SEVEN RAND AND NINETY-TWO CENTS) (VAT excluded) per month.

As the Property is a business site and more than one party is interested in leasing the Property the further lease of the Property had to be made available by means of a competitive process.

Upon receiving the market valuation report for the Property, it became clear that the total rental income for the lease period will be in excess of R10,000,000.00 (TEN MILLION RAND). This meant that the process stipulated in Paragraph 19.1 of the Administration of Immovable Property Policy had to be followed, which process entails an additional public participation and in principle approval from Council before the tender specifications could be submitted. Council approved on 27 November 2024 that the Accounting Officer, via the Property Management Division, be authorised to commence with the public participation process. Subsequently, a notice was published in the Village News on 12 December 2024 and the comments and/or recommendations from National and Provincial Treasury were requested. No comments nor objections were received by closing date.

Council further approved in principle on 26 March 2025 the lease of the Property by means of a competitive process at a market related rental. The tender specifications were completed and submitted.

The process for the tender for the management of a restaurant currently known as the "Bientang's Cave" was commenced with timeously, however the tender for the publishing of advertisements expired on 30 June 2025 and was only awarded again on 30 July 2025 whereafter the process for requesting quotations for the placement of the tender advertisement by the Supply Chain Division could be commenced with.

**AGENDA of the  
Portfolio Committee : Planning and Development  
17 February 2026  
(Also the agenda for the Mayoral Committee Meeting : 25 February 2026)**

---

The tender was advertised on 22 August 2025 with the closing date on 26 September 2025. The evaluation of the tenders has been commenced with and the process up to awarding of the tender and the finalisation of the appeal period will take a few weeks whereafter the lease agreement must still be entered into and a hand-over of the Property must be done.

From the above it was clear that that the tender would not be awarded, a new lease agreement entered into, and a hand-over of the Property would not be done before the expiry of the lease agreement. After the lease agreement is entered into with the new lessee who will be awarded the tender, the new lessee will also have to apply for the necessary licences, including a liquor licence which can take quite some time.

A temporary renewal of the existing lease agreement will allow the Municipality to follow the necessary procedures, finalise the tender process, have a lease agreement signed and afford the new lessee enough time to plan for the take over as well as apply for all the necessary licences before the new lease agreement commences.

It is further well established that a vacant building attracts vagrants and is prone to vandalism. If the Property was vacated when the Lease Agreement would end on 31 December 2025, the building would be vacant and be at risk. The Lessee has done an excellent job of maintaining the Property during the lease period and would continue to do so as its clientele has become used to its standards.

The temporary renewal was advertised in the Village News on 17 October 2025, and 1 (ONE) objection was received which had to be sent to the lessee for comments. This had the effect that the request for the temporary renewal could not be submitted to Council for consideration before the expiry of the Lease Agreement on 31 December 2025 and a temporary renewal agreement was entered into subject to the Mayor's approval of the renewal and further subject to Council's approval of the deviation from paragraph 18 of the Administration of Immovable Property Policy of the Overstrand Municipality (2015), this was done to mitigate the risk of vandalism to the Property. The objection is discussed later in this report.

If the temporary lease is approved, the Municipality will continue to receive a rental income of R69,067.92 (SIXTY-NINE THOUSAND AND SIXTY-SEVEN RAND AND NINETY-TWO CENTS) (VAT excluded) per month and the Lessee will continue to maintain and upkeep the Property.

It is therefore proposed that the temporary renewal be approved for a period of 6 (SIX) months to expire on 30 June 2026. The new lease agreement to be awarded in terms of the tender can then commence with the commencement of the new financial year for 2026/2027.

**AGENDA of the  
Portfolio Committee : Planning and Development  
17 February 2026  
(Also the agenda for the Mayoral Committee Meeting : 25 February 2026)**

---

**Evaluation**

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

The following conditions of the said Policy will apply:

**Paragraph 4: “No application for the purchase, lease of or encroachment on immovable property (save for the instances mentioned in paragraphs 58 to 62 and 64.1 below) shall be processed unless the prescribed application fee as per tariff approved in the annual budget for that financial year has been paid, nor shall any proposed lease or encroachment (save for the instances mentioned in paragraphs 58 to 62 and 64.1 below) be advertised unless the applicant has confirmed, in writing, that he/she will bear all costs involved in such transaction including – but not limited to – legal, survey, re-zoning, sub-division, consolidations, advertisement, relocation or provision of services and, where applicable, a deposit as per prescribed rate to cover incidental costs has been paid.”**

As the Lessee has an existing lease and the proposal is for a renewal of the lease agreement before its expiry, no application fee is payable.

