SUPPLEMENTARY

to the AGENDA of the

FINANCE, GOVERNANCE AND ECONOMIC DEVELOPMENT COMMITTEE

which will be held on

Tuesday, 14 November 2017

at

08:00

in the Council Chamber
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REPORT FROM THE EXECUTIVE MAYOR

SUBMITTED BY THE CHIEF FINANCIAL OFFICER

PURPOSE OF THE REPORT

In accordance with Section 52(d) of the Municipal Finance Management Act, the Executive Mayor submits this report to the council within 30 days after the end of the first quarter of 2017/18, on the implementation of the budget and the financial state of affairs for Knysna Municipality.

The submission of this report forms part of the general responsibilities of the Mayor of a Municipality, and is intended to inform and enable the council to fulfil its oversight responsibility.

BACKGROUND

The quarterly budget statement for September 2017 has been prepared to meet the legislative requirements of section 52(d) of the MFMA.

RELEVANT LEGISLATION


RECOMMENDATION OF THE EXECUTIVE MAYOR

That the quarterly budget statement and supporting documentation for September 2017, be noted.

APPENDIX

Previously distributed at the Special Council Meeting held on 30 October 2017.

File Number: 9/1/2/10
Execution: Executive Mayor
Director: Financial Services
Municipal Manager
REPORT FROM ACTING DIRECTOR: CORPORATE SERVICES

PURPOSE OF THE REPORT

To request the Municipal Council to consider the application to purchase a portion of Erf 295 adjacent to Erf 295 in Brenton on Sea, Knysna, in terms of the Municipal Asset Transfer Regulations, 2008.

BACKGROUND

The application was tabled before the Municipal Council at its meeting dated 26 May 2017. The Municipal Council unanimously resolved the following:

[a] That the report and annexures regarding the request for the alienation of Erf 295 Brenton-on-Sea adjacent to Erf 6, Brenton, Knysna, submitted to the Finance, Governance and Economic Development Committee meeting dated 6 April 2017 be noted;

[b] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council confirms that Erf 295, Brenton-on-Sea to be alienated, is deemed not needed to provide the minimum level of basic Municipal Services; and

[c] That the Municipal Council instruct the Acting Municipal Manager to advertise the Municipal Council's intention to alienate a portion of Erf 295 to the adjacent owner for comments and objections.

The Municipal Council's intention to alienate a portion of Erf 295 to the adjacent owner for comments and objections was advertised in the following publications (see Annexure A):

i. The Knysna Plett-Herald on 3 August 2017;

ii. The Sedgefield Edge on 9 August 2017: and


No comments and/or objections were received.

DISCUSSION

Section 14 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) deals with disposal of capital assets of municipalities and reads as follows:
“14. Disposal of capital assets:

(1) A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.

(2) A municipality may transfer or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public –

(a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

(b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

(3) A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.

(4) A municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsection 2(a) and (b) in respect of movable capital assets below a value determined by the council.

(5) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111…”

The applicant is the owner of Erf 6 in Brenton on Sea, Knysna. The fair market value of the specific portion of Erf 295 was determined by the Municipal Valuer (see Annexure B). The owner must register a servitude in favour of the Municipality to protect the service running over Erf 295.

The portion of Erf 295, Brenton-on-Sea, to be alienated is described by the Management of Immovable Property Policy as “Non-Viable Property” as the property involved owing to urban planning, physical constraints or extent cannot be developed on its own or function as a separate entity and that can therefore become functional only if used by an adjoining owner in conjunction with such owner’s property. It is clear that the portion involved can only become functional if used by the owner of Erf 6.

The Management of Immovable Property Policy determines that a property transaction in respect of Non-Viable Property may be approved without any competitive process having being followed as no purpose would be served by a competitive process.
FINANCIAL IMPLICATIONS

The alienation of the portion involved will be alienated at a price not less than the market related purchase price as determined by the Municipal Valuer. There is no cost for the Municipality for the purchases of this transaction as the applicant will be liable for all the costs relating to this transaction. The Municipal Valuer, DDP Valuers determined the market related price to be R50 000 excluding of VAT.

RELEVANT LEGISLATION

Local Government: Municipal Finance Management Act, 2003
Local Government: Municipal Finance Management Act (56/2003): Municipal Asset Transfer Regulations
Knysna Municipal Management of Immovable Property Policy

RECOMMENDATION OF THE MUNICIPAL MANAGER

[a] That the report and annexure’s regarding the report back on the request for the alienation of Erf 295 Brenton on Sea, Knysna submitted to the Finance, Governance and Economic Development meeting dated 14 November 2017 be noted;

[b] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the fair market value of Erf 295 Brenton on Sea, Knysna is R50 000.00 which took into consideration the economic and community value to be received in exchange for the portion of Erf 295;

[c] That in terms of Section 5(b)(ii) of the Local Government: Municipal Finance Management Act (56/2003): Municipal Asset Transfer Regulations approval is herewith granted in principle that Erf 295 Brenton on Sea, Knysna may be disposed of;

[d] That in terms of the Knysna Municipality’s Management of Immovable Property Policy, Erf 295, Knysna must be disposed to the adjacent owner of Erf 295 being the owner of Erf 6 at the Market Related value of R50 000.00 excluding VAT;

[e] That the protection of all Municipal Services on and over Erf 295, to be alienated, to be effected by means of registering servitudes, as determined by the Director: Technical Services, be for the account of the applicant;

[f] That the owner of Erf 6 consolidate the portion of Erf 295, to be alienated with Erf 6;

[g] That all costs relating to [f] above be for the account of the applicant; and

[h] That the Municipal Manager be instructed to conclude the sale agreement of a portion of Erf 295 to the adjacent owner of Erf 6.

ANNEXURES

ANNEXURE A – Adverts
ANNEXURE B – Market related valuation
File number: 9/1/2/9
Execution: Municipal Manager
Acting Director: Corporate Services
Manager: Properties
ANNEXURE A

NOTICE OF THE INTENTION TO LEASE AND DISPOSE OF MUNICIPAL OWNED LAND

Notice is hereby given in terms of the Asset Transfer Regulations that the Municipal Council intends to:

1. Sell a portion at Erf 205, Branner-on-Sea to the adjacent owner of Erf 6, Branner-on-Sea at a market related price.
2. Sell Erf 7482 and 7483, Krynau (Homelands) at market related price.
3. Sell Erf 3132, Krynau (Homelands), to be divided into 2 portions at market related price.
4. Lease a portion of Erf 3627, Krynau (Homelands), to develop a nursery.

Additional information may be obtained from Mr. Bernard Redeling at tel. 044 302 4401 or by email at redeling@krynau.gov.za during normal business hours.

Any comments or objections regarding the proposed lease and disposal must be submitted in writing to the Municipal Manager, P.O. Box 31, Krynau 6350, by no later than 12.00 on 11 September 2017.

R. CRESTY
MUNICIPAL MANAGER
Clyde Street
CRYNAU 6350

FOR SALE
TOYOTA TAZZ - Manual
1st Registered 23/11/2004
110 000km
Good condition
R45 000

PHONE
Hole 062-446-7981
046 384 0764

HYPOHERAPY - Professionally trained in the USA & UK, to help you quit smoking, relieve fears, phobias and deal with stress related difficulties. Tracy 083 540 1750
www.tracyoelfordtoste.com

BACHELOR FLAT, UPSTAIRS. No pets & non-smokers
P.O. Box 2063
PH 082 455 9553

MOVING? EASY MOVE, the best
Constant supervision and fully insured. Contact: Leanne 083 608 0855 or email: lollipopiscooper@gmail.com

WANTED: Hobie 14. Ph. 083 273 2734

AUTOBROK SERVICE NISSAN
DEPOT Stampato Service - 083 997 6740
Service. TURFROK SPARE PARTS, CV JOINTS, SHOCKS, ETC. We are an area dealer & offer finance. Contact: Louis, Tel. 082 455 1155 or 082 1155 082 1155. Offer extended for Motoring Industry.

WANTED: For PP (Furniture, Krynau Industries)

LOVE GIFTS. Lovely golf: thank you
WANTED: Garage for rent. Ph 083 273 2734

It is the intention of the Trail lovers of Krynau to form a club to create a body that will be representative of all who use trails in Krynau.

If you are a Runner, Cyclist, Mountain Biker, etc., please join us to set up a steering committee to get the club up and running. More details will be given at the initial meeting.

Venue: Krynau Yacht Club
Date: 20th August 2017
Time: 18:00
For further information, contact Andrew Penn info@strails.co.za

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MASITHANDANE’S Forget-Me-Not 7th Anniversary Celebration

On the 21 June 2015, the Joy Group of 10 Funeral Brokers hosted a charity brunch at the Marabana Country Club, providing 71 of its most loyal clients with the opportunity to assemble the Masithandane’s Forget-Me-Not (Nkojane) committee.

Entertainment in the form of a Sausage roll door prize was provided by the Masithandane’s Forget-Me-Not committee.

