

**AGENDA of the  
Portfolio Committee: Infrastructure & Planning  
19 October 2021  
(Also the agenda for the Mayoral Committee Meeting: 28 October 2021)**

---

9.

**TRANSFER OF ERF 6848 KLEINMOND ADJACENT TO ERF 7308 KLEINMOND  
SITUATED AT 1 BERGROOS CRESCENT, EXTENSION 6, TO THE BREAD OF  
LIFE ASSEMBLY OF SOUTH AFRICA**

7/2/3/2

R Marinus

Acting Manager: Property Administration

25 August 2021

(028) 316 - 5609

---

**1. Executive Summary**

To obtain final approval for the transfer of Erf 6848 Kleinmond, adjacent to Erf 7308 Kleinmond, situated at 1 Bergroos Crescent, Extension 6, 162m<sup>2</sup> in extent, to the owner of Erf 7308 Kleinmond, being The Bread of Life Assembly of South Africa. See the locality plan attached hereto marked Annexure "A".

**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)("MFMA")
- Municipal Asset Transfer Regulations (R. 878 of 2008)
- Administration of Immovable Property Policy of the Overstrand Municipality as amended

**AGENDA of the  
Portfolio Committee: Infrastructure & Planning  
19 October 2021  
(Also the agenda for the Mayoral Committee Meeting: 28 October 2021)**

---

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

### **Background/Discussion**

Council on 27 November 2019 approved in principle the direct alienation of Erf 6848 Kleinmond (adjacent to Erf 7308 Kleinmond) situated at 1 Bergroos Crescent, Extension 6, 162m<sup>2</sup> in extent, hereinafter referred to as “the Property”, for church and related purposes to the owner of the adjoining Erf 7308 Kleinmond, The Bread of Life Assembly of South Africa, hereinafter referred to as “the Applicant”, at a fair market value subject to a public participation process being followed and subject to further conditions (i.e. rezoning and consolidation). A market related value was determined at an amount of R41,000.00 (FORTY ONE THOUSAND RAND) (VAT excluded). The public participation was followed as discussed in more detail below.

Council approved in principle the alienation subject to amongst others the suspensive condition that the Applicant obtains the necessary approvals for the rezoning and consolidation of the property. These suspensive conditions were included in the deed of sale which was signed on 6 August 2020.

### **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 can be classified as a non-viable immovable property as it is a small, triangular piece of land that cannot be developed independently.

***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***

**AGENDA of the  
Portfolio Committee: Infrastructure & Planning  
19 October 2021  
(Also the agenda for the Mayoral Committee Meeting: 28 October 2021)**

---

***property is not needed to provide the minimum level of basic municipal services.”***

Council, when the in principal 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 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 fair market value on 30 September 2019 at an amount of R41,000.00 (FORTY ONE THOUSAND RAND) (VAT excluded). The valuation was done taking into consideration the size, locality, zoning and proposed use of the property.

***Paragraph 9.2: “The Municipality may transfer ownership or otherwise dispose of a non-viable immovable property, as non-exempted 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 confirm that the Property is not needed for the provision of municipal services.
  - (b) Boland Valuers determined the fair market value on 30 September 2019 at an amount of R41,000.00 (FORTY ONE THOUSAND

**AGENDA of the  
Portfolio Committee: Infrastructure & Planning  
19 October 2021  
(Also the agenda for the Mayoral Committee Meeting: 28 October 2021)**

---

RAND) (VAT excluded). The valuation was done taking into consideration the size, shape, locality, zoning and proposed use of the property.

- (d) The reasons for preferred direct sale are discussed above and was recorded in the minutes of the in principle approval granted by the Council on 27 November 2019, which is attached hereto marked as Annexure "B".

***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/purchaser will be liable for the costs of the transaction which will include, but not limited to, the application fee, valuation, rezoning and consolidation, Section 14 advertisement, all costs related to the Town Planning processes and the transfer costs.

***Paragraph 29: "Should existing services need to be relocated or secured by means of the registration of a servitude in favour of the Municipality as a result of the alienation of the immovable property, all related costs shall be for the account of the successful bidder/purchaser."***

The Applicant/purchaser shall be liable for all cost in this regard should it be necessary.