**Paragraph 17: “Taking into consideration the nature and duration of the lease to be entered into, the leasing of immovable property may be affected by means of either:**

**17.1 a competitive process, which may include a closed or public tender or proposal call, specifically in circumstances listed in paragraph 18 below; or**

**17.2 a direct lease.”**

**Paragraph 18: “A competitive process must at all times be followed in circumstances where:**

**18.1 the lease is for a long term with an income value in excess of R10 million;**

**18.2 the lease is for a formal business premises with a market related rental;**

**18.3 more than one party, in discretion of the municipality, is interested in the lease of the subject property; and/or**

**18.4 by discretion of the municipality, a competitive process will best serve the interests of the community”.**

The Property will be made available by means of a tender process for the long-term leasing thereof. The request is that the agreement be renewed for a period of 6 (SIX) months pending the outcome of the tender being

**AGENDA of the  
Portfolio Committee : Planning and Development  
17 February 2026  
(Also the agenda for the Mayoral Committee Meeting : 25 February 2026)**

---

evaluated.

Cognisance should also be had to the fact that should the Property be vacant until the tender process is completed, the Property would most likely be vandalised resulting in damages and insurance claims to be made.

Furthermore, the Property is an important attraction, not only for tourists visiting the area but also the community of the Overstrand Municipality. Should the lease agreement not be renewed it would entail that the restaurant is closed, and specifically for a portion of the festive season, consequently having a negative economic impact and could be construed as the Overstrand Municipality not using its available resources effectively, efficiently and/or economically as the interest of the community will not be served at best.

It is therefore recommended that the Property be leased directly to the Lessee without following a competitive process for the short term. For audit purposes and to mitigate the risks, a lease agreement was in the meantime entered into subject to the relevant approvals.

**Paragraph 20: “Long term lease of municipal immovable property with an income value less than R10 million:**

**20.1 The Municipality may grant a long term lease of municipal immovable property with an income value of less than R10 million only after:**

- (a) the Accounting Officer has approved the lease in principle;**
- (b) in the case of a direct lease, the proposed lease was advertised in terms of paragraph 10.1 and 10.2 above to invite the local community and other interested parties to submit comments or representations; and**
- (c) the Executive Mayor, as delegated authority, has subsequently approved that the right may be granted.”**

The Accounting Officer (Municipal Manager) approved in principle the renewal of the lease of the Property to the Lessee for a period of 6 (SIX) months, subject thereto that the approval of Council is obtained as to the deviation from paragraph 18 of the Administration of Immovable Property Policy.

The renewal of the lease was advertised in the Village News on 17 October 2025, and 1 (one) objection was received which will be discussed in more detail below.

**AGENDA of the  
Portfolio Committee : Planning and Development  
17 February 2026  
(Also the agenda for the Mayoral Committee Meeting : 25 February 2026)**

---

The approval from the Executive Mayor for the renewal of the lease agreement is hereby requested subject to the mentioned deviation being approved by Council.

**Paragraph 24: “The fair market value for the alienation of, the rental amount for the leasing or compensation payable for a servitude over municipal immovable property shall be determined by an independent professional valuer or professional associated valuer registered in terms of the Property Valuers Profession Act, 2000 (Act 47 of 2000), or any ensuing act at the cost of the purchaser (in the case of a direct sale) or lessee (in the case of a direct lease)/servitude holder (in the case of a servitude).”**

The initial lease agreement was approved at a rental amount of R43,000.00 (FORTY-THREE THOUSAND RAND) (VAT excluded) per month, escalating annually on 1 July by a percentage equal to the Consumer Price Index. The rental amount has escalated annually in terms of the Consumer Price Index and for the 2025/2026 financial year it is R69,067.92 (SIXTY-NINE THOUSAND AND SIXTY-SEVEN RAND AND NINETY-TWO CENTS) (VAT Excluded). It is recommended that this rental amount be charged for the proposed lease.