Facts count in crime fighting

Accounts and detailed documentation should be generated towards securing a conviction.

"It's important to make sure that the evidence is presented in a clear and concise manner," says Peter Knight, district manager (Civil Liability Division). "This is especially true in crime cases, where the evidence can be fragile and easily destroyed."

The importance of crime fighting

"Crime fighting is an important element in maintaining a safe and secure environment. It is crucial to ensure that the evidence is properly collected and stored. This will help in identifying the suspects and securing a conviction," says Peter Knight.

Notices of the intention to lease or dispose of municipal owned land

The Municipal Council of the Municipality of KwaZulu-Natal is hereby giving notice of its intention to lease or dispose of certain land with the following details:

- Location: 
- Type of land: 
- Area: 

The Notice is available at the municipality’s website and can be obtained in person at the Administration Building.
Valuation Report

PROPERTY: An unregistered portion of land in Brenton-on-sea, Knysna
REFERENCE No: DDPMUN1277
REPORT No: 01
DATE: 26 July 2017
Report prepared by: Comé Theron
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Property Valuation Experts
1. CONTACT DETAILS

<table>
<thead>
<tr>
<th>Name</th>
<th>Remvili Hardnick</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>P O Box 21, Knysna 6570</td>
</tr>
<tr>
<td>Phone</td>
<td>044-302 6459</td>
</tr>
<tr>
<td>Fax</td>
<td>086-629 5042</td>
</tr>
<tr>
<td>Email</td>
<td><a href="mailto:rhardnick@knysna.gov.za">rhardnick@knysna.gov.za</a></td>
</tr>
</tbody>
</table>

2. SUMMARY OF KEY FACTS

<table>
<thead>
<tr>
<th>Subject Property</th>
<th>An unregistered portion of land in Brenton, Knysna Local Municipality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Address</td>
<td>C/O Stinkhout Avenue and Geelhout Street, Brenton-On-Sea</td>
</tr>
<tr>
<td>Property Type</td>
<td>Unregistered vacant land</td>
</tr>
<tr>
<td>Registered Owner</td>
<td>Knysna Local Municipality</td>
</tr>
<tr>
<td>Effective Date Of Valuation</td>
<td>26 July 2017</td>
</tr>
<tr>
<td>Method Of Valuation</td>
<td>Comparable Sales</td>
</tr>
<tr>
<td>Report Number</td>
<td>01</td>
</tr>
<tr>
<td>DDP Reference Number / Tracking Number</td>
<td>DDPMUN1277</td>
</tr>
<tr>
<td>Instructing Party</td>
<td>Knysna Local Municipality as represented by Remvili Hardnick</td>
</tr>
<tr>
<td>Erf Extent</td>
<td>611m²</td>
</tr>
</tbody>
</table>
3. INTRODUCTION

3.1. INSTRUCTION

DDP Valuers was instructed by Knysna Local Municipality as represented by Mr Renwill Hardnick to determine the current market value of the property as described in this report.

3.2. PURPOSE OF VALUATION

The purpose of this valuation report is to determine the fair market value of the subject property as at the date of valuation.

3.3. METHOD OF VALUATION

The Sales Comparison Approach to value compares the subject property to similar properties that have sold under similar market conditions. The value indicated is established by comparing the subject property with similar properties, called comparable sales. Comparable sales are recent property transactions of properties that were sold in accordance with the definition of market value.

The International Valuation Standards 2007 defines the sales comparison method as: “The comparative approach considers the sales of similar or substitute properties and related market data, and establishes value estimated by processes involving comparison.”

3.4. DEFINITION OF OPEN MARKET VALUE

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

3.5. EFFECTIVE DATE OF VALUATION

26 July 2017

3.6. INFORMATION SOURCES

Deeds Office Cape Town
Chief Surveyor General
Local Authority – Knysna Local Municipality
Lightstone Property Transfers
Various property professionals and property brokers
4. **TITLE DEED INFORMATION**

The subject property is an unregistered portion of land belonging to the Knysna Local Municipality. The property forms part of the general commonage of Brenton-on-Sea and was identified as per information received from the client.

5. **LOCATION**

5.1. **LOCATION**

The subject property is located at the corner of Geelhout Street and Stinkhout Avenue, Brenton-On-Sea and offers an extent of 611m² as per below map:

![Map Image]

5.2. **SITE DESCRIPTION**

The subject property is an irregular shaped land portion, with a sloping elevation profile sloping from Stinkhout Street in the north (highest point) towards Geelhout Street in the south (lowest point).

The property is predominantly vacant in nature. There are, however, some improvements from the neighbouring Erf 6 Brenton, encroaching on the subject property.

This valuation report will only reflect land value and no improvements will be taken into account.

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**Property Valuation Experts**
The above is an aerial image of the subject property (red) showing the neighbouring Erf 6 Brenton as well as mentioned encroaching improvements.

6. **HIGHEST AND BEST USE**

   (*A term meaning the reasonable, probable and permissible use that will support the highest present value, as of the effective date of valuation.*)

   The highest and best use for this property is as a single residential property as part of the neighbouring Erf 6 Brenton, because:
   
   - The location of the subject property adjoining Erf 6 Brenton;
   - The size of the subject property being only 611m² in extent whilst all neighbouring stands exceeds 1,000m²;
   - The existing encroaching improvements of Erf 6 Brenton situated on the subject property; and
   - Although the property is unregistered and therefore unzoned, the registration and consequent zoning should support this use of the subject property.

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1 A term meaning the reasonable, probable and permissible use that will support the highest present value, as of the effective date of valuation
7. MARKET COMMENTARY

7.1. MACRO

The greater area of Krynna is still suffering from the recent fire disaster and Brenton-On-Sea is one of the areas that was severely affected by this. In the macro area of Brenton-on-Sea there are ±36 vacant land properties listed for sale ranging with asking prices between R500 000 and R1 700 000 depending on various value forming attributes.

7.2. MICRO

The subject property is located in the micro area of Brenton-On-Sea that was mostly affected by the mentioned fire disaster. The subject property itself was not directly affected, but it is overlooking the affected areas. There are a lot of vacant land available in the micro area, and currently the supply of vacant stands are exceeding the demand. This has a negative influence on values.

7.3. COMPARABLE SALES

The most accurate method to determine an appropriate rate is through evidence produced by actual market transactions. This information is not always readily available, as there is the encumbrance of confidentiality of transactions and corporate transfers, which hamper the comparison process.

Research has been undertaken to establish what developers are prepared to pay for comparable properties. The comparison was made on the basis of proximity. Several vacant land sales that occurred since 01 January 2016 were identified of which the following are deemed the most comparable to the subject property:

<table>
<thead>
<tr>
<th>Comparable Sale</th>
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</thead>
<tbody>
<tr>
<td>DESCRIPTION</td>
<td>Erf 622 Brenton</td>
</tr>
<tr>
<td>STREET ADDRESS</td>
<td>622 STEENBRAS STREET</td>
</tr>
<tr>
<td>LAND SIZE</td>
<td>640m²</td>
</tr>
<tr>
<td>PURCHASE PRICE</td>
<td>R 550 000.00</td>
</tr>
<tr>
<td>SALES DATE</td>
<td>17 May 2016</td>
</tr>
<tr>
<td>INDICATED R/m²</td>
<td>R359.375/m²</td>
</tr>
</tbody>
</table>
### Comparable Sale 2

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>Erf 30 Brenton</th>
</tr>
</thead>
<tbody>
<tr>
<td>STREET ADDRESS</td>
<td>39 GLADIOLUS AVENUE</td>
</tr>
<tr>
<td>LAND SIZE</td>
<td>1419 m²</td>
</tr>
<tr>
<td>PURCHASE PRICE</td>
<td>R 675 000.00</td>
</tr>
<tr>
<td>SALES DATE</td>
<td>03 August 2016</td>
</tr>
<tr>
<td>INDICATED R/m²</td>
<td>R405/m²</td>
</tr>
</tbody>
</table>

### Comparable Sale 3

<table>
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<tr>
<th>DESCRIPTION</th>
<th>Erf 538 Brenton</th>
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<tbody>
<tr>
<td>STREET ADDRESS</td>
<td>639 W K GROSBLER AVENUE</td>
</tr>
<tr>
<td>LAND SIZE</td>
<td>1140 m²</td>
</tr>
<tr>
<td>PURCHASE PRICE</td>
<td>R 870 000.00</td>
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<td>SALES DATE</td>
<td>29 September 2016</td>
</tr>
<tr>
<td>INDICATED R/m²</td>
<td>R763/m²</td>
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</table>

### Comparable Sale 4

<table>
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<tr>
<th>DESCRIPTION</th>
<th>Erf 168 Brenton</th>
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<tbody>
<tr>
<td>STREET ADDRESS</td>
<td>168 WATSONIA AVENUE</td>
</tr>
<tr>
<td>LAND SIZE</td>
<td>1369 m²</td>
</tr>
<tr>
<td>PURCHASE PRICE</td>
<td>R 820 000.00</td>
</tr>
<tr>
<td>SALES DATE</td>
<td>14 November 2016</td>
</tr>
<tr>
<td>INDICATED R/m²</td>
<td>R559/m²</td>
</tr>
</tbody>
</table>

