

**AGENDA of the
Portfolio Committee : Community Services
22 October 2019
(Also the agenda for the Mayoral Committee Meeting : 30 October 2019)**

**3.
HOUSING: PROGRESS REPORT ON TRANSFER OF PROPERTIES TO VARIOUS
BENEFICIARIES OF LOW COST HOUSING IN THE OVERSTRAND AREA FOR THE
PERIOD JUNE 2019 TO AUGUST 2019**

17/5/4/1

FW Frans

(028) 313 8144

Hermanus Administration

23 September 2019

1. Executive Summary

The purpose of the report is to inform the Executive Mayor of progress made to date with the transfers of title deeds in the names of beneficiaries of low cost housing projects.

2. Service Delivery and Budget Implementation Plan - IGNITE

Community Services
Housing Administration

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Provision and maintenance of municipal services
Creation and maintenance of a safe and healthy environment

4. Delegated Authority

Executive Mayor

5. Legal Requirements

Constitution of the Republic of South Africa, 1996
Housing Act 107 of 1997
Municipal Finance Management Act No 56 of 2003

6. Background/Discussion/Evaluation/Conclusion

Background

Various low cost housing projects have been developed in the Overstrand area over a number of years (refer to annexure A). A total number of 32 projects have been developed over the years.

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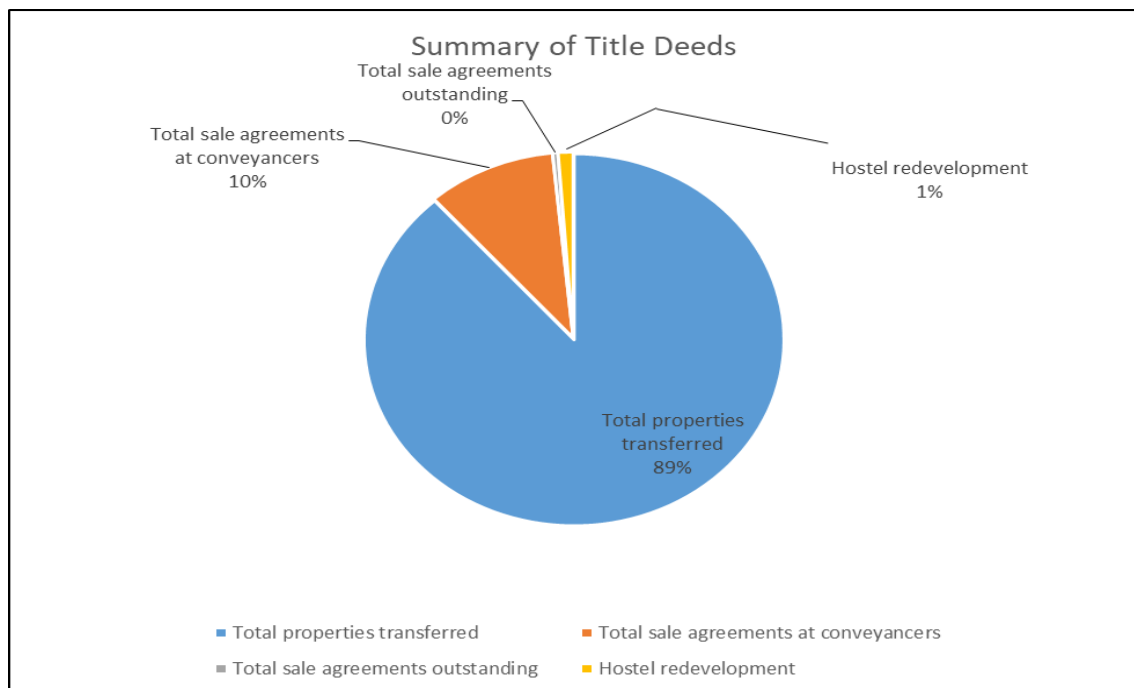
PROJECT	NUMBER OF PROJECTS	TOTAL HOUSING UNITS
Pre 1994 old schemes	11	1768
Reconstruction and development	18	5678
Reconstruction and development (2018/19)	2	171
Hostel redevelopment: 90 houses, Zwelihle	1	90
TOTAL	32	7707

Current status

(a) Number of transfers

A total number of 7707 low cost housing properties have been developed, of which 6838 properties (88,7%) have been transferred to date (*also refer to Annexure A*).

Table 1: Transfers to beneficiaries to date



(b) Transfers: June to August 2019

A number of 19 properties have been transferred to date. The affected areas are Kleinmond 16 transfers and Betty's Bay 3 transfers.

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(c) Current projects

The following projects are currently in progress:

Area	Type of project	Housing Opportunities
Hawston	IRDP	378
Gansbaai: Beverly Hills	Upgrading of informal settlements	100
Gansbaai: Blompark	IRDP	539
Mount Pleasant	Affordable erven (FLISP)	22
Hawston	Affordable erven (FLISP)	107
Zwelihle	Hostel Redevelopment	90
TOTAL		1236

Discussion

Delay with transfers

Transfers to beneficiaries were delayed/ hampered due to the following reasons:

- **Rates clearance**

Low cost housing projects may be exempted from rates clearance certificates in terms of sections 118(4) (a) of the Local Government: Municipal Systems Act 32 of 2000. The former municipal manager granted approval that the last mentioned amendment of the Act be used in order to fast track transfer. Affected residents remain liable for the payment of any outstanding services accounts.