**B: Advertisement / Notification:**

The renewal of the lease was advertised in the Village News on 17 October 2025, for a 30 (THIRTY) day objection/comment period. The following objection was received:

**Objection received:**

Mr Johan van Schalkwyk submitted an objection (Annexure C) against the temporary renewal of the lease to the Lessee and provided the following reasons for his objection:

- “1. *The existing owner/operator of Bientang's Cave had the privilege of renting over an extraordinary long period of time, with extremely low rental, dating back to even 1995 if not mistaken.*
2. *The owner knew from years ago when his rental term will end and had months to prepare.*
3. *A new tender process was advertised and the existing owner also had the opportunity to tender, which he did and thereby by in default knew in advance also again of his lease ending.*

**AGENDA of the  
Portfolio Committee : Planning and Development  
17 February 2026  
(Also the agenda for the Mayoral Committee Meeting : 25 February 2026)**

---

4. *I have put a lot of preparations and hours and revenue in my application for the tender to lease Bientang's, and so did the other contenders I would assume.*
5. *If the extension be granted for a further x6 months, the existing tenant will furthermore gain a big advantage by operating and profiting enormously on the busiest summer months, and that at a very low existing rental in which the Overstrand Municipality would also be disadvantaged financially.*
6. *I will thus be deprived of a decent income/profit.*
7. *If my tender should be successful, I will furthermore have the disadvantage of starting mid winter with no chance of making positive changes to attract clients and grow the business, keeping in mind the strict new rental and deposits conditions, putting further strain and financial pressure to kick off."*

Lessee's response

The Lessee submitted a detailed response dated 13 November 2025 (Annexure D) of which the main points are as follows:

General observations: *"Upon careful review of the appeal letter, I must express concern regarding its tone and content, which suggest a degree of presumption about the tender outcome. Statements such as "I will thus be deprived of a decent income/profit" imply an expectation or entitlement inconsistent with the principles of a fair and transparent tender process. Such language may inadvertently convey that the writer assumes they have already been awarded the tender. This is particularly troubling when one considers the immense personal and financial investment that has gone into establishing and maintaining Bientang's Cave over the past 31 years. The suggestion that a new operator should assume control of this business during the busiest holiday period is also entirely impractical. It would risk severe disruption to staff, service standards, and the tourism reputation of Hermanus. By contrast, a transition in winter would allow sufficient time for renovations, training, and a soft opening period to ensure operational readiness. Furthermore, the focus throughout the objection letter on personal profit and financial gain appears to overlook the extensive managerial, operational, and community responsibilities inherent in running a landmark establishment of this nature."*

*"1. I purchased the business Bientang se Grot CC on 17 February 1995 for R870,000.00, during the final year of the first five-year lease. My initial rent was R186 per month for a cave with hardly any*

**AGENDA of the  
Portfolio Committee : Planning and Development  
17 February 2026  
(Also the agenda for the Mayoral Committee Meeting : 25 February 2026)**

---

*infrastructure. I registered the Bientang's trademark on 29 March 1995. In 1996, the town clerk, Mr. Thuys van Rooyen, confirmed renewal of the lease. We agreed to a rental of R2,000 per month, equal to other municipal restaurants (The Nautilus and Milkwood). The new lease ran for 9 years 11 months, with an option to renew for a further 9 years 11 months until 2016. I built all infrastructure since then at my own cost. In 2016, I had to tender for Bientang's Cave for the first time and was awarded a lease at R43,000 plus VAT per month, escalating annually with CPI. I currently pay R79,428.11 (VAT included)... Over the last decade alone, I have invested more than R2 000,000 in upgrades and maintenance: rebuilding the staircase (2016), remodelling and refitting the kitchen, relocating the deep freeze and cold room, constructing staff facilities (toilet and changeroom), installing a 5,000-litre backup water tank and the gas storage cage. It is also important to recognise that over the years I have invested millions of rands in the infrastructure, development, maintenance, and marketing of Bientang's Cave and Hermanus...Despite these challenges, I remained fully committed to building Bientang's Cave into a reputable and award-winning establishment that contributes meaningfully to Hermanus's tourism, the local economy and community development. This year will, in fact, be the first time the business can show a genuine profit, having reinvested previous earnings into ongoing improvements, maintenance, marketing, growth, and preservation of this iconic coastal site...*