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**Property Valuation Experts**
## Comparable Sale 5

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>Erf 473 Brenton</th>
</tr>
</thead>
<tbody>
<tr>
<td>STREET ADDRESS</td>
<td>473 FREEBIA PLACE</td>
</tr>
<tr>
<td>LAND SIZE</td>
<td>582m²</td>
</tr>
<tr>
<td>PURCHASE PRICE</td>
<td>R 550 000.00</td>
</tr>
<tr>
<td>SALES DATE</td>
<td>08 December 2016</td>
</tr>
<tr>
<td>INDICATED R/m²</td>
<td>R945/m²</td>
</tr>
</tbody>
</table>

## Comparable Sale 6

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>Erf 9 Brenton</th>
</tr>
</thead>
<tbody>
<tr>
<td>STREET ADDRESS</td>
<td>9 GEELHOUT STREET</td>
</tr>
<tr>
<td>LAND SIZE</td>
<td>1777m²</td>
</tr>
<tr>
<td>PURCHASE PRICE</td>
<td>R 550 000.00</td>
</tr>
<tr>
<td>SALES DATE</td>
<td>19 January 2017</td>
</tr>
<tr>
<td>INDICATED R/m²</td>
<td>R310/m²</td>
</tr>
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</table>

## Comparable Sale 7

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>Erf 107 Brenton</th>
</tr>
</thead>
<tbody>
<tr>
<td>STREET ADDRESS</td>
<td>107 WATSONIA AVENUE</td>
</tr>
<tr>
<td>LAND SIZE</td>
<td>1053m²</td>
</tr>
<tr>
<td>PURCHASE PRICE</td>
<td>R 520 000.00</td>
</tr>
<tr>
<td>SALES DATE</td>
<td>20 January 2017</td>
</tr>
<tr>
<td>INDICATED R/m²</td>
<td>R603/m²</td>
</tr>
</tbody>
</table>

The above comparable sales indicates a selling rate of between R310/m² to R945/m².
7.4. MAP INDICATING LOCALITY OF COMPARABLE SALES

The below aerial image indicates the subject property (red) in reference to the comparable sales as marked:

Given the value forming attributes of the above properties, including but not limited to location, size, shape and elevation profile, sales number 2, 4, 6 and 7 are deemed most comparable to the subject property.

8. MOTIVATION

Comparable Sale Two

Comparable Sale Two is located approximately 500 meters south-east of the subject property. This property is 130% larger in extent when compared to the subject property. This property is also located on a street corner, and offers a similar elevation profile but a more favourable shape. This comparable sale is a registered property with a single residential zoning.

Comparable Sale Four

Comparable Sale Four is located approximately 570 meters south-east of the subject property. This property is 122% larger in extent when compared to the subject property. It is less steep and offers a more favourable shape. This comparable sale is a registered property with a single residential zoning.
Comparable Sale Six

Comparable Sale Six is located approximately 100 meters west of the subject property. This property is 188% larger in extent when compared to the subject property. It offers a similar location and elevation profile with a more favourable shape. This comparable sale is a registered property with a single residential zoning.

Comparable Sale Seven

Comparable Sale Seven is located approximately 300 meters south of the subject property. This property is 71% larger in extent when compared to the subject property. It is less steep and offers a more favourable shape. This comparable sale is a registered property with a single residential zoning.

9. CONCLUSION

The following are important factors that need to be considered when determining the fair market value:

- The much smaller size of the subject property in comparison to those of the surrounding properties as well as those of the comparable sales;
- The irregular and impractical shape of the subject property;
- The subject property is unregistered and unzoned;
- The elevation profile of the subject property;
- The highest and best use of the property;
- The building lines and road shoulder servitudes that may be applicable to the subject property being located on a street corner;
- The current property market conditions after the recent fire disaster;
- The larger supply of vacant land properties with reference to the demand; and
- The favourable location of the subject property in a sought after coastal area.

After taking all the above factors, as well as comparable transactions into consideration, the valuer is of the opinion that a rate of R80/m² is market related for the subject property.

The value attached to the subject property is considered a realistic and achievable value under current market conditions. It is however, reliant on various factors, which will include:

- Finding a qualified, suitably informed, willing purchaser; and
- Whether the purchaser can obtain adequate finance.

After due consideration of the comparable sales listed, the condition, size and location, as well as the current market conditions, a valuation of R50 000.00 (Fifty Thousand Rand Only) is considered market related.

CURRENT MARKET VALUE:
R50 000.00 (Fifty Thousand Rand Only)
DECLARATION

After taking due consideration of all the relevant factors I, Corné Theron, in my capacity as a Professional Valuer consider the above valuation to be a true reflection and a fair assessment of the market value as at the date of valuation.

E. C. Theron
PROFESSIONAL VALUER
(REGISTRATION NUMBER: 6831)

DATE: 26 July 2017
CAVEATS

1. FULL DISCLOSURE

This valuation has been prepared on the basis that full disclosure of all information and factors that could affect the valuation (all relevant factors) have been made to us. We accept no liability or responsibility whatsoever for the valuation if it should transpire that a full disclosure of all relevant factors was not made.

2. THIRD PARTY INVOLVEMENT

Where reliance was placed on information supplied by third parties in undertaking the evaluation, we have assumed such information to be substantially correct. We accept no liability or responsibility whatsoever for the valuation if it should transpire that the information supplied was substantially incorrect.

3. VALUATION STANDARD

This valuation has been prepared in accordance with the International Valuation Standards Committee requirements as adopted by the South African Council for the Property Valuers Profession and the South African Institute of Valuers.

4. FREEHOLD PROPERTY

In the case of freehold properties we have inspected the relevant Title Deed documents when available. Whenever perusal of the Title Deed caused concern, we made specific reference to this in the Valuation Report. Where the Title Deeds were not available we have assumed that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings.

5. MORTGAGE BONDS, LOANS OR OTHER CHARGES

The property has been valued as if wholly owned with no allowance made for any outstanding monies due in respect of mortgage bonds, loans or other charges. No deductions have been made in our valuation for the cost of acquisition, such as legal or transfer fees, or the costs involved in the disposal of the assets.

6. CALCULATION OF AREAS

Where the client (or his/her representative) has provided all surface areas quoted within the Valuation Report, we assume such surface areas have been calculated in accordance with the SAPOA standard method of measurement. Where a valuer on site measures the surface areas, the SAPOA standard method of measurement shall be employed.

7. PLANS

All plans included in the Valuation Report are supplied for the purpose of identification and orientation only and are not necessarily to scale.
8. PROPERTY BOUNDARIES

The farm or property boundaries, as indicated to the Valuer by the instructing client or his appointed agent, or the boundaries as indicated by plans supplied by the client, are assumed to be the legal extent of the property. Any variation of these boundaries by extension or omission, and the resultant inclusion or omission of any improvements because of this or these variations, cannot therefore be regarded as the responsibility of the Valuer. We accept no liability or responsibility whatsoever for the valuation should it transpire that any boundaries were incorrectly pointed out.

9. OUTGOINGS

It is assumed, except where otherwise stated, that the property is subject to the normal property owner’s outgoings and that there are no onerous restrictions or unusual covenants of which we have no knowledge. In preparing our valuation, we have formed our opinion of outgoings, having had reference to the various schedules of outgoings supplied by the client or a representative thereof.

10. STRUCTURAL CONDITION

The property has been valued in its existing state. In the event of its ownership or use changing in such a manner that the local authority will require the upgrading of the premises to comply with fire protection and other regulations, it may be necessary to reduce the valuation by the amount covering the cost of such compliance. We have had regard to the apparent state and condition of the property but have not carried out a structural survey, nor inspected those areas, which were covered, unexposed or inaccessible, neither have we arranged for the testing of electrical, heating or other services. The valuation assumes that the services and structures are in a satisfactory state of repair and condition, unless otherwise stated in our report. The valuation further assumes that the improvements have been erected in accordance with the relevant Building and Town Planning Regulations as well as the Local Authority by-laws. We have not inspected woodwork or other parts of the structure, and we are therefore unable to report that such parts of the property are free from rot, beetle or other defects. We have assumed that no deleterious or hazardous materials or techniques were used in the construction of the property nor have since been incorporated.

11. CONTAMINATION

Our valuation assumes that a formal environmental assessment is not provided and further that the property is not environmentally impaired nor contaminated, unless otherwise stated in our report.

12. VACANT LAND

No soil or substratum tests on the property have been undertaken and it is assumed that the property is suitable for the intended purpose, without having to provide excessive reinforcement to any structure built thereon.
13. STATUTORY NOTICE AND UNLAWFUL USE

We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, nor its use, nor its intended use, is or will be unlawful.