***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 exists 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.

**AGENDA of the  
Portfolio Committee: Infrastructure & Planning  
19 October 2021  
(Also the agenda for the Mayoral Committee Meeting: 28 October 2021)**

---

***Paragraph 33: “The agreement might contain a suspensive condition in respect of immovable property which is sold subject to approval in terms of land use planning legislation.”***

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 Erf 6848 Kleinmond (adjacent to Erf 7308 Kleinmond), 162m<sup>2</sup> in extent, was published in the Overstrand Herald on 4 February 2021 for a 30 (THIRTY) day objection/comment period. No objections/comments were received.

**Conclusion**

It is recommended that the direct alienation of Erf 6848 Kleinmond, 162m<sup>2</sup> in extent, to The Bread of Life Assembly of South Africa for the amount of R41,000.00 (FORTY ONE THOUSAND RAND) (VAT excluded) for church and related purposes be approved.

**7. Financial Implications**

The Municipality stands to gain an income of R41,000.00 (FORTY ONE THOUSAND RAND) (VAT excluded) for the sale of the Property.

**8. Staff Implications**

None

**AGENDA of the  
Portfolio Committee: Infrastructure & Planning  
19 October 2021  
(Also the agenda for the Mayoral Committee Meeting: 28 October 2021)**

---

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

**Senior Manager: Expenditure and Assets, Mr J Vorster - (028) 313 2962**

*“Erf 6848 Kleinmond (adjacent to Erf 7308 Kleinmond), 162m<sup>2</sup> in extent, is currently reflected in the Fixed Asset Register for Land at a carrying value of R10’000-00 (TEN THOUSAND RAND) (VAT included) as on 30 June 2021. The eventual disposal of Erf 6848 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 Immovable Property Policy.”*

**10. Annexures**

Annexure A: Locality map

Annexure B: Council resolution dated 27 November 2019

**RECOMMENDATION TO THE COUNCIL:**

1. that the transfer of Erf 6848 Kleinmond (adjacent to Erf 7308 Kleinmond) situated at 1 Bergroos Crescent, Extension 6, 162m<sup>2</sup> in extent, to the owner of the adjoining Erf 7308 Kleinmond, The Bread of Life Assembly of South Africa, at an amount of R41,000.00 (FORTY ONE THOUSAND RAND) (VAT excluded) for church and related purposes be **approved**;
2. that Council take cognisance of the fact that the direct alienation and subsequent transfer is only approved as Erf 6848 Kleinmond is classified as a non-viable property;
3. that it be noted that a condition for the transfer will be that Erf 6848 Kleinmond must be consolidated with the adjoining property of The Bread of Life Assembly of South Africa, being Erf 7308 Kleinmond;
4. that the transfer of Erf 6848 Kleinmond is subject to a suspensive condition that the applicant/purchaser obtains approval for the rezoning and consolidation and all related town planning approvals applicable;
5. that all the costs pertaining to the transaction, e.g. application cost, valuation rezoning, consolidation, transfer and related costs, advertisements, etc. be paid by the applicant/purchaser, The Bread of Life Assembly of South Africa; and

**AGENDA of the  
Portfolio Committee: Infrastructure & Planning  
19 October 2021  
(Also the agenda for the Mayoral Committee Meeting: 28 October 2021)**

---

6. that it be noted that the municipal property 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).

<b>RESPONSIBLE OFFICIAL:</b>	<b>W MURTZ</b>
<b>TARGET DATE FOR IMPLEMENTATION:</b>	<b>30 NOVEMBER 2021</b>
<b>TARGET DATE TO INFORM APPLICANT:</b>	<b>19 NOVEMBER 2021</b>
<b>TARGET DATE TO INFORM OBJECTOR:</b>	<b>N/A</b>

**AGENDA of the  
Portfolio Committee : Infrastructure & Planning  
19 October 2021  
(Also the agenda for the Mayoral Committee Meeting : 28 October 2021)**

---

**9.  
TRANSFER OF ERF 6848 KLEINMOND ADJACENT TO ERF 7308 KLEINMOND  
SITUATED AT 1 BERGROOS CRESCENT, EXTENSION 6, TO THE BREAD OF LIFE  
ASSEMBLY OF SOUTH AFRICA**

