

APPLYING TO BUY MUNICIPAL LAND

1. When selling municipal property, the law requires that the Municipality do so at market value. The buyer will have to pay the price of the land, plus all costs relating to the transaction such as, valuation cost of the land, surveying, advertising, the deed of sale, and transfer. The Municipality may not sell a property that it needs to provide the minimum level of basic municipal services.
2. All applications to buy Municipal property are considered in terms of current laws and the Municipality's Immoveable Property Management Policy.
3. Viable properties may only be sold through a competitive process of public competition, for instance, through a public tender, auction, public notice or call for proposals. Viable properties are those that can be developed and can function as separate properties, which the Registrar of Deeds can register. These include properties used for commercial, residential, business and social reasons (including early childhood development centres and public places of worship). Just because a member of the public has shown interest in a property does not imply that they have any right to buy that property. The Municipality has no obligation to sell any specific property to anyone.

APPLYING TO LEASE MUNICIPAL LAND

1. When leasing municipal property, the law requires that the Municipality do so at market value. The lessee will have to pay the rental amount of the land, plus all costs relating to the transaction such as, valuation cost of the land, surveying, advertising, the lease agreement, and cost for notarial agreements where applicable. The Municipality may not lease a property that it needs to provide the minimum level of basic municipal services.
2. All applications to lease Municipal property are considered in terms of current laws and the Municipality's Immoveable Property Management Policy.
3. Properties may only be leased through a competitive process of public competition, for instance, through a public tender or call for proposals. Viable properties are those that can be developed and can function as separate properties, which the Registrar of Deeds can register. These include properties used for commercial, residential, business and social reasons (including early childhood development centres and public places of worship). Just because a member of the public has shown interest in a property does

not imply that they have a right to lease that property. The Municipality has no obligation to lease any specific property to anyone.

PROCESS SUMMARY FOR THE BUYING OR LEASING OF MUNICIPAL LAND

PROPERTY AVAILABILITY

Properties which are identified or selected for disposal/ lease are influenced by the following: The Municipality's strategic objectives and targets; public and Councillor input; service requirements; internal requirements and databases; available resources and planning and policy indicators.

DISPOSAL PROGRAMME

The Disposal Programme gives effect to the Municipal Finance Management Act (2003) and Municipal Asset Transfer Regulations (2008). Legislation and policy dictates that the property must be surplus to municipal requirements, sold via public tender and at market value

INVESTIGATION

Determine if it is possible to sell/lease the property by confirming/ascertaining: ownership, surplus to municipal needs, zoning, viability, development conditions, etc. A valuation report and a disposal/lease plan are prepared.

IN-PRINCIPLE APPROVAL

A report is submitted to the decision-making authority for in-principle approval to sell/ lease. A comprehensive approval route is followed to ensure technical, financial and legal compliance. Depending on the extent of the property the oversight and approvals may include the Municipal Manager, the Portfolio Committee, the Mayoral Committee and Council.

PUBLIC PARTICIPATION

If the decision-making authority deems a property fit for sale/lease, then a call for public participation is advertised in newspapers and is open for 30 days. It's also sent to local councillors and National/Provincial Treasury if needed. This may include a tender or a proposal call.

RELEASE OF TENDER OR PROPOSAL CALL

Specifications are drafted after considering the findings of the technical investigation and the in-principle resolution from Council. The Bid Specification Committee scrutinises tender specifications and conditions. The tender is released to the public and is open for 30 working days

AWARD OF TENDER OR PROPOSAL CALL

All bid offers received in terms of the Supply Chain Management Policy are evaluated on compliance and price. The highest compliant tender offer above the reserve price will be recommended for award to the competent authority.

REGISTRATION

After the award, a sale/lease agreement is negotiated and concluded with the winning tenderer. For disposal matters, once the sale agreement is signed, a conveyancer is appointed to oversee the transfer and registration

In certain cases, Council may elect to enter into an out of hand sale or lease transaction with an applicant. This process is also governed by the relevant legislation, policies and regulations.

APPLICATION FORM TO BUY OR LEASE COUNCIL PROPERTY

Applicant: _____

Contact No: _____

Email Address: _____

Address: _____

Application to lease: Application to purchase:

1	Briefly indicate the nature of development.				
2	Have you identified available land for the development?	Yes		No	
3	If yes: Land/Property description, if already identified. (erf no.)				
4	If no: What is the size of land required/ identified land parcel (m²/ha)?				
5	What is the extent of the structures to be developed, if any?				
6	Please describe your funding model.				
7	Is the required funding already in place?				
8	Indicate planned social responsibility initiatives.				
9	What are your timeframes for the implementation of the project?				

10	Is your proposal in line with the Municipal Spatial Development Framework (MSDF)? If not, do you intend to motivate for the amendment of the SDF?	
11	Does your proposal fit in with the surrounding land uses?	
12	What is the total rand value of the proposed development?	
13	Indicate the total number of permanent jobs that will be created.	
14	Indicate the total number of temporary jobs that will be created.	
15	What will the estimated total electrical load requirement be?	
16	What is the expected water consumption?	
17	What is the expected sewage output?	
18	What is the expected light and heavy vehicle trip generation?	
18	What is the expected solid waste generation?	
19	Will the development impact on any heritage resources? If yes, please describe, together with mitigating measures.	
20	Will the development impact on the natural environment? If yes, please describe, together with mitigating measures.	
21	Are there existing farm dwellers on the land?	
22	If yes, how will the farm workers be dealt with / accommodated?	

The following documents must be attached to the application:

1. Any additional motivation or comments.
2. Sketch plan that indicates the property that is being applied for.
3. Copy of the receipt of the application fee.
4. Copy of the identity document/company registration of applicant.
5. If the applicant is a non-profit or non - governmental organization, the NPO or NGO registration certificate must be attached.
6. If the applicant wants to establish a business on the property to be leased/purchased, the applicant must submit a detailed business plan.
7. If the applicant is a registered business, the company/trust/close corporation must submit the relevant registration documents with the application and disclose the particulars of the Directors or Trustees.

Please note:

1. Submission of an application does not mean that the transaction has been approved. No correspondence except a properly signed lease or sale agreement should be interpreted as final approval of the transaction
2. All application and related fees are non-refundable.
3. Incomplete applications will not be considered.
4. Property transactions are subject to many laws and regulations. The Municipality has no choice but to comply with all the prescripts, particularly those of the Municipal Finance Management Act and its associated asset transfer regulations. This makes the process lengthy and complicated.
5. All applicants' municipal debt profile will be checked. Applications will not be processed until all arrears are settled.
6. Applications to lease property will be finalized between 3 - 4 months after the date on which the complete application was received subject to no objections being received.
7. Applications to purchase property will be finalized between 4 - 5 months after the date on which the complete application was received subject to no objections being received.
8. If a person purchases property from the Municipality, he will be responsible for some or all of the following costs depending on the specific transaction, namely: Subdivision costs, advertisement costs, land use costs, road closure costs, consolidation costs, surveyor costs, transfer costs, valuation costs and connection costs to Municipal services.
9. If a person leases property from the Municipality, he will be responsible for the advertisement costs, valuation costs (in some cases) and the monthly Municipal service costs.

10. Immovable properties are high value when they are worth more than R50 million, and carry significant property rights if they are valued at more than R10 million with a lease period longer than three years. Different processes apply when these types of properties are to be sold or leased.
11. Successful applicants will be required to enter into a lease or purchase agreement with the Municipality.

Signature of applicant

Date of application