2. *I have prepared for this tender for years, not months. Having successfully tendered in 2016, I understood that renewal would again be required in 2025. However, given our longstanding record of performance and compliance, it would be both sensible and reasonable for the Municipality to renew the lease rather than risk an untested operator taking over during peak season.*
3. *Indeed, I was aware and submitted a tender accordingly. However, this does not imply that my business—built over three decades and purchased for R870,000 in 1995—has ended. It remains a thriving, viable and valuable enterprise.*
4. *While others may have invested time, revenue and effort in drafting proposals, I have invested 31 years and millions of rand in building this business from the ground up. The magnitude and scale of my investment, both financial and personal, cannot be equated to the preparation of a single tender document.*
5. *After 31 years as one of the Municipality's longest standing and most reliable tenants, a six-month extension is both reasonable and*

**AGENDA of the  
Portfolio Committee : Planning and Development  
17 February 2026  
(Also the agenda for the Mayoral Committee Meeting : 25 February 2026)**

---

warranted. The business has confirmed bookings extending well into 2026, and substantial pre-season investments have already been made in staffing, stock, and marketing.

6. *As the current tenant, I would be the one unfairly deprived of a fair income and livelihood should the business be required to close suddenly, particularly ahead of what is projected to be the best season on record.*
7. *On the contrary, a winter start would enable a new operator to establish operational systems, recruit staff and complete renovations before the return of tourists and whales. Commencing operations during December's peak season would be chaotic, unmanageable and extremely damaging to the Hermanus tourism brand.*

Property Management's Response

1. The Lessee partook in a tender in 2015, and the bid was awarded to them. This was thus a new lease and not a renewal of any previous lease agreements they had for the Property. This said, the current bidder has been paying a market related rental since the commencement of the last lease as a competitive process was followed.
2. The tender will not be awarded before the expiry of the lease agreement with the Lessee. If the lease is not renewed pending the outcome of the tender, the Municipality would have to close the restaurant end of December 2025, which would mean that the restaurant would be closed over the busy festive season. The Municipality will not receive any income for this period and will have financial responsibilities with regards to the Property and run the risk of having the Property vandalised.
3. As above, it is not only to the advantage of the Lessee to have the lease agreement renewed for a temporary period but also to the Municipality's advantage.
4. Noted, the tender could however not be awarded before the expiry of the lease agreement. The renewal is only for a temporary period of 6 (SIX) months and the evaluation of the tenders received still continue.
5. It is again confirmed that the Lessee has been paying a market related rental since the commencement of the lease as a competitive process was followed and further that the Municipality is also gaining

**AGENDA of the  
Portfolio Committee : Planning and Development  
17 February 2026  
(Also the agenda for the Mayoral Committee Meeting : 25 February 2026)**

---

an advantage in temporary renewing the lease agreement in contrast to having to manage the risk of a vacant Property.

6. There is no guarantee that the bid will be awarded to the objector, therefore the assumption that he will be deprived of a decent income/profit is premature and as such just an assumption.

7. As above.

The crux of the matter is that the tender could not be awarded before the expiration of the lease agreement with the Lessee and cognisance should also be had to the fact that should the Property be vacant until the tender process is completed, the Property would most likely be vandalised resulting in damages and insurance claims to be made.

Furthermore, the Property is an important attraction, not only for tourists visiting the area but also the community of the Overstrand Municipality. Should the lease agreement not be renewed it would entail that the restaurant is closed, consequently having a negative economic impact and could be construed as the Overstrand Municipality not using its available resources effectively, efficiently and/or economically as the interest of the community will not be served at best.

The purpose of the temporary renewal is thus in no way to advantage the Lessee, rather to ensure that a valuable municipal asset is managed effectively and efficiently and to prevent the risk of any vandalism.

### **Conclusion**

Taking the above into consideration, it is recommended that:

- (a) The Executive Mayor approves the temporary renewal of the lease of the Property to the Lessee for a period of 6 (SIX) months from 1 January 2026 to 30 June 2026 for the purpose of managing a restaurant known as "Bientang's Cave", at a rental amount of R69,067.92 (SIXTY-NINE THOUSAND AND SIXTY-SEVEN RAND AND NINETY-TWO CENTS) (VAT excluded) per month, and
- (b) Council approves the deviation from paragraph 18 of the Administration of Immovable Property Policy in order to renew the current lease agreement with the Lessee for a further temporary period of 6 (SIX) months without following a competitive process.