14. INDIVIDUAL PROPERTIES

The values reported are for the individual properties. No allowance is made for any premium, which may be applicable for an assembled portfolio of properties, nor is a discount allowed for any flooding of the market, which might exist if all, or a majority of the properties were offered for sale simultaneously.

15. CONFIDENTIALITY

This valuation is produced exclusively for the client and for the specific purposes to which it refers. It may be disclosed to other professional advisers assisting you in respect of that purpose. We accept no responsibility whatsoever to any parties other than yourselves who make use of this valuation.

16. NON-PUBLICATION

Neither the whole nor any part of this valuation report or certificate, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way without the written approval of the Valuer, as to the form or context in which it may appear and acknowledgement that the Valuer are professional valuers.

17. INDEPENDENT VALUERS CLAUSE

Neither the Valuer, nor any employee, have any present or contemplated interest in this or any other properties or any other interests, which could affect the statements or values, contained in this valuation report. The valuation enclosed herewith was therefore undertaken on a completely independent basis by a valuer employed the Valuer, a company which specializes in valuation and which does not trade in these assets.

18. VALUE ADDED TAX

All figures quoted are exclusive of Value Added Tax.
REPORT FROM THE MUNICIPAL MANAGER

PURPOSE OF THE REPORT
To request the Municipal Council to consider selling a portion of Non-Viable Council property, being a portion of Erf 1692, Sedgefield measuring approximately 244m² to the adjacent owner (Owner of Erf 956, Sedgefield) in terms of the Asset Transfer Regulations, 2008.

BACKGROUND
VPM Planning on behalf of the owner of Erf 956, Sedgefield applied to purchase a portion of Erf 1692, Sedgefield (see Annexure A). The portion in question is abutting Erf 956, Sedgefield. The portion in question is registered as “Public Street” in the office of the Surveyor-General. There is a portion of the original cottage build over the boundary of Erf 956 onto the portion of Erf 1692 in question. The owner applied in 1998 to buy the portion from the Council. This application was unsuccessful. In 2001 the owner again requested to buy the land. He was informed to follow due procedure and was also advised to appoint a professional town planner to assist him with the application. This didn’t materialised due to personal circumstances. The original owner recently passed away and his heirs would now like to proceed with the application to rectify the historical encroachment.

DISCUSSION
The heirs of the deceased Bruno Alexander Rau is the owner of Erf 956 which is abutting the portion of Erf 1692, Sedgefield, the portion in question. The portion in question is being described in Council's Management of Immovable Property Policy as being “Non-Viable Property”. “non-viable property” means Property that, owing to urban planning, physical constraints or extent cannot be developed on its own or function as a separate entity and that can therefore become functional only if used by an adjoining owner in conjunction with such owner’s property” According to Council’s Management of Immovable Property Policy, a Property Transaction may be approved without any competitive process having been followed.

“Non-Viable Property In respect of Non-Viable Property which can only be utilised by one adjacent land owner, a Property Transaction(s) may be approved without any competitive process having been followed, including in response to an unsolicited application, on the basis that no purpose would be served by a competitive process.” After successfully acquiring the portion in question the owner of Erf 956 must amend the General plan to add the portion of the road to be closed, close the portion of the road acquired, consolidate the portion acquired with Erf 956, rezone the subdivided portion from “street” to “single residential” and register the diagram as amended.

FINANCIAL IMPLICATIONS
There would be no negative financial implications to Council as the applicant would be responsible for the payment of all cost relating to this transaction. The selling of the land in question would generate income and would also increase the rates and taxes for the Erf involved. The Municipal Valuer, DDP Valuer should be requested to determine the market related value of the portion in question.
RELEVANT LEGISLATION

Local Government: Municipal Finance Management Act, 2003
Local Government: Municipal Finance Management Act (56/2003):
Municipal Asset Transfer Regulations
Knysna Municipality’s Management of Immovable Property Policy

RECOMMENDATION OF THE MUNICIPAL MANAGER

[a] That the report and annexure’s regarding the alienation of a portion of Erf 1692, Sedgefield submitted to the Finance, Governance and Economic Development Committee meeting dated 14 November 2017, be noted;

[b] That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, the Municipal Council confirms the portion of Erf 1692, Sedgefield to be alienated, is deemed not needed to provide the minimum level of basic Municipal Services;

[c] That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the fair market value of the portion of Erf 1692, Sedgefield be determined by DPP Valuers and the economic and community value to be received in exchange for the portion of Erf 1692, Sedgefield be considered in determining said valuation.

[d] That in terms of Section 5(b)(ii) of the Local Government: Municipal Finance Management Act (56/2003): Municipal Asset Transfer Regulations approval, in principle, that the portion of Erf 1692, Sedgefield may be disposed of, be granted;

[e] That in terms of the Knysna Municipality’s Management of Immovable Property Policy Council approves that the portion of Erf 1692, Sedgefield must be disposed of by means of a Private Treaty Agreement with the owner of Erf 956, Sedgefield at the market value price plus VAT as determined by the Municipal Valuer (DDP Valuers);

[f] That the movement and protection of all Municipal Services to be effected, be for the account of the applicant and to satisfaction of the Director: Technical Services;

[g] That the owner of Erf 956 submit the required Town Planning applications for the amendment of the General Plan relevant, closures and rezoning’s;

[h] That all costs relating to this alienation be for the account of the owner of Erf 956, Sedgefield; and

[i] That the Municipal Manager be requested to conclude the Private Treaty Agreement between the owner of Erf 956, Sedgefield with regards to the alienation of the portion of Erf 1692 in question.

APPENDIX / ADDENDUM

See Annexure A

File number: 9/1/2/9
Execution: Acting Director: Corporate Services
Manager: Administration
REQUEST TO PURCHASE
A PORTION OF MUNICIPAL LAND

2/14/2017

PORTION OF REMAINDER OF ERF 1692
PUBLIC ROAD TO THE WEST OF ERF 956
SEDGEFIELD

The purpose of this document is to request Council to consider the sale of a portion of unmade public road, indicated as Strandloper Street on the General plan, adjacent to Erf 956 Sedgefield.

Prepared by
REQUEST TO PURCHASE A PORTION OF MUNICIPAL LAND

PORTION OF REMAINDER OF ERF 1692 PUBLIC ROAD TO THE WEST OF ERF 956 SEDGEFIELD

1. INTRODUCTION

1.1 We have been appointed by the heirs of the deceased Bruno Alexander Rau, the registered owner of Erf 956 Sedgefield to assist them in applying to Council to purchase a portion of unmade Public Road (± 24.4m²) situated on a Portion of Erf 1692, adjacent to Erf 956 Sedgefield. See Diagram 1 - Locality Plan, Diagram 2 - Aerial Photo and Diagram 3 – Subdivision and Consolidation Plan.

2. ZONING AND STATUS

2.1 The Portion to be purchased is a portion of the Remainder of Erf 1692 as shown on General Plan (5 104 52070) as Public Street (See Status Report from Surveyor General attached hereto as Annexure A).

2.2 Erf 1692 is reserved for "Street purposes" in terms of the Sedgefield Zoning Scheme.

3. OWNERSHIP

3.1 In terms of Section 25 of the Knysna Municipality, Standard Municipal Land Use Planning By-law, the ownership of land earmarked as a public place on an approved subdivision plan, vest in the municipality upon confirmation of the subdivision or part thereof. Erf 1692 is shown a Public street and thus belongs to the Knysna Municipality.

4. BACKGROUND

4.1 The property has been owned by the Rau Family since 1950.

4.2 The original cottage on the property was built in the early 50ties and a main dwelling was later constructed in 1978.
REQUEST TO PURCHASE A PORTION OF MUNICIPAL LAND

4.3 According to historical records, it became known that the original cottage encroached over the western boundary in the late 1990s. In 1998 the owner submitted a prescriptive claim application. This application was unsuccessful due to provisions of Act 48/1961 that ruled that State land shall, after a period of 10 years from the date of commencement of the Act not be capable of being acquired by any person by prescription.

Existing House

4.4 In 2001 the owner requested council to buy the land. At the time he was informed that he needs to follow due procedure and was advised to appoint a professional town planner to assist him. Due to personal circumstances that prevailed at the time, the owner did not continue with this application. The owner recently passed away and his heirs would now like to proceed with an application to rectify the boundary of the property.

Figure 1: Family holiday home 1950s

Figure 2: Family holiday home 1960s

Figure 3: Family holiday home 1960s
5. PROPOSAL

5.1 It is proposed to purchase the portion of land that lies between the western boundary of the property and the existing fence further to the west as indicated in blue on the attached subdivision and consolidation plan as well as the aerial photo below.

5.2 The portion measures approximately 244m² in extent and includes the portion of the house and garden that has historically encroached over the boundary.

![Map of portion to be purchased](image)

Figure 4: Position of portion to be Purchased

6. FACTORS TO CONSIDER

6.1 Historical Encroachment.

The application to purchase a portion of municipal land is to rectify an historical encroachment. The house on the site is more than 65 years old and the position of the fence has been the perceived boundary of the property for as long a period.
6.2 Environmental considerations

Although the site under consideration is in close proximity to the Sedgefield Lagoon and contains some beautiful Milkwood trees, the successful purchase of the land will not result in any environmental impacts, as the house foot print and fence position has been established many years ago. It is not the intention of this application to obtain any additional development rights on the property. For all practical purposes, the status quo of the last 65 years will remain.

