

**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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**6.**

**HERMANUS: AMENDMENT OF CONDITIONS 1 AND 5 OF THE IN PRINCIPLE APPROVAL DATED 25 OCTOBER 2017 FOR THE DIRECT ALIENATION OF UNREGISTERED ERF 9901 (A PORTION OF ERF 9894), VOËLKLIP, HERMANUS TO THE BERGRANT TRUST**

**7/2/3/2/**

**A Le Roux**

**(028) 316 - 3724**

**Hermanus Administration**

**27 December 2017**

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**1. Executive Summary**

To obtain approval for the amendment of conditions 1 and 5 of Council Resolution dated 25 October 2017 in order to:

- (a) Reflect the market related purchase price; and
- (b) Rectify the reference of “northern boundary” to southern boundary.

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

Infrastructure and Planning  
Property Administration

**3. Compliance with Strategic Priorities**

Provision of democratic, accountable and ethical governance  
The encouragement of structured community participation in the matters of the municipality  
Promotion of tourism, economic and social development

**4. Delegated Authority**

None

**5. Legal Requirements**

- Local Government: Municipal Finance Management Act (Act 56 of 2003)
- Municipal Asset Transfer Regulations (R. 878 of 2008)
- Administration of Immovable Property Policy of the Overstrand Municipality, as amended

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

**Background/Discussion/Evaluation**

Council resolved on 25 October 2017 as follows

- “1. *that the direct alienation of unregistered Erf 9901 (a portion of Erf 9894) Hermanus (±244m<sup>2</sup> in extent) to the owners of the adjoining erf, The Bergrant Trust, at a market related purchase price as determined by a registered valuer be **approved in principle**;*
2. *that it be noted that the direct alienation is possible as unregistered Erf 9901 (a portion of Erf 9894) Hermanus is 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;*
4. *that it be noted that a condition for the alienation will be that unregistered Erf 9901 (a portion of Erf 9894) Hermanus be consolidated with the adjoining property of The Bergrant Trust, being Erf 3517 Hermanus;*
5. *that the alienation of unregistered Erf 9901 (a portion of Erf 9894) Hermanus furthermore be subject to a suspensive condition that the Applicant obtains approval for the consolidation and rezoning of the portion of property as well as the approval for the relaxation of the northern (rear) building line of the consolidated property;*
6. *that all the costs pertaining to the transaction, e.g. application fee, valuation costs, consolidation, rezoning, application for relaxation of the building rear building line, transfer and related costs, advertisements, etc., be paid by the Applicant/purchaser; and*
7. *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).*

Condition 1

Subsequent to obtaining the abovementioned approval, a valuation was obtained for a registered valuer, Boland Valuers, for the purchase of the said property. It is thus necessary to inform Council of the value of the property.

Boland Valuers determined the market related value in December 2017 at an amount of R527 500.00 (FIVE HUNDRED AND TWENTY SEVEN

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THOUSAND FIVEH HUNDRED RAND) (VAT excluded). The valuation was done taking into consideration the usable size of the property, locality, zoning, proposed use of the property and the value it will add to the Applicant's existing property.

Condition 5

This condition erroneously refer to the northern boundary line that the Applicant will submit an application to be relaxed. It is in fact the southern boundary line of the proposed consolidated property that the Applicant will submit an application to be relaxed.

**Conclusion**

It is recommended that conditions 1 and 5 of the Council Resolution dated 25 October 2017 be amended to read as follows:

1. that the direct alienation of unregistered Erf 9901 (a portion of Erf 9894) Hermanus ( $\pm 244\text{m}^2$  in extent) to the owners of the adjoining erf, The Bergrant Trust, for an amount of R527 500.00 (FIVE HUNDRED AND TWENTY SEVEN THOUSAND FIVE HUNDRED RAND) (VAT excluded) be **approved in principle**;
5. that the abovementioned approval in principle be subject to the suspensive condition that the Applicant obtains approval for the consolidation and rezoning of the portion of property as well as the approval for the relaxation of the southern (rear) building line of the consolidated property.

**7. Financial Implications**

The Municipality stands to gain a market related purchase price of R527 500.00 (FIVE HUNDRED AND TWENTY SEVEN THOUSAND FIVE HUNDRED RAND) (VAT excluded).

**8. Staff Implications**

None

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

The relevant Departments, Divisions and Administrations have already indicated that the subject portion of property is not needed to provide basic municipal services.

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**10. Annexures**

Annexure A: Locality plan

**RECOMMENDATION TO THE COUNCIL:**

that conditions 1 and 5 only of Council Resolution dated 25 October 2017 be amended to read as follows:

- (a) 1. that the direct alienation of unregistered Erf 9901 (a portion of Erf 9894) Hermanus ( $\pm 244\text{m}^2$  in extent) to the owners of the adjoining erf, The Bergrant Trust, for an amount of R527 500.00 (FIVE HUNDRED AND TWENTY SEVEN THOUSAND FIVE HUNDRED RAND) (VAT excluded) be **approved in principle**; and
- (b) 5. that the abovementioned approval in principle be subject to the suspensive condition that the Applicant obtains approval for the consolidation and rezoning of the portion of property as well as the approval for the relaxation of the southern (rear) building line of the consolidated property.

**RESPONSIBLE OFFICIAL :**

**W MURTZ**

**TARGET DATE FOR IMPLEMENTATION:**

**14 MARCH 2018**

**TARGET DATE TO INFORM APPLICANT:**

**7 MARCH 2018**

**TARGET DATE TO INFORM OBJECTOR:**

**N/A**

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**Hermanus Administration**

**27 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:**

that conditions 1 and 5 only of Council Resolution dated 25 October 2017 be amended to read as follows:

- (a) 1. that the direct alienation of unregistered Erf 9901 (a portion of Erf 9894) Hermanus ( $\pm 244\text{m}^2$  in extent) to the owners of the adjoining erf, The Bergrant Trust, for an amount of R527 500.00 (FIVE HUNDRED AND TWENTY SEVEN THOUSAND FIVE HUNDRED RAND) (VAT excluded) be **approved in principle**; and
- (b) 5. that the abovementioned approval in principle be subject to the suspensive condition that the Applicant obtains approval for the consolidation and rezoning of the portion of property as well as the approval for the relaxation of the southern (rear) building line of the consolidated property.

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