**AGENDA of the  
Portfolio Committee : Planning and Development  
17 February 2026  
(Also the agenda for the Mayoral Committee Meeting : 25 February 2026)**

---

**7. Financial Implications**

The Municipality stands to gain an income of R69,067.92 (SIXTY-NINE THOUSAND AND SIXTY-SEVEN RAND AND NINETY-TWO CENTS) (VAT excluded) per month as well as service charges.

**8. Staff Implications**

None

**9. Comments from other Departments, Divisions and Administrations**

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

*“As this application is dealt with in terms of the Administration of Immoveable Property Policy and it relates to a revenue generating project, with no intension of disposing of the asset, there is no objection to the application.”*

**10. Annexures**

- Annexures A: Locality map
- Annexure B: Site Layout
- Annexure C: Objection from Mr van Schalkwyk
- Annexure D: Bientang’s response to the objection

**RECOMMENDATION TO THE EXECUTIVE MAYOR:**

1. that the temporary renewal of the lease of a portion of Erf 830 Hermanus, ±450m<sup>2</sup> in extent, to Bientang se Grot (Pty) Ltd for a period of 6 (SIX) months from 1 January 2026 to 30 June 2026 for the purpose of managing a restaurant known as “Bientang’s Cave”, at a rental amount of R69,067.92 (SIXTY-NINE THOUSAND AND SIXTY-SEVEN RAND AND NINETY-TWO CENTS) (VAT Excluded) per month, **be approved**; and
2. that the abovementioned approval be subject to Council approving a deviation from paragraph 18 of the Administration of Immovable Property Policy of 2015.

**RECOMMENDATION TO THE COUNCIL:**

that the deviation from paragraph 18 of the Administration of Immovable Property Policy in order to temporarily renew the current lease agreement with Bientang se Grot (Pty) Ltd for a further period of 6 (SIX) months without following a competitive process, **be approved**.

**AGENDA of the  
Portfolio Committee : Planning and Development  
17 February 2026  
(Also the agenda for the Mayoral Committee Meeting : 25 February 2026)**

---

**RESPONSIBLE OFFICIAL :** **MADELEIN ERASMUS**

**TARGET DATE FOR IMPLEMENTATION :** **28 MARCH 2026**

**TARGET DATE TO INFORM APPLICANT :** **10 MARCH 2026**

**TARGET DATE TO INFORM OBJECTOR:** **10 MARCH 2026**

**AGENDA of the  
Portfolio Committee : Planning & Development  
17 February 2026  
(Also the Agenda for the Mayoral Committee Meeting : 25 February 2026)**

---

**2.**

**A PORTION OF ERF 830 HERMANUS, KNOWN AS “BIENTANG’S CAVE RESTAURANT”: DEVIATION FROM PARAGRAPH 18 OF THE ADMINISTRATION OF IMMOVABLE PROPERTY POLICY OF 2015 ALLOWING THE MUNICIPALITY TO TEMPORARILY RENEW THE LEASE OF MUNICIPAL PROPERTY TO BIENTANG SE GROT (PTY) LTD**

**A Le Roux  
14 January 2026**

**Divisional Manager: Property Management**

**(028) 316 5623**

---

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON 17 FEBRUARY 2026, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

**RECOMMENDATION TO THE EXECUTIVE MAYOR:**

1. that the temporary renewal of the lease of a portion of Erf 830 Hermanus, ±450m<sup>2</sup> in extent, to Bientang se Grot (Pty) Ltd for a period of 6 (SIX) months from 1 January 2026 to 30 June 2026 for the purpose of managing a restaurant known as “Bientang’s Cave”, at a rental amount of R69,067.92 (SIXTY-NINE THOUSAND AND SIXTY-SEVEN RAND AND NINETY-TWO CENTS) (VAT Excluded) per month, **be approved**; and
2. that the abovementioned approval be subject to Council approving a deviation from paragraph 18 of the Administration of Immovable Property Policy of 2015.