6.3 Access Considerations

This section of Strandloper Street is not required for access purposes as all properties along this road gain access from Tens Crescent other roads (See locality plan attached as Diagram 1). The steep topography and proximity of the high-water mark will require very expensive construction methods and it is unlikely that council would spend money on building a road that would not serve any particular access requirement.

Instead of continuing the road along the lagoon as originally planned, a public parking area has been created from where the public can access the lagoon.

Figure 5: Public parking area as opposed to a lagoon edge road

6.4 Topography

The site slopes in a western direction towards the river mouth. The area around the existing cottage is relatively flat. (This was probably a consideration when the house was originally incorrectly placed). The house is approximately 8m above the high-water mark and is not prone to flooding.
6.5 Precedents in the area

- Erf 1682 is a portion of closed road that was consolidated with the remainder of Erf 955 to create Erf 1691, when King Fisher was re-aligned. This road closure effectively blocked access to the rest of the unsuitable road.
- Erf 1982 was also a portion of closed road that was consolidated with Erf 926 to form Erf 1983.

Figure 7: Extract from General Plan No 104 2070
6.6 Municipal Service

There appear to be no municipal services on the site that may be affected by the proposed allocation.

6.7 Impact on surrounding properties

The unmade road does not provide vehicular access to any of the adjacent properties along the lagoon. Since the status quo of the last 65 years will remain, it is unlikely that the application to rectify the encroachment will have any negative impact on the surrounding owners.

The portion under consideration is adjacent only to Erf 956 and is to no benefit to any other owner in the area.

7. WAY FORWARD:

Should Council agree to the proposed purchase, the following steps will need to be taken to allow the eventual transfer of the properties:

1. Valuation of the subject property by an independent valuator to be appointed by the seller.
2. Signing of a conditional sales agreement;
3. Submit an application in terms of Section 23 of the Standard Municipal Land Use Planning By-law to the local municipality for the amendment of a General plan by the addition of a portion of road to be closed.
4. Submit an application in terms of Section 26 of the Standard Municipal Land Use Planning By-law to the local municipality for the closure of a public road.
5. Rezoning of the subdivided portion from “Street” to “Single Residential” in terms of Section 15 (2) of the Standard Municipal Land Use Planning By-law;
6. Consolidation of the portion of closed road with Erf 956 Sedgefield;
7. All the above application will be subject to a simultaneous public participation process.
8. Upon approval of the above applications, the land surveyors will prepare a subdivision and consolidation diagram to effect the transfer by the conveyance attorneys.
9. The cost of the above processes will be for the applicants account.
REQUEST TO PURCHASE A PORTION OF MUNICIPAL LAND

MAPS

DIAGRAM 1: LOCALITY PLAN
DIAGRAM 2: AERIAL PHOTO
DIAGRAM 3: SUBDIVISION & CONSOLIDATION PLAN

ANNEXURE

ANNEXURE A: SG Status Report
STATUS REPORT: CLOSING OF PORTION OF STRANDLOPER ROAD ADJOINING ERFEN 956 AND 1691 SEDGEFIELD.

1. The proposed closure of land as shown on your attached plan BORDERED IN BLUE represents: PORTION OF ERF 1692 SEDGEFIELD AS SHOWN ON GENERAL PLAN NO: S.104 (2070) OF THE TOWNSHIP OF SEDGEFIELD. It is shown as PUBLIC STREET in my records.

2. FOR OFFICE USE The following properties will be endorsed: GENERAL PLAN NO: S.104 (2070), Erf 1691 Sedgefield.

3. Endorsement fees amount to: R550

4. I require a copy of a diagram suitable for registration purposes, surveyed by a land surveyor, of the following: THE PORTION TO BE CLOSED.

5. A written consent (accompanied by a sketch) is required in terms of Section 23(1) of the Knysna Municipal By-Law of Act 3/2014 for the amendment of GENERAL PLAN: No. S.104 (2070)

SEE REVERSE SIDE, EXAMPLE A

FOR OFFICE USE

CERTIFICATE
GAZETTE No
DATED

Yours faithfully,

[Signature]

ML ZULU

For SURVEYOR-GENERAL: WESTERN CAPE
TYPICAL EXAMPLES OF WRITTEN CONSENTS REQUIRED BY LOCAL AUTHORITIES:

The following could be used as guidelines.

A WHERE A PORTION OF ROAD IS CLOSED:

Consent is hereby given in terms of Section 23(1) of the Knysna Municipal By-Law of Act 3/2014 for the amendment of General Plan No S.104 (2079) by the addition of the portion of road to be closed, shown bordered in blue on the attached sketch, as one additional of [with/without] conditions.

[ ] Specify
FG13/11/17 REPORT BACK ON APPLICATION FOR LAND ALIENATION:
PORTION OF BUSH BUCH STREET, ERF 1669, SEDGEFIELD

REPORT FROM THE ACTING DIRECTOR: CORPORATE SERVICES

PURPOSE OF THE REPORT

To request the Municipal Council to consider selling a portion of Non-Viable Council property, being a portion of Erf 1669, Sedgefield (Bush Buck Street) measuring approximately 5 250 square meters, to Avieprop Developments.

BACKGROUND

Marike Vreken Town Planners CC on behalf of Avieprop Developments, the owners of the adjacent properties being Aviemore Village applied to purchase a portion of Erf 1669, Sedgefield (Bush Buck Street). The portion in question is a public road leading to Aviemore Village (see Annexure A).

Although Erf 1669, Sedgefield, being a public street is registered in the name of Avieprop Developments (Proprietary) Limited the Erf vests in the Municipality.

This application was tabled before the Governance and Economic Development Committee meeting dated 19 April 2016 and the committee unanimously recommended to the Mayoral Committee dated 12 May 2016 the following:

[a] That the report and annexure regarding the alienation of a portion of Erf 1669, Sedgefield, submitted to the Governance and Economic Development Committee meeting dated 19 April 2016 be noted;

[b] That the report with regard to the alienation of a portion of Erf 1669, Sedgefield, be referred back to the next Governance and Economic Development Committee meeting in July with a full investigation of all aspects of planning approvals.”

DISCUSSION

After a due diligent search no planning approvals could be found regarding the fence and gate on the public road, being on a portion of Erf 1669, the subject property.

Avieprop Developments should be held liable for this contravention and pay the penalties due. After the Directorate: Planning & Development have determined the penalties for the contravention the application for alienation should then be completed.

The land to be alienated is the public street. There are no other abutting land owners who can make use of the property involved other than the residents of Aviemore Village and Aviemore Estate.

The portion in question is being described in Council’s Management of Immovable Property Policy as being “Non-Viable Property” as defined as follow:
“non-viable property” means Property that, owing to urban planning, physical constraints or extent cannot be developed on its own or function as a separate entity and that can therefore become functional only if used by an adjoining owner in conjunction with such owner’s property”

According to clause 4 of the Council’s Management of Immovable Property Policy, a Property Transaction may be approved without any competitive process having been followed.

“Non-Viable Property” In respect of Non-Viable Property which can only be utilised by one adjacent land owner, a Property Transaction(s) may be approved without any competitive process having been followed, including in response to an unsolicited application, on the basis that no purpose would be served by a competitive process.”

Currently Aviemore’s gate is not in line with their fence. Their gate is at the red line and their fence is where the yellow line is. It is proposed that the gate be moved backwards to the white line to be in line with the fence (see Annexure B).

FINANCIAL IMPLICATIONS

There would be no negative financial implications to Council as the applicant would be responsible for the payment of all costs relating to this transaction. The selling of the land in question would generate income and more rates and taxes. The value of the portion of Council land in question was determined to be R 160 000, exclusive of VAT by DDP Values (see Annexure C).

