

**AGENDA of the
Portfolio Committee: Planning & Development
18 November 2025
(Also the agenda for the Mayoral Committee Meeting: 28 November 2025)**

Association, hereinafter referred to as “Auvergne”, applied to purchase Erf 2350 Vermont and a portion of Erf 2352 Vermont for the purpose of incorporating it into the development to create a closed development and have a security gate at the entrance to the development.

Due to the locality, zoning and use of the Properties cannot be developed independently and taking into consideration the above discussion, it can thus be classified as a non-viable properties. Non-viable property can in terms of the current Administration of Immovable Property Policy be alienated directly to the adjoining property owner, subject to certain conditions.

Council approved the following on 27 February 2019:

- “1. that the direct alienation of Erf 2350 Vermont (63m² in extent) and a portion of Erf 2352 Vermont (±2,100m² in extent) to the adjoining homeowners association, being Auvergne Homeowners Association, at an amount of R68,000 (SIXTY EIGHT THOUSAND RAND) (VAT excluded) for Erf 2350 Vermont and an amount of R92.46/m² (NINETY TWO RAND AND FORTY SIX CENTS) (PER SQUARE METRE) (VAT excluded) for a portion of Erf 2352 Vermont, be approved in principle;*
- 2. that it be noted that the direct alienation is possible as the said properties 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 Applicant/Purchaser;*
- 4. that the alienation of said properties be subject to a suspensive condition that the Applicant/Purchaser obtains approval for the closure of the public road and public open space, subdivision of Erf 2352 Vermont and rezoning of the properties;*
- 5. that a condition be included in the Deed of Sale that should the Municipality need to install services beneath the properties in the future they will have the right to do so with prior written notice to the Applicant/Purchaser;*
- 6. that the relevant conditions stipulated by the Senior Manager: Operational Services be included in the Deed of Sale;*
- 7. that all the costs pertaining to the transaction, e.g. application cost, valuation cost, subdivision, closure of portion of public road and public open space, rezoning, transfer and related costs, advertisements, etc., be paid by the Applicant/Purchaser; and*

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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)."*

All the required conditions as mentioned in the previous report to Council were included in the deed of Sale. 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 Erf 2352 Vermont the portion being alienated was allocated its own erf number, namely, Erf 2630 (a portion of Erf 2352) Vermont, and the final size confirmed as 2,024m² in extent. 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 Properties can be classified as a non-viable immovable property due to the location, shape, size and proposed use thereof. Council has already concluded and decided that the Properties classify as non-viable properties.

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."

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Council, when the in-principle approval was obtained, confirmed that the Properties are 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.”*

Boland Valuers determined the market related value for Erf 2350 Vermont at an amount of R68,000.00 (SIXTY-EIGHT THOUSAND RAND) (VAT excluded) and the market related value for a portion of Erf 2352 Vermont at an amount of R92.46/m² (NINETY-TWO RAND AND FORTY-SIX CENTS PER SQUARE METRE) (VAT excluded). The valuation was done taking into consideration the size, locality, zoning and proposed use of the property. The final amount for unregistered Erf 2630 (a portion of Erf 2352) Vermont is thus an amount of R187,139.04 (ONE HUNDRED AND EIGHTY SEVEN THOUSAND ONE HUNDRED AND THIRTY NINE RAND AND FOUR CENTS) (VAT excluded) and the total purchase amount will thus be an amount of R255,139.04 (TWO HUNDRED AND FIFTY FIVE THOUSAND ONE HUNDRED AND THIRTY NINE RAND AND FOUR CENTS) (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 Properties was approved in principle by Council on 27 February 2019.

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;

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- (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 Properties are not needed for the provision of municipal services.
- (b) Boland Valuers determined the market related value for Erf 2350 Vermont at an amount of R68,000.00 (SIXTY-EIGHT THOUSAND RAND) (VAT excluded) and the market related value for a portion of Erf 2352 Vermont at an amount of R92.46/m² (NINETY-TWO RAND AND FORTY-SIX CENTS PER SQUARE METRE) (VAT excluded). The valuation was done taking into consideration the size, locality, zoning and proposed use of the property. The purchase amount will thus be an amount of R255,139.04 (TWO HUNDRED AND FIFTY-FIVE THOUSAND ONE HUNDRED AND THIRTY-NINE RAND AND FOUR CENTS) (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 27 February 2019.