**RECOMMENDATION TO THE COUNCIL:**

that the deviation from paragraph 18 of the Administration of Immovable Property Policy in order to temporarily renew the current lease agreement with Bientang se Grot (Pty) Ltd for a further period of 6 (SIX) months without following a competitive process, **be approved**.

**RESPONSIBLE OFFICIAL :**

**M ERASMUS**

**TARGET DATE FOR IMPLEMENTATION :**

**28 MARCH 2026**

**TARGET DATE TO INFORM APPLICANT :**

**10 MARCH 2026**

**TARGET DATE TO INFORM OBJECTOR:**

**10 MARCH 2026**





**ANNEXURE C**

**From:** Johan Van Schalkwyk <[johanvs2205@gmail.com](mailto:johanvs2205@gmail.com)>  
**Sent:** Friday, 24 October 2025 18:25  
**To:** Dr Dean O'Neill <[mm@overstrand.gov.za](mailto:mm@overstrand.gov.za)>  
**Subject:** Temp lease "Bientang's Cave" further 6 months.

Good day Dr O'Neil,

I refer to the Overstrand Municipality's application and publication regarding the above subject. Hereby my reasons or appeal against the extension for another x6 months.

1. The existing owner/operator of Bientang's Cave had the privilege of renting over an extraordinary long period of time, with extremely low rental, dating back to even 1995 if not mistaken.
2. The owner knew from years ago when his rental term will end and had months to prepare.
3. A new tender process was advertised and the existing owner also had the opportunity to tender, which he did and thereby by in default knew in advance also again of his lease ending.
4. I has put a lot of preparations and hours and revenue in my application for the tender to lease Bientang's, and so did the other contenders I would assume.
5. If the extension be granted for a further x6 months, the existing tenant will furthermore gain a big advantage by operating and profiting enormously on the busiest summer months, and that at a very low existing rental in which the Overstrand Municipality would also be disadvantaged financially.
6. I will thus be deprived of a decent income/profit.
7. If my tender should be successful, I will furthermore have the disadvantage of starting mid winter with no chance of making positive changes to attract clients and grow the business, keeping in mind the strict new rental and deposits conditions, putting further strain and financial pressure to kick off.

These are my objections or reasons why the application for another x6 months should not be granted.

I am however very much aware of the practical difficulty in changing premises/tenants on a 1st of January, so I will be more than willing to meet between myself, Overstrand Municipality and the previous owner (if he is not successful in the bid) to find a suitable solution for everyone.

Regards  
Johan van Schalkwyk - Director  
Broncophase Pty Ltd  
0829076467



13/11/2025

**To:**

Madelein Erasmus

Senior Administrative Officer: Property Management, Planning and Development  
Directorate

**Subject:** Response to Letter of Appeal – Tender CS2583/25 and Request for Temporary  
Renewal of Lease – *Bientang's Cave Restaurant*

To whom it may concern,

I refer to the correspondence dated **27 October 2025** regarding the above-mentioned tender and to the subsequent **Letter of Appeal** received by your office. I hereby submit my formal **response** and **motivation for a six-month lease extension** until **30 June 2026**.

---

**1. General Observations on the Appeal Letter**

Upon careful review of the appeal letter, I must express concern regarding its tone and content, which suggest a degree of presumption about the tender outcome. Statements such as *"I will thus be deprived of a decent income/profit"* imply an expectation or entitlement inconsistent with the principles of a fair and transparent tender process.

Such language may inadvertently convey that the writer assumes they have already been awarded the tender. This is particularly troubling when one considers the immense personal and financial investment that has gone into establishing and maintaining **Bientang's Cave** over the past 31 years.

The suggestion that a new operator should assume control of this business during the busiest holiday period is also entirely impractical. It would risk severe disruption to staff, service standards, and the tourism reputation of Hermanus. By contrast, a transition in winter would allow sufficient time for renovations, training, and a soft opening period to ensure operational readiness.

Furthermore, the focus throughout the objection letter on personal profit and financial gain appears to overlook the extensive managerial, operational, and community responsibilities inherent in running a landmark establishment of this nature.