RELEVANT LEGISLATION

Local Government: Municipal Finance Management Act, 2003
Local Government: Municipal Finance Management Act (56/2003) : Municipal Asset Transfer Regulations
Knysna Municipality’s Management of Immovable Property Policy

RECOMMENDATION OF THE MUNICIPAL MANAGER

[a] That the report and annexure regarding the alienation of a portion of Erf 1669, Sedgefield, submitted to the Finance, Governance and Economic Development Committee meeting dated 14 November 2017 be noted;

[b] That it be noted that there is no proof of any planning approvals for the fence and gate on the relevant portion of Erf 1669, Sedgefield;

[c] That Avieprop Developments be requested to pay the contravention levies, to be determined by the Directorate: Planning & Development, for the illegal fence and gate on the portion of Erf 1669;

[d] That Aviemore Development be instructed to move their existing gate as indicated on the diagram in Annexure B, to the border of the Aviemore Property as also indicated on the diagram in Annexure B;

[e] That Aviemore Development submits plans for approval for the fence and new gate, as determined in [d] above;
That in terms of Section 14(2)(a) of the Local Government: Municipal Finance Management Act, 2003, and on reasonable grounds, Council confirms that the portion of Erf 1669, Sedgefield being ±5 250 square meters to be alienated, are deemed not needed to provide the minimum level of basic Municipal Services;

That in terms of Section 14(2)(b) of the Local Government: Municipal Finance Management Act, 2003, the fair market value of R160 000 plus VAT, of the portion of Erf 1669, Sedgefield which includes the economic and community value to be received in exchange for the portion of the portion of Erf 1669, Sedgefield, be approved;

That in terms of Section 5(b)(ii) of the Local Government: Municipal Finance Management Act (56/2003): Municipal Asset Transfer Regulations approval in principle be granted that the portion of Erf 1669, Sedgefield may be disposed of;

That in terms of the Knysna Municipality’s Management of Immovable Property Policy approval is herewith granted that the portion of Erf 1669, Sedgefield must be disposed of by means of a Private Treaty Agreement with Avieprop Developments at the market value price of R 160 000 plus VAT as determined by the Municipal Valuer (DDP Values);

That the portion in question be disposed of for the use of a private road and open space only;

That the portions in question be rezoned as Portion A “Private Road” and Portion B “Private Open Space”;

That all costs relating to this alienation be for the account of Avieprop Developments and

That the Municipal Manager be requested to conclude the Private Treaty Agreement mentioned in [i] above.

**APPENDIX / ADDENDUM**

Annexure A – Application by Marike Vreken Town Planners CC
Annexure B – GIS Diagram proposed gate move
Annexure C – Valuation Report – A portion of Erf 1669, Sedgefield.

File Number : 7/2/1/2
Execution : Municipal Manager
Acting Director : Corporate Services
Manager : Administration
ANNEXURE A

SEDGEFIELD ERF 1669
APPLICATION FOR
ROAD CLOSURE, LAND ALIENATION, SUBDIVISION AND REZONING

CLIENT: AVIEPROP DEVELOPMENTS
PREPARED BY: MARIKE VREKEN URBAN & ENVIRONMENTAL PLANNERS

APRIL 2015
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SECTION A: BACKGROUND

1. THE APPLICATION

Marlise Vreken Urban and Environmental Planners has been appointed by Avieprop Developments to prepare and submit the required application documentation (refer to ANNEXURE A: Application Form) for:

(i) The closure and alienation of a Portion of Bush Buck Street (2736m²) in terms of the Cape Municipal Ordinance, 1974 (Ordinance 20 of 1974);

(ii) The subdivision of Sedgefield Erf 1669 into three (3) portions (Portion A = 2514m², Portion B = 2736m² and a Remainder = 2249m²), in terms of Section 24 of the Land Use Planning Ordinance 1985, (Ordinance 15 of 1985);

(iii) The rezoning of Portion A of Bush Buck Street (2514m²) to "Group Housing" zone in order to use this road as a private road; in terms of Section 17 of the Land Use Planning Ordinance 1985, (Ordinance 15 of 1985).

(iv) The rezoning of Portion B of Bush Buck Street (2736m²) to "Group Housing" zone in order to accommodate the area as a private open space; in terms of Section 17 of the Land Use Planning Ordinance 1985, (Ordinance 15 of 1985).

2. PROPERTY DESCRIPTION SIZE AND OWNERSHIP

A copy of the Title Deed which includes all the information outlined below are contained in ANNEXURE B: The General Plan for the property is contained in ANNEXURE C.

Title Deed Number: T08126/2007
Title Deed Description: Erf 1669 Sedgefield in the municipality and division of Knysna province of the Western Cape
Property Owner: AVIEPROP DEVELOPMENTS (PROPRIETARY) LIMITED
NO 2005/009376/07
Bonds: No bonds are registered

1 Section 28 of the Land Use Planning Ordinance states that "...The ownership of all public streets and public places over or on land indicated as such at the granting of an application for subdivision under section 25 shall, after the confirmation of such subdivision or part thereof, vest in the local authority in whose area of jurisdiction that land is situated, without compensation by the local authority concerned if the provision of the said public streets and public places is based on the normal need therefor arising from the said subdivision or is in accordance with a policy determined by the Administrator from time to time, regard being had to such need..." Hence, even though Erf 1669 is registered in the name of the developer, this public road vested with Knysna Municipality and is now owned by Knysna Municipality.
3. DEVELOPMENT SPECIFICATIONS

(Refer to Plan 4: Subdivision Plan)

The development proposal entails the following:

3.1. Subdivision Proposal

3.1.1. Subdivision of Erf 1669

Application is made in terms of Section 24 of the Land Use Planning Ordinance, 1985, (Ordinance 15 of 1985) for the subdivision of Erf 1669 into three portions.

Portion A = 2514m²
Portion B = 2736m²

Remainder of Erf 1669 = 2249m².

The proposed subdivision is shown in Error! Reference source not found. below:

---

2 According to the Title Deed, Erf 1669 was 4.4 ha in extent, however, according to General Plan 4839/1995, the Remainder of Erf 1669 (Bushbuck Street) is approximately 7499m² in extent.
The Sedgefield Municipality (now Knysna Municipality) approved the subdivision of Erf 1669 vide General Plan 4839/1995 into 49 Single Residential erven, 2 Business Zone Erven, a Service Station and a private road See attached ANNEXURE D.

The General plan was only formally implemented in 2005 when the remainder of Erf 1669 was subdivided to form phase 2 of the Aviemore Village development as approved by the Knysna Municipality during 2005. This resulted that the remainder of Erf 1669 after the two subdivision and rezoning procedures to be used as a public street (refer Municipal approval letter attached as ANNEXURE E).

3.1.2. Street Closure - Bush Buck Street

It is proposed to close Portions A and B of Bush Buck Street (2520m+) and to rezone these portions to group housing zone – a similar to the existing zoning of the Aviemore Village located north of the subject property.

The access gate of the Aviemore Village was constructed at an incorrect locality. This portion of Bush Buck Street does however not provide access to any other public property or public use. Portion A of Bush Buck Street will be used as a private access road for the Aviemore Village and Portion B will be used as a private open space for the Aviemore Village.

In order for the Aviemore village to use these portions of Bush Buck Street, the road has to be formally closed.
Portion B of Bush Buck Street is currently not used as a road, as it consists of two storm water retention ponds which present a challenging topography to construct a suitable road surface. The portion also serves as an important storm water drainage area collecting runoff water from the properties located north of Bush Buck Street.

It should be noted that the portion of Bush Buck Street to be closed will not affect the access of any home owners in the Aviemore Village, as no home owners makes use of the specific portion of Bush Buck Street.

3.1.3. Rezoning

If Council resolves to close and alienate the closed portion of Bush Buck Street; the portions will have to be rezoned to ‘Group Housing Zone’ where it will be utilised as an ‘open space’ which according to the Sedgefield zoning scheme regulations is defined as:

“public and common open space excluding roads, service yards and private outdoor spaces”

No group housing / residential development is proposed on the closed portion of the property. The property will be used as a common open space for the residents of Aviemore Village. Therefore the proposed use of an open space in the group housing zone will comply with all the zoning parameters for this specific zoning category. Application is therefore made for the rezoning of Portions A and B of Erf 1669 to “Group Housing” zone.
3.1.4. Access

Access to the Aviemore Village development will still be obtained off Egret Street via the remainder of Bush Buck Street. Portion A of bush buck street will be used as a private open space (road) where residents of Aviemore Village and Aviemore Estate will have controlled access to the development.

![Figure 3: Access to Subject Property](image)

3.2. Conclusion

From the above information it can be seen that no developments are proposed on the subject property whatsoever therefore having no impact on the demand of civil services.

**SECTION C: CONTEXTUAL INFORMANTS**

4. Locality

(Plan 1: Locality Plan)

The subject property is located within the town of Sedgefield in the western portion of the main developed area of the settlement the application area is located north off the N2 National Road which form parts of the Aviemore Village development. Although direct access is obtained via Egret Street and the Main Service Road. The GPS co-ordinates for the centre of the proposed development are 34° 1' 67.65'S and 22° 48' 58.68'E.
5. CURRENT LAND USE AND ZONING

5.1. Land Use

(Plan 2: Land Use)

The application area is currently used as public open space (road) west of the access gate and a private open space east of the access gate known as Bush Buck Street.

The east side of Bush Buck Street is currently being used as storm water retention ponds due to the topographic constraints to construct a suitable road surface. The northern section of Erf 1669 is currently being used as a private open space.
5.2. Zoning

(Plan 3: Zoning Plan)

According to the Zoning Map for Sedgefield in the Knysna Municipality the property is zoned as "Street Zone". However according to the Sedgefield Zoning Scheme Regulations (1980) there is not a "Street Zone" zoning category and no zoning parameters available to the current zoning of the property. The status report as received from the surveyor general cape town records the subject property is used as public street (See attached Status report attached as ANNEXURE F)

![Figure 6: Sedgefield Zoning Map 2008](image)

6. CHARACTER OF THE AREA

The site is highly accessible, being located very close to the N2 National Road, and at a main intersection and access road leading to Myoli Beach and surrounding residential areas. The intersection at Egret Street is also the access point for residents of the Smutsville Sizamile low income residential area south of the N2 national road and Aviemore village to the North.