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.”

Auvergne will be liable for the costs of the transaction which will include, but not be limited to, the application fee, valuation costs, rezoning and subdivision, closure of public open space, the required public participation process and transfer costs.

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.”

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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 Properties was published in the Village News on 23 August 2024 for a 30 (THIRTY) day objection/comment period. No objection/comments were received.

Conclusion

It is recommended that the transfer of Erf 2350 Vermont (63m² in extent) and unregistered Erf 2630 (a portion of Erf 2352) Vermont (2,024m² in extent), to Auvergne Homeowners Association at a market related amount of R255,139.04 (TWO HUNDRED AND FIFTY FIVE THOUSAND ONE HUNDRED AND THIRTY NINE RAND AND FOUR CENTS) (VAT excluded) for private road and private open space purposes, be approved.

7. Financial Implications

The Municipality stands to gain an income of R255,139.04 (TWO HUNDRED AND FIFTY-FIVE THOUSAND ONE HUNDRED AND THIRTY-NINE RAND AND FOUR CENTS) (VAT excluded) for the sale of the Properties.

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8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

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

“Erf 2350 Vermont (63m² in extent) is reflected in the fixed asset register for PPE: Land at a value of R1,000.00 as at 30 June 2025 and the unregistered Erf 2630 Vermont (2,024m² in extent) is reflected in the fixed asset register for PPE: Land as part of the overall Erf 2352 Vermont at a value of R42,000.00 as at 30 June 2025. As soon as the proposed alienation has been concluded the portion of the erven 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 the portions of an assets. There is no objection against the proposed alienation as the application complies with the Administration of Immovable Property Policy.”

10. Annexures

Annexures A1 & 2: Locality maps

Annexure B: SG Diagram for unregistered Erf 2630 (a portion of Erf 2352) Vermont

RECOMMENDATION TO THE COUNCIL:

1. that the transfer of Erf 2350 Vermont (63m² in extent) and unregistered Erf 2630 (a portion of Erf 2352) Vermont (2,024m² in extent), to Auvergne Homeowners Association, at an amount of R255,139.04 (TWO HUNDRED AND FIFTY FIVE THOUSAND ONE HUNDRED AND THIRTY NINE RAND AND FOUR CENTS) (VAT excluded) for private road and private open space purposes, **be approved;**
2. that Council take cognisance of the fact that the direct alienation and subsequent transfer is only approved as Erf 2350 Vermont and unregistered Erf 2630 (a portion of Erf 2352) Vermont is classified as non-viable properties;
3. that a condition be registered against the title deed of the properties that no structures of any kind (excluding a boundary wall or fence and a refuse area (on unregistered Erf 2630 (a portion of Erf 2352) Vermont) may be erected on the properties;

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4. that all costs pertaining to the transaction, e.g. application costs, valuation costs, closure of public open space, rezoning, subdivision, transfer and related costs, advertisements, etc. be paid by Auvergne Homeowners Association; and
5. that it be noted that the municipal properties 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 :

12 DECEMBER 2025

TARGET DATE TO INFORM APPLICANT:

26 DECEMBER 2025

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**5.
TRANSFER OF ERF 2350 VERMONT (CLOSED OPEN SPACE) AND
UNREGISTERED ERF 2630 (A PORTION OF ERF 2352) VERMONT (PORTION OF
CLOSED PUBLIC ROAD) TO THE AUVERGNE HOMEOWNERS ASSOCIATION**

**A Le Roux
30 June 2025**

Divisional Manager: Property Management

(028) 316 - 5623

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
18 NOVEMBER 2025, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

RECOMMENDATION TO THE COUNCIL:

1. that the transfer of Erf 2350 Vermont (63m² in extent) and unregistered Erf 2630 (a portion of Erf 2352) Vermont (2,024m² in extent), to Auvergne Homeowners Association, at an amount of R255,139.04 (TWO HUNDRED AND FIFTY FIVE THOUSAND ONE HUNDRED AND THIRTY NINE RAND AND FOUR CENTS) (VAT excluded) for private road and private open space purposes, **be approved**;
2. that Council take cognisance of the fact that the direct alienation and subsequent transfer is only approved as Erf 2350 Vermont and unregistered Erf 2630 (a portion of Erf 2352) Vermont is classified as non-viable properties;
3. that a condition be registered against the title deed of the properties that no structures of any kind (excluding a boundary wall or fence and a refuse area (on unregistered Erf 2630 (a portion of Erf 2352) Vermont) may be erected on the properties;
4. that all costs pertaining to the transaction, e.g. application costs, valuation costs, closure of public open space, rezoning, subdivision, transfer and related costs, advertisements, etc. be paid by Auvergne Homeowners Association; and
5. that it be noted that the municipal properties 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:

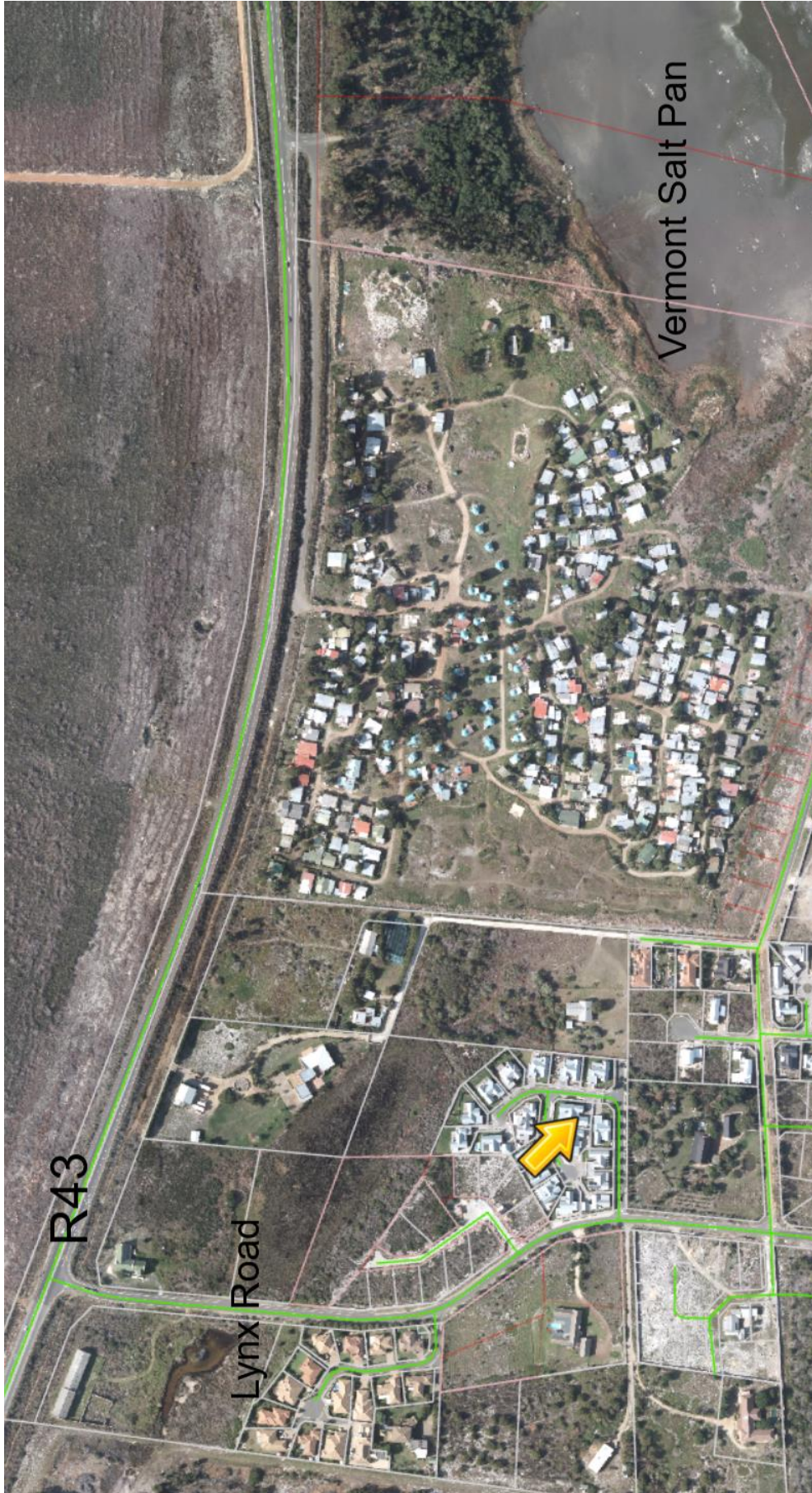
M ERASMUS

TARGET DATE FOR IMPLEMENTATION :

12 DECEMBER 2025

TARGET DATE TO INFORM APPLICANT:

26 DECEMBER 2025





VAN DYK & Associates Inc. (V22233)

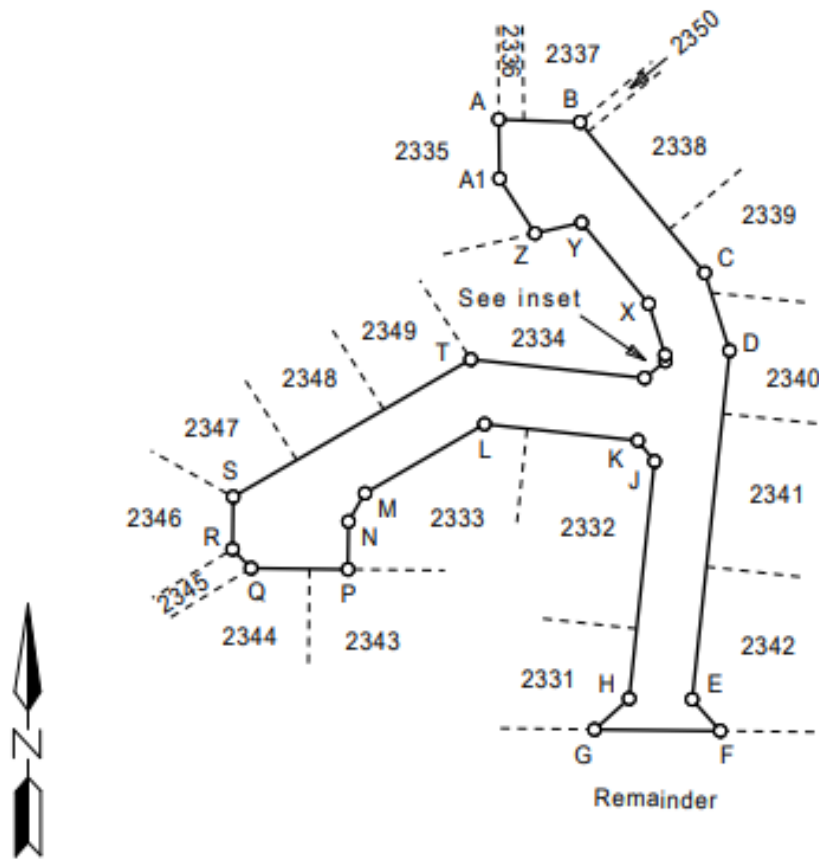
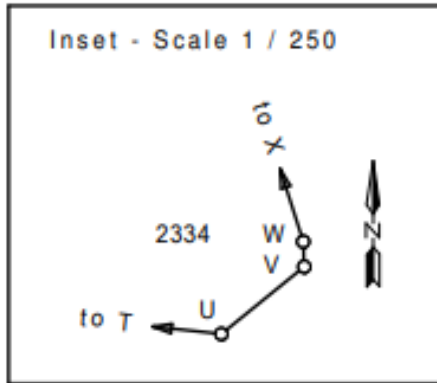
Erf 2630 Vermont
situate in the Overstrand Municipality
Administrative District of Caledon

SG No.
1908/2025
Approved

Koorowlay

for
SURVEYOR-
GENERAL
2025-09-30

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Scale 1 : 1 000

LA van Dyk

LA van Dyk
Professional Land Surveyor
Registration Number: PLS 1069

Surveyed in June 2025 by me

Erf 2630 Vermont