## 2. Response to Specific Allegations and Objections

**Objection 1:** *“The existing owner/operator had the privilege of renting for an extraordinary long period at a very low rental.”*

I **purchased** the business *Bientang se Grot CC* on **17 February 1995** for **R870,000.00**, during the final year of the first five-year lease. My initial rent was **R186 per month** for a cave with hardly any infrastructure. I registered the **Bientang’s** trademark on **29 March 1995**.

In 1996, the town clerk, Mr. Thuys van Rooyen, confirmed renewal of the lease. We agreed to a rental of **R2,000 per month**, equal to other municipal restaurants (The Nautilus and Milkwood). The new lease ran for **9 years 11 months**, with an option to renew for a further 9 years 11 months until **2016**.

I built all infrastructure since then at my own cost. In 2016, I had to tender for Bientang’s Cave for the first time and was awarded a lease at **R43,000 plus VAT per month**, escalating annually with CPI. I currently pay **R79,428.11 (VAT included)**. The municipality’s indicative rental for the new tender is **R85,445 (VAT included)**, and my new bid is **R108,000 (VAT included)**—substantially higher than the Municipalities rental guideline.

For comparison, Tenderer 1: PH Six (Pty) Ltd, Mr. Petri Hendricks, owner of *Milk on the Beach*, *Char’d*, and *Pear Tree* Restaurants, offered **R103,500**, which confirms that my offer represents **fair market value**.

Over the last decade alone, I have invested more than **R2 000,000** in upgrades and maintenance: rebuilding the staircase (2016), remodelling and refitting the kitchen, relocating the deep freeze and cold room, constructing staff facilities (toilet and changeroom), installing a 5,000-litre backup water tank and the gas storage cage.

It is also important to recognise that over the years I have invested **millions of rands** in the infrastructure, development, maintenance, and marketing of Bientang’s Cave and Hermanus.

Specifically:

- All buildings and infrastructure since 1995 were constructed at my expense and at considerable cost.
- Implemented intensive and costly national and international marketing campaigns for both Bientang's Cave Restaurant and Hermanus, resulting in widespread recognition, creating a global brand and numerous awards.
- The parking facilities serving the Hermanus Waterfront were largely initiated through my own efforts.
- The clearing and improvement of the upper surrounding area were initially self-funded, with municipal participation occurring only later.
- Throughout my tenure, I operated under very challenging conditions caused by continuous construction along Marine Drive: the development of the Village Square, upgrades to the Marine Hotel, the Marine Court, the development of the Birkenhead Apartments, the electrical substation where a trench was dug, making access and visibility to the cave extremely difficult, the parking area, sewerage system upgrades - all of which severely impacted trade for many years.
- The business survived both the **2008 global recession** and the **two-year COVID-19 pandemic**, during which virtually no profit was realised.

Despite these challenges, I remained fully committed to building *Bientang's Cave* into a **reputable and award-winning establishment** that contributes meaningfully to Hermanus's tourism, the local economy and community development. **This year will, in fact, be the first time the business can show a genuine profit**, having reinvested previous earnings into ongoing improvements, maintenance, marketing, growth, and preservation of this iconic coastal site.

In addition, I have proposed initiatives to enhance Hermanus's cultural and environmental heritage at my own cost, including:

- Proposing the official renaming of the tidal pool in front of the Marine Hotel to "**Bientang se Baaigat**", its historic name for over a century. I think it is very important to preserve the local heritage of Bientang, she was the last known KoiKoi strand looper to have lived in Hermanus more than a 100 years ago.
- Offering to fund and construct a **walkway** connecting Bientang's Cave (*Bientang's Se Grot*) to the Bientang's Bathing Pool (*Bientang Se Baaigat*); and
- Collaborating with the **South African Whale Centre (SAWC)** on establishing a long envisioned educational and tourism initiative which I proposed to Council back in 2000 (*Bientang's Whale Watch Centre*) which will strengthen the town's position as the *Whale Capital of the World*.

**Objection 2:** *“The owner knew when his lease would end and had months to prepare.”*

I have prepared for this tender for **years**, not months. Having successfully tendered in 2016, I understood that renewal would again be required in 2025. However, given our **longstanding record of performance and compliance**, it would be both sensible and reasonable for the Municipality to renew the lease rather than risk an untested operator taking over during peak season.