![Figure 7: Aviemore Village](image)
The immediate surrounds of the application area is characterised by a mixture of single residential and group housing developments accommodating middle to high income housing and accommodation establishments. While to the south of the N2 the area takes on a more business-orientated character with a proliferation of guesthouses and restaurants.

The subject property abuts Egret Street to the east whereby west of the application area is identified by a mixture of single residential units and the Sedgefield CBD where most of the town’s economic activities takes place. Bushbuck road which feeds into the main service road north of the N2 is a primary movement through Sedgefield.

The east of Sedgefield is the area where most of the town’s growth is taking place. In 2014 The Knysna Municipality approved the rezoning of Sedgefield Erven 3550 – 3557 located east of the subject property from group housing to “General Residential” zone for approximately 222 residential units.

The proposal to control access to the group housing section of Aviemore village will reduce the vehicle demand on Bush Buck Street as the new flats approved east on Aviemore village will make use of two access points to efficiently distribute traffic flow onto Egbert street from the Aviemore residential units.

7. SITE CHARACTERISTICS

The west side of the subject property is used as a public road where an access gate separates Bushbuck Street which is used as a private road by residents of Aviemore village.

The total area of the site is approximately 7499m². The topography of the site is gently sloping from the north to south, from an elevation of approximately 16m to 13m, meaning that is exhibits an average gradient of 2.86 %. The northern half and eastern side of the proposed site is covered in thicket with a few young trees whilst the remainder is covered by tarmaced road and kerbside grass. The site has no prominent established trees or sensitive vegetation.
The portion of Bush Buck Street that is proposed for closure was never constructed due to challenging topography and storm water service drains complicating the road reserve design. The portion is currently contains several trees and open grass areas.

8. EXISTING MUNICIPAL SERVICES

The portion of Bush Buck Street that is proposed for closure and alienation does not contain any municipal services, and therefore this portion is not required for the provision of any basic municipal services. The figure below shows the locality of municipal services in the area.
PROPOSED ROAD CLOSURE, LAND ALIENATION, SUBDIVISION & REZONING: SEDGEFIELD 1669

The constructed portion of Bush Buck Street, will be retained as a road, but only a private road and not a public road. It should be noted that the portion of road that is proposed to be used as a private road has accidently been closed off since the Aviemore HOA constructed its access gate. We are unaware of any complaints that have been received from the public regarding the position of the access gate or the restricted use of the portion of Bush Buck Street. Hence if council approves the alienation, status quo will be retained.

Existing electrical services are located in the road reserve of the N2 National Road, hence no services will be affected by the closure of a portion of Bush Buck Street.

9. EXISTING POLICY FRAMEWORKS

9.1. Draft Western Cape SDF (2013)

Although the Western Cape Provincial SDF is still in draft format and subject open for public comment it represents the updated and amended planning framework for policy and urban planning publicised by the provincial administration that “communicates the provinces spatial planning agenda”.

The recent shift in legislative and policy frameworks has clearly outlined the roles and responsibility of provincial and municipal spatial planning and how they should be integrated towards the overall spatial structuring plan for the province. This shift in spatial planning has meant that provincial inputs are in general limited to provincial scale planning. However it is important to note some of the key policies laid down by the draft PPSDF have a bearing on the application.

Policy S3: Ensure Compact, Balanced & Strategically Aligned Activities & Land Uses

This policy reflects the main aim of the policy through targeting economic assists (e.g. Modal Interchanges underutilised strategically located land parcels) should be used as a lever to regenerate and revitalise urban settlements. Promoting functional integration and mixed land use to increase liveability of urban areas. Thus the policy specifies the importance to increase density of settlements and number of units in new housing projects; continue to deliver public investment to meet the needs in settlement developments; integrate packages of land, infrastructure and services as critical to promote densification and efficiency associated with agglomeration.

Policy S5: Ensure Sustainable, Integrated and Inclusive Housing Planning and Implementation

The policy reflects to provide households with the residential environments, mobility and access to opportunities that support productive activities and reduce levels of exclusion from opportunity, increase residential densities of settlements and dwelling units in new projects that provide accommodation, prioritise investment in community facilities, public infrastructure and public space, rather than an exclusive focus on housing or top structures.

Note: The development proposal will comply with the Western Cape spatial development framework as the proposed rezoning of a portion of Bush Buck Street will integrate with the group housing zone of Aviemore village to be utilised as private open space resulting in a
SECTION D: MOTIVATION

10. CRITERIA FOR ASSESSMENT

10.1. Western Cape Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985)

The Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985) states in Section 36 that the reasons for refusing an application may only be considered on the basis of the "lack of desirability" of the proposed land use. The following points must be taken into account when evaluating the desirability of this application:

- Consistency with spatial planning policies
- Character of the area
- Locality and accessibility
- Impact on Existing Rights
- Availability of Services
strategically aligned land use with the immediate surrounding area. The proposed subdivision of a portion of bush Buck Street to be used as a private open space will not affect the mobility or access of the Aviemore residents into the town of Sedgefield thus complying with policy to provide residential environments with access to productive activities.


In November 2008 the draft Knysna SDF was adopted for planning purposes as a statutory planning document although it has not yet been formally endorsed by the Provincial Government.

According to the Knysna SDF 2008, the Sedgefield Spatial Development Framework indicates that the application area is situated within the urban edge of Sedgefield and is therefore appropriate for urban infill or township development purposes.

The SDF highlights that Sedgefield Main Street which Bush Buck Street connects to should maintain the character of buildings, streetscape as well as maintaining and promoting a pedestrian–friendly environment. Care should be taken to avoid dominance of retail signage. A common theme (building colours or style) should be promoted to provide an attractive and inviting streetscape from the N2 through route.

The proposed development is therefore consistent with the proposals of the Knysna Spatial Development Framework, since the proposed development:

- is within the urban edge
- will maintain character of streetscape
- would satisfy the need for community and local services at the East End local node
SECTION D: MOTIVATION

10. CRITERIA FOR ASSESSMENT

10.1. Western Cape Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985)

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- Consistency with spatial planning policies
- Character of the area
- Locality and accessibility
- Impact on Existing Rights
- Availability of Services

Section 14 of the abovementioned Act deals with disposal of capital assets of municipalities and reads as follows:

14. Disposal of capital assets:

(1) A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.

(2) A municipality may transfer or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public —
   (a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and
   (b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

(3) A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.

(4) A municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsection 2(a) and (b) in respect of movable capital assets below a value determined by the council.

(5) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111…"
12. CONSISTENCY WITH THE CHARACTER OF THE SURROUNDING AREA

The proposed rezoning of a portion of Bush Buck Street to group housing zone will comply with the group housing character of the surrounding area. The proposed group housing zone will be utilised as "private open space" (private road and private open space) and this will be in accordance with the current use and be consistent with the character of the surrounding area.

![Diagram of Group Housing Zone]

**Figure 13: Area to be Rezoned is Consistent with Surrounding Area**

Portion A of Bush Buck Street will remain as the primary access route to the Aviemore Village controlled by a gate. This is not uncommon in the surrounding area. The sandals group housing development located approximately 150m south of the application makes use of an access gate to provide residents with private controlled access.
The Meedings Park group housing development located approximately 200m south of the application area also makes use of an access gate which gives private controlled access to the Meedings Park Group housing residents.

The proposal to use Portion A of Bush Buck Street as a private open space controlled by a gate to a group housing development is highly consistent with the character of the surrounding area.

13. CONSISTENCY WITH SPATIAL POLICY DIRECTIVES

This development application is consistent with all of the approved spatial policy frameworks that apply to the area, refer to Section 9 for a detailed discussion of the consistency with current and draft spatial policy for the area.

In line with the spatial planning policies in evidence in the area, the development will:
14. NO IMPACT ON EXISTING LAND USE RIGHTS

Given the fact that the majority of Bush Buck Street is currently being used as an access road to Aviemore village, the proposal will not negatively affect access rights to the Aviemore estate development located east of the application area. The Primary access point for the recently approved Aviemore Estate development will be located north of the proposed development and will use Bush Buck Street as secondary access point located west of the proposed development (see Figure 16 below). Therefore the portion of Bush Buck Street to be used as a private open space will not affect right of access to surrounding developments.

![Diagram of Aviemore Estate and Bush Buck Street]

**Figure 16: Primary access to Aviemore Estate**

No developments are proposed on Portion B of Bush Buck Street which will be alienated and rezoned to group housing zone to be used as an open space by the Aviemore village. Given the fact that no structures or developments are proposed on the rezoned property it will not have any impact whatsoever on any existing land use rights by surrounding land owners.