**7/2/3/2**

**R Marinus**

**Acting Manager: Property Administration**

**25 August 2021**

**(028) 316 - 5609**

---

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON  
19 OCTOBER 2021, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

**RECOMMENDATION TO THE COUNCIL:**

1. that the transfer of Erf 6848 Kleinmond (adjacent to Erf 7308 Kleinmond) situated at 1 Bergroos Crescent, Extension 6, 162m<sup>2</sup> in extent, to the owner of the adjoining Erf 7308 Kleinmond, The Bread of Life Assembly of South Africa, at an amount of R41,000.00 (FORTY ONE THOUSAND RAND) (VAT excluded) for church and related purposes be **approved**;
2. that Council take cognisance of the fact that the direct alienation and subsequent transfer is only approved as Erf 6848 Kleinmond is classified as a non-viable property;
3. that it be noted that a condition for the transfer will be that Erf 6848 Kleinmond must be consolidated with the adjoining property of The Bread of Life Assembly of South Africa, being Erf 7308 Kleinmond;
4. that the transfer of Erf 6848 Kleinmond is subject to a suspensive condition that the applicant/purchaser obtains approval for the rezoning and consolidation and all related town planning approvals applicable;
5. that all the costs pertaining to the transaction, e.g. application cost, valuation rezoning, consolidation, transfer and related costs, advertisements, etc. be paid by the applicant/purchaser, The Bread of Life Assembly of South Africa; and
6. that it be noted that the municipal property 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).

**AGENDA of the  
Portfolio Committee : Infrastructure & Planning  
19 October 2021  
(Also the agenda for the Mayoral Committee Meeting : 28 October 2021)**

---

<b>RESPONSIBLE OFFICIAL:</b>	<b>W MURTZ</b>
<b>TARGET DATE FOR IMPLEMENTATION:</b>	<b>30 NOVEMBER 2021</b>
<b>TARGET DATE TO INFORM APPLICANT:</b>	<b>19 NOVEMBER 2021</b>
<b>TARGET DATE TO INFORM OBJECTOR:</b>	<b>N/A</b>



**MINUTES : ORDINARY MEETING OF THE COUNCIL                      27 NOVEMBER 2019**

**5.3**

**IN PRINCIPLE APPROVAL FOR THE DIRECT ALIENATION OF ERF 6848 KLEINMOND, ADJACENT TO ERF 7308 KLEINMOND SITUATED IN OVERHILLS, TO THE BREAD OF LIFE ASSEMBLY OF SOUTH AFRICA**

**(ITEM 9, PAGE 196 : INFRASTRUCTURE & PLANNING PORTFOLIO - MAYORAL COMMITTEE MEETING : 27 NOVEMBER 2019)**

**RESOLVED (SUPPORTED BY 24 COUNCILLORS):**

1. that the direct alienation of Erf 6848 Kleinmond (adjacent to Erf 7308 Kleinmond), 162m<sup>2</sup> in extent, to the owner of the adjoining Erf 7308 Kleinmond, The Bread of Life Assembly South Africa, at an amount of R41,000.00 (FORTY ONE THOUSAND RAND) (VAT excluded) be **approved in principle**;
2. that it be noted that the direct alienation is possible as the said portion of Erf 6848 Kleinmond 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/purchaser;
4. that it be noted that a condition for the alienation will be that Erf 6848 Kleinmond must be consolidated with the adjoining property of The Bread of Life Assembly South Africa, being Erf 7308 Kleinmond;
5. that the alienation of Erf 6848 Kleinmond be subject to a suspensive condition that the applicant/purchaser obtains approval for the rezoning and consolidation of the property;
6. that all the costs pertaining to the transaction, e.g. application cost, valuation cost, consolidation, rezoning, 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).

<b>RESPONSIBLE OFFICIAL :</b>	<b>N LIEBENBERG</b>
<b>TARGET DATE FOR IMPLEMENTATION :</b>	<b>20 DECEMBER 2019</b>
<b>TARGET DATE TO INFORM APPLICANT:</b>	<b>11 DECEMBER 2019</b>
<b>TARGET DATE TO INFORM OBJECTOR:</b>	<b>N/A</b>