**Objection 3:** *“The owner was aware of the lease ending and had equal opportunity to tender.”*

Indeed, I was aware and submitted a tender accordingly. However, this does not imply that my **business**—built over three decades and purchased for **R870,000 in 1995**—has ended. It remains a thriving, viable and valuable enterprise.

Over the years, I have engaged with potential partners such as **Tourvest**, with whom I have had discussions in 2019 regarding future collaboration. The pandemic and concern that my lease was ending in 2025 disrupted these plans. Tourvest’s subsequent tender has raised concerns regarding the fairness of competitive participation. Despite clear assurances from their representatives that they would not submit an independent tender, it is now evident that this has not been upheld, constituting a breach of our verbal agreement.

**Objection 4:** *“Other contenders also invested time, revenue, and effort in their applications.”*

While others may have invested time, revenue and effort in drafting proposals, I have invested **31 years** and **millions of rand** in building this business from the ground up. The magnitude and scale of my investment, both financial and personal, cannot be equated to the preparation of a single tender document.

**Objection 5:** *“Granting a six-month extension would give the current tenant an unfair advantage.”*

After **31 years** as one of the Municipality’s longest standing and most reliable tenants, a six-month extension is both reasonable and warranted. The business has confirmed bookings extending well into 2026, and substantial pre-season investments have already been made in staffing, stock, and marketing.

**Objection 6:** *“I will thus be deprived of a decent income/profit.”*

As the current tenant, I would be the one unfairly deprived of a fair income and livelihood should the business be required to close suddenly, particularly ahead of what is projected to be the best season on record.

**Objection 7:** *“If my tender should be successful, I would be disadvantaged by starting in winter.”*

On the contrary, a **winter start** would enable a new operator to establish operational systems, recruit staff and complete renovations before the return of tourists and whales. Commencing operations during December’s peak season would be chaotic, unmanageable and extremely damaging to the Hermanus tourism brand.

---

### 3. Practical and Procedural Considerations

A forced closure on **1 January** would be illogical and severely disruptive. We have:

- Already financially invested heavily in preparations for the 2025 - 26 summer season;
- Renewed all key operational licences for the upcoming year;
- Numerous service provider contracts (SEESA Labour, UIF, Skills Development, Insurance, Banking etc), most requiring three months’ cancellation notice;
- Hired and trained staff to ensure uninterrupted service delivery.
- Financially committed to marketing campaigns and supplier agreements that ensure operational stability.

It would be both impractical and contrary to principles of good governance for a 31-year-old establishment to terminate operations abruptly. A short **extension period** would facilitate a fair, structured, equitable, and professional transition — yielding benefits for the Municipality, employees, and the Hermanus community as a whole.

I would like to propose that any new tenderer be required to purchase the existing business at its **current fair market value**. This approach acknowledges the significant investment in infrastructure, goodwill, and brand equity that has been developed over many decades, and I believe it is both **equitable and constitutionally sound**.

Should the Municipality choose to renew my lease, I would appreciate the opportunity to sell the business in the future to a purchaser **approved by the Municipality**. This would ensure continuity and uphold the high standards associated with Bientang’s Cave.

We sincerely hope that the Municipality will not only grant the requested **six-month lease extension** but also **consider renewing our lease for a further nine years and eleven months**, in recognition of our longstanding service, investment, and contribution to Hermanus tourism and the local economy.

---

#### 4. Conclusion

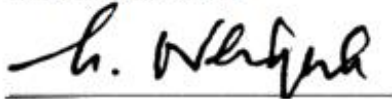
In light of the above, the **request for a six-month lease extension (until 30 June 2026)** is both **practical and reasonable**. It will:

- Preserve employment and ensuring service continuity;
- Safeguard both Municipal and Bientang's potential revenue;
- Maintaining the reputation and operational standards of one of Hermanus's most iconic tourism assets and Hermanus as a leading tourism destination; and
- Allow sufficient time for a transparent and structured transition in an **economically responsible** manner, if required.

I trust that the Municipality will consider this matter objectively and in the spirit of **Ubuntu**, with fairness and appreciation for the contribution *Bientang's Cave* continues to make to the community and local economy.

I remain available to meet with Council at your convenience to discuss this proposal further.

Yours respectfully,



Gian Negra

*Bientang's Cave Restaurant (Pty) Ltd*