- **Conveyancing cost**

The current negotiated transfer cost payable to the respective conveyancers amounts to R1,000.00 excluding VAT per transfer. The conveyancing cost is subsidised by the Provincial Department of Human Settlements.

- **Transfer of land from Province to Overstrand Municipality**

Ownership of certain properties, especially in Hawston, remained with the Provincial Government of the Western Cape, for example erf 1, Hawston. The last mentioned caused problems in respect of transferring of properties to beneficiaries. This particular erf in Hawston was registered in the name of Overstrand in March 2013 after which the individual registration of properties at the Deeds Office could be effected.

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- **Outstanding deeds of sale**

Challenges

Due to the delays and the passage of time, the following challenges are experienced and concluding the sale agreement with beneficiaries and transfers:

- ✓ the original beneficiary has passed away;
- ✓ the original beneficiary left Overstrand area and cannot be traced;
- ✓ administrative processes at the Deeds Office and South African Revenue Services have changed. Beneficiaries are required to submit declarations of their status and income; and
- ✓ delay caused by underperformance in respect of a specific conveyancer.

Way forward

The Housing Department is still in process to finalise the outstanding sale agreements in cases where the original tenant(s) or beneficiary(ies) are no longer available. Door to door visits are conducted continuously in order to fast track the process to conclude the sale agreements.

The agreement with the conveyancers has been reviewed in order to speed up the transfer of the aforementioned number of outstanding properties.

7. Financial Implications

Subsidy funding in the amount of R1,140,000.00 was obtained from the Provincial Department of Human Settlements to cover the conveyancing cost of R2,000.00 per transfer, excluding Deeds office fees in the amount of R136.00 per transfer.

Source of Funding eg. Operating Budget Provisions

Unique Key	: 20190624 073156
Cost Account	: 12900 165081100
Item Description	: Human Settlement Development
Budget Provision 2019/2020	: R776 039.00
Spent to Date/Committed	: R 0.00
Balance Available	: R776 039.00

8. Staff Implications

None

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9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Report: Transfer of properties up to August 2019.

RECOMMENDATION:

that the report in respect of transfers to beneficiaries of low cost housing properties **be noted.**

RESPONSIBLE OFFICIAL :

FW FRANS

TARGET DATE FOR IMPLEMENTATION :

IN PROGRESS

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**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
22 OCTOBER 2019, WHICH COMMITTEE SUPPORTED THE RECOMMENDATION**

RESPONSIBLE OFFICIAL : FW FRANS

TARGET DATE FOR IMPLEMENTATION : IN PROGRESS

OVERSTRAND MUNICIPALITY**DEPARTMENT : HOUSING ADMINISTRATION****TRANSFER OF PROPERTIES UP TO AUGUST 2019**

NR	PROJECT NAME	TOTAL PROPERTIES	TITLE DEEDS	SALE AGREEMENTS WITH CONVEYANCER	OUT STANDING
1	PHASING OUT: GANSBAAI	185	173	9	3
2	PHASING OUT: HAWSTON	483	438	45	0
3	PHASING OUT: MT PLEASANT	184	176	8	0
4	PHASING OUT: STANFORD	78	76	4	0
5	PHASING OUT: ZWELIHLE	171	163	5	3
6	PHASING OUT: KLEINMOND	318	260	57	1
7	PHASING OUT: BETTYS BAY	12	3	9	0
8	PHASING OUT: HAWSTON SELFBOU	93	91	2	0
9	PHASING OUT: MT PLEASANT SELFBOU	127	116	11	0
10	PHASING OUT: STANFORD SELFBOU	68	64	5	0
11	PHASING OUT: GANSBAAI SELFBOU	49	46	3	0
				0	
	SUBTOTAL	1768	1606	155	7
12	RDP: BETTYS BAY 20	20	16	4	0
13	RDP: BETTY'S BAY 13	13	13	0	0
14	RDP: GANSBAAI 500	480	479	1	0
15	RDP: GANSBAAI 390	390	373	8	9
16	RDP: HAWSTON 182	182	172	10	0
17	RDP: HAWSTON 350	350	344	6	0
18	RDP: KLEINMOND 200	201	201	0	0
19	RDP: KLEINMOND 410	410	372	38	0
20	RDP: MT PLEASANT 350	350	346	3	1
21	RDP: MT PLEASANT 220	220	218	2	0
22	RDP: MT PLEASANT 131	131	0	131	0
23	RDP: PEARLY BEACH 211	183	182	1	0
24	RDP: STANFORD 378 (BLOMTUIN)	378	378	0	0
25	RDP: STANFORD 88	88	81	7	0
26	RDP: ZWELIHLE 460	460	460	0	0
27	RDP: ZWELIHLE 1578	1543	1426	110	7
28	RDP: ZWELIHLE 283	221	171	45	5
29	RDP: ZWELIHLE (GARDEN SITE 58)	58	0	58	0
30	RDP: ZWELIHLE (C1)	39	0	39	0
31	RDP: ZWELIHLE (C2)	132	0	132	0
32	HOSTEL REDEVELOPMENT	90	0	0	
	SUBTOTAL	5939	5232	595	22
	TOTALS	7707	6838	750	29