15. NO IMPACT ON THE BIOPHYSICAL ENVIRONMENT

The proposed subdivision and rezoning will have no impact whatsoever on the biophysical environment. No negative environmental impacts will be created as a result of the subdivision and proposed rezoning.
The subject property is a transformed. The application does not trigger any listed activities in terms of the National Environmental Management Act (1998) as amended. The application area is also not within a recognised Critical Biodiversity Area\(^4\), nor is it within a listed Threatened Ecosystem.

The proposed closure of the portion of Bush Buck Street, will not result in any additional transformation, it will rather ensure that the portion is being used open space area contributing to an increased soft space area in the Aviemore Village.

16. CONCLUSION

In light of this motivation, it is clear from the foregoing report that the application for:

(i) The closure and alienation of a Portion of Bush Buck Street (2736m\(^2\)) in terms of the Cape Municipal Ordinance, 1974 (Ordinance 20 of 1974);

(ii) The subdivision of Sedgefield Erf 1669 into three (3) portions (Portion A = 2514m\(^2\), Portion B = 2736m\(^2\) and a Remainder = 2249m\(^2\)), in terms of Section 24 of the Land Use Planning Ordinance 1985, (Ordinance 15 of 1985);

(iii) The rezoning of Portion A of Bush Buck Street (2514m\(^2\)) to "Group Housing" zone in order to use this road as a private road; in terms of Section 17 of the Land Use Planning Ordinance 1985, (Ordinance 15 of 1985).

(iv) The rezoning of Portion B of Bush Buck Street (2736m\(^2\)) to "Group Housing" zone in order to accommodate the area as a private open space; in terms of Section 17 of the Land Use Planning Ordinance 1985, (Ordinance 15 of 1985).

\(^4\)As mapped by the Garden Route Biodiversity Sector Plan
is desirable and it is therefore recommended that the application for the proposal be supported by the relevant authorities and approved by Council.

Marlie Vreken Urban and Environmental Planners
April 2015
ANNEXURE A.

Application Form
SUBDIVISION OF LAND

APPLICATION FOR SUBDIVISION IN TERMS OF SECTION 24 OF THE LAND USE PLANNING ORDINANCE, 1985 (ORDINANCE 15 OF 1985)

Before completing this application, first consult Items, 1, 2, 3, 4, 5, 6, 13, 19, 20, 21 and 22 of the Annexure

(*Delete whichever is not applicable)

PART A

(Consult items 7 and 8 of the annexure)

1. Name and address to which correspondence is to be addressed and applicant's reference number, if any:

MARIKE VERKEN TOWN PLANNER, P.O. BOX 2180, KNYSNA

Postal code: 6570 Ref. number: Pr15/06
Telephone No: 382 0420 Dialling code: 044

2. Name of registered owner of the property (Consult item 9 of the annexure):

AVIEPROP DEVELOPMENTS

3. Registered description of land to be subdivided as well as the number and date of the title

Deed:

Title Deed Number: T88126/2007

Title Deed Description: Erf 1669 Sedgefield in the municipality and division of Knysna province of the Western Cape.

4. Existing extent of property (Consult item 10 of the annexure):

4.4577 ha Four Comma Four Five Seven Seven Hectare

Remainder of Erf 1669 = Approx 7498m²

5. Existing use of property:

Public Road

6. Does the owner possess any adjoining land or land which is situated in the immediate vicinity?

NO

If so, submit a detailed description thereof and indicate on the plan the locality and the size thereof.

N/A
SUBDIVISION OF LAND

7. Has a previous application for subdivision of the property been considered?
   NO
   If so, when and furnish details including all reference numbers of authorities.
   N/A

8. Is section 2(1) of the Physical Planning Act, 1987 (Act 88 of 1987) applicable to the subdivision?
   NO

9. Is the Subdivision of Agricultural Act, 1970 (Act 70 of 1970), applicable to the Subdivision?
   NO

10. Where the Local Authority is the applicant and the proposed subdivision is to be developed by means of government funds and it does not form part of an already approved master plan or existing block in an approved town, has the relevant Department been approached regarding the layout and planning thereof?
    N/A
    If so, attach a copy of the relevant Department's final reply.
    N/A

11. Does the applicant fall within an area of an approved guide plan or other plan approved in terms of Section 8A of the Physical Planning Act (Act 88 of 1987) or any structure plan in terms of the Ordinance, or any other structure or development plan?
    YES
    If so, furnish details.
    WESTERN CAPE PROVINCIAL SPATIAL DEVELOPMENT FRAMEWORK
    KNYNSA SPATIAL DEVELOPMENT FRAMEWORK

12. Is the property situated in a local area under control of a divisional council?
    YES

13. Does the property abut against any national, special, trunk main or divisional road or such proposed road?
    Yes

14. Does the property abut against the area of jurisdiction of another local authority or does any other local authority have direct interest in this subdivision, either on account of this factor or any other factors?
    NO
    If so, state the name of such local authority and its interest in the application.
SUBDIVISION OF LAND

15. Is the land or any portion thereof subject to flooding or tides?
   NO
   If so, then indicate to what extent this affects the subdivision.

16. Does the title deed of the property contain any servitudes, rights, bonds etc. in favour of other persons or any conditions restricting subdivision, the number of buildings that may be erected or the use of land, or any other conditions which may have a bearing on this subdivision?
   If so, furnish details. Attention is specifically drawn to section 27(1) of the Ordinance.
   REFER TO PARAGRAPH 2 OF THE MOTIVATION REPORT.
   THERE ARE NO BONDS REGISTERED ON THE PROPERTY

17. For what purpose is the subdivision intended eg, residential, industrial etc?

   GROUP HOUSING
   PUBLIC ROAD
   PRIVATE ROAD

18. What arrangements will be made regarding the following services to the erven? (Full details must be given especially in cases where it is not possible to connect onto existing local authority services)

   18.1 Water supply:
       NO SERVICES REQUIRED

   18.2 Drainage and disposal of storm water:
       NO SERVICES REQUIRED

   18.3 Disposal of night soil, slope water and drainage
       KNYSNA MUNICIPALITY

   18.4 Refuse disposal:
       NO SERVICES REQUIRED

   18.5 Electricity:
       NO SERVICES REQUIRED

19. To what extent are the services which have been installed in the abutting (surrounding) areas already been utilised?

   The subject property is currently being used as a road reserve and require no services municipal service
SUBDIVISION OF LAND

20. Furnish the name of the body which reticulates electricity in the area:

KNYSNA MUNICIPALITY

21. Regarding the zoning scheme, indicate:

22.1 The use for which the land has been zoned e.g. Residential I, Residential II, Business I etc.

STREET ZONE

22.2 The minimum erf size, if any, which the scheme prescribes for this area:

NO MINIMUM SIZE PRESCRIBED

22. What are the dominant erf sizes in the vicinity?

Varies between 450m² and 2500m²

23. Have the provisions of Section 22(1)(a) of the ordinance been complied with?

N/A

If not, an application for rezoning in terms of section 18 of the ordinance, properly completed, must accompany this application.

24. I, the undersigned, certify that all information accompanying this application, as well as the information provided on the subdivision plans, is correct and that the application is fully understood.

SIGNATURE:

DATE: 24 March 2015
SUBDIVISION OF LAND

PART B

(Consult Item 7 of Annexure)

1. What provision has been made in the layout for the following (indicate the size of the land where applicable):

SUBDIVISION OF SINGLE PROPERTY, NOT APPLICABLE

1.1 Government purposes, e.g. police station, etc.:

1.2 Post and Telecommunication Services:

1.3 Transport Services:

1.4 City Transport Purposes:

1.5 Public Education Purposes:

1.6 Public Places and Recreation ground:

1.7 Electricity Substation Sites:

1.8 Local Authority Purposes:

2. Attention is drawn to section 16(6) of the Water Act, 1956 (Act 54 of 1956), as amended by section 25 of the Water Amendment Act, 175 (Act 42 of 1975). Does this have a bearing on the property?

NOT APPLICABLE

If yes, submit a plan by a competent professional person in terms of Regulation R3063 dated 8 August 1969 of the Regulations promulgated in terms of the Professional Engineer’s Act, 1968 (Act 81 of 1968), as amended, indicating the 20-year flood line or the 50-year flood line, which ever is applicable.

If no, submit a certificate by a competent professional person in terms of Regulation R3063 dated 8 August 1969 of the Regulations promulgated in terms of the Professional Engineer’s Act, 1968 (Act 81 of 1968), as amended, to the effect that the land is not subject to the abovementioned provisions of the Water Act.

(Consult Item 14 of the Annexure)

3. I the undersigned, certify that all information accompanying this application, as well as the information furnished on the subdivision plans, is correct and that the application is fully understood

SIGNATURE

DATE 24 March 2015
ANNEXURE B.  

Title Deed
CERTIFICATE OF REGISTERED TITLE

Issued under the provisions of Section 43 of the Deeds Registries Act 1937 (No 47 of 1937).

WHEREAS

AVIEPROP DEVELOPMENTS (PROPRