

31st May 2019

The Honourable Executive Mayor
Cllr Xola Pakati
Buffalo City Metropolitan Municipality
City Hall
East London

And

City Manager
Mr Andile Sihlala
Buffalo City Metropolitan Municipality
City Hall
East London

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Dear Sirs/Madam,

MEETING WITH SAPOA AND OTHERS ON EXCESSIVE PROPERTY RATES INCREASES IN BUFFALO CITY and COMMENTS / OBJECTIONS TO PROPOSED DRAFT IDP BUDGET 2019/2020

We would like to take this opportunity to thank you for meeting with SAPOA on the 27th May 2019 and trust that we will have more fruitful engagements in the future.

As mentioned in the meeting we still await a response to our letters of the 6th May 2019 and the 23rd May 2019 addressed to the City Manager requesting the draft tariffs and the draft rates policy. We had to comment and did so (based on the 2018 policy which is not the correct position) without sight of the relevant documentation.

We would like to confirm our discussions of the 27th May 2019 and set hereunder the salient points:

1. There are currently 369 appeals being heard. The Metro received 4 414 objections when the new valuation roll (GV2018) was open for inspection and objections from 26 February 2018 to 26 April 2018.

SOUTH AFRICAN PROPERTY OWNERS ASSOCIATION – NPC – REG NO 1966/008959/08

Board of Directors: I Mkhari (President), D Green (President Elect), P Levett (Immediate Past President), N Gopal (Chief Executive Officer), V Hako, N Mashaba, Z Malinga, M Kekana, A Konig, N Byrd, W Mulder, K Matsau

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2. All is not lost for property owners who failed to object. Section 78 of the Municipal Property Rates Act (MPRA) makes provision for the revaluation of properties that have been substantially incorrectly valued. It is up to the owner to provide proof that the property is incorrectly valued.
 - The S78 query forms are available at the BCMM offices, Old Mutual Building on the 3rd floor. The cost is R55 per property query.
3. In an effort to assist property owners, the BCMM will in terms of its investment policy, and in an effort to bring back investment into the City, look at offering a rebate on property rates to owners who have properties over R50million in value. This will be in relation to new developments.
4. The participants urged the Mayor to look at current properties and he has advised that Property Owners who have existing properties should approach the City and based on the case that is presented, the City will look at ways in terms of its investment policy to offer the rebate to such Property Owners. The rebate has not been finalised and it is envisaged that it will be over 5 years. The rebate for new developments is:
 - 1st - 50%
 - 2nd year – 40%
 - 3rd year - 30%
 - 4th year - 20%
 - 5th year – 10%

The tariffs for property rates for 2019/2020 will increase by 9%.

We once again thank you for taking time off your busy schedule to meet with us.

Yours sincerely



M MOOLA
Legal Consultant