

**AGENDA of the  
Portfolio Committee : Infrastructure & Planning  
20 February 2018  
(Also the agenda for the Mayoral Committee Meeting : 28 February 2018)**

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**2.  
TRANSFER OF ERF 1406 SANDBAAI ( $\pm 198\text{M}^2$  IN EXTENT) TO JL & NJ HENZEN,  
S BROUWER AND J MARQUART FOR SECURITY AND GARDENING PURPOSES**

**7/2/3/2**

**W Murtz**

**(028) 316 - 3724**

**Hermanus Administration**

**14 December 2017**

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**1. Executive Summary**

To obtain final approval for the transfer of Erf 1406 Sandbaai (adjacent to Erf 1405 Sandbaai),  $\pm 198\text{m}^2$  in extent, to JL & NJ Henzen, S Brouwer and J Marquart for security and gardening purposes.

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

Infrastructure & Planning  
Property Administration

**3. Compliance with Strategic Priorities**

Provision of democratic, accountable and ethical governance  
Creation and maintenance of a safe and healthy environment  
Promotion of tourism, economic and social development

**4. Delegated Authority**

None

**5. Legal Requirements**

- Administration of Immovable Property Policy of the Overstrand Municipality, as amended
- Local Government: Municipal Finance Management Act (No 56 of 2003) ("MFMA")
- Municipal Asset Transfer Regulations (R. 878 of 2008)

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

**Background/Discussion**

Council approved in principle the direct alienation of Erf 1406 Sandbaai (adjacent to Erf 1405 Sandbaai),  $198\text{m}^2$  in extent, to JL & NJ Henzen, S Brouwer and J Marquart for security and gardening purposes at an amount of R63,500.00 (SIXTY THREE THOUSAND FIVE HUNDRED RAND) (VAT

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excluded) on 25 October 2017 subject to a public participation process being followed. The public participation process was followed as discussed in more detail below. JL & NJ Henzen, S Brouwer and J Marquart are the owners of the adjacent Erf 1405 Sandbaai.

**Evaluation**

A. Administration of Immovable Property Policy of the Overstrand Municipality

The following conditions of said policy apply:

**Paragraph 9(1)(a): “The Municipality may transfer ownership or otherwise dispose of a non-exempted immovable property only after the municipal council, in terms of sections 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:”**

The comments received from the relevant officials confirmed that the subject property is not needed for the provision of the minimum level of basic municipal services. Council, when the in principle approval was obtained, confirmed that the subject 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 a 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 of Erf 1406 Sandbaai in August 2017 at an amount of R63,500.00 (SIXTY THREE THOUSAND FIVE HUNDRED RAND) (VAT excluded).

**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 purchaser is liable for the cost of the advertisement as well as all the costs involved with the registration of the transfer in the Deeds Office. The purchaser will also be liable for the further cost relating to the

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transaction, including but not limited to closure, rezoning, consolidation, etc.

**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 clause to this effect will be inserted 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 clause to this effect will be inserted 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 clause to this effect will be inserted 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 clause to this effect will be inserted in the Deed of Sale.

**B. Advertisement/Notification**

An advertisement for the transfer of Erf 1406 Sandbaai (198m<sup>2</sup> in extent) was placed in The Village News on 28 November 2017 for a 30 (THIRTY) day objection/comment period. No objections/comments were received.

**Conclusion**

It is recommended that the transfer of Erf 1406 Sandbaai (198m<sup>2</sup> in extent) to JL & NJ Henzen, S Brouwer and J Marquart for the amount of R63,500.00 (SIXTY THREE THOUSAND FIVE HUNDRED RAND) (VAT excluded) for security and gardening purposes be approved.

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**7. Financial Implications**

The Municipality stands to gain an income of R63,500.00 (SIXTY THREE THOUSAND FIVE HUNDRED RAND) (VAT excluded) for the sale of the property.

**8. Staff Implications**

None

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

**Senior Manager: Expenditure and Assets, Mr. J Vorster - (028) 313 8046**

Erf 1406, Sandbaai, is currently reflected in the Fixed Asset Register for Property, Plant and Equipment: Land with a carrying value of R1'000 as at 30 June 2017. The disposal of Erf 1406 will have to be accounted for at the selling price in order to remove it from the Fixed Asset Register and to account for the gain / (loss).

There is no objection as the application complies with the Administration of Immoveable Property Policy.

**10. Annexures**

Annexure A: Locality Plan

**RECOMMENDATION TO THE COUNCIL:**

1. that the transfer of Erf 1406 Sandbaai (198m<sup>2</sup> in extent) to JL & NJ Henzen, S Brouwer and J Marquart for the amount of R63,500.00 (SIXTY THREE THOUSAND FIVE HUNDRED RAND) (VAT excluded) for security and gardening purposes, **be approved**;
2. that it be noted that the direct transfer is possible as Erf 1406 Sandbaai is classified as a non-viable property;
3. that it be noted that a condition for transfer will be that Erf 1406 Sandbaai must be consolidated with the adjoining property of JL & NJ Henzen, S Brouwer and J Marquart, being Erf 1405 Sandbaai;
4. that the transfer of Erf 1406 Sandbaai be subject to obtaining the necessary closure, rezoning and consolidation approvals;

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5. that all the costs pertaining to the transaction, e.g. application cost, valuation cost, consolidation, closure of public space, rezoning, transfer and related costs, advertisements, etc., be paid by the Applicants; and
6. that it be noted that the municipal property envisaged to be transferred is not required for the provision of the minimum level 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 :**

**W MURTZ**

**TARGET DATE FOR IMPLEMENTATION:**

**26 APRIL 2018**

**TARGET DATE TO INFORM APPLICANT:**

**28 MARCH 2018**

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**14 December 2017**

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**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON  
20 FEBRUARY 2018, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

**RECOMMENDATION TO THE COUNCIL:**

1. that the transfer of Erf 1406 Sandbaai ( $198\text{m}^2$  in extent) to JL & NJ Henzen, S Brouwer and J Marquart for the amount of R63,500.00 (SIXTY THREE THOUSAND FIVE HUNDRED RAND) (VAT excluded) for security and gardening purposes, **be approved**;
2. that it be noted that the direct transfer is possible as Erf 1406 Sandbaai is classified as a non-viable property;
3. that it be noted that a condition for transfer will be that Erf 1406 Sandbaai must be consolidated with the adjoining property of JL & NJ Henzen, S Brouwer and J Marquart, being Erf 1405 Sandbaai;
4. that the transfer of Erf 1406 Sandbaai be subject to obtaining the necessary closure, rezoning and consolidation approvals;
5. that all the costs pertaining to the transaction, e.g. application cost, valuation cost, consolidation, closure of public space, rezoning, transfer and related costs, advertisements, etc., be paid by the Applicants; and
6. that it be noted that the municipal property envisaged to be transferred is not required for the provision of the minimum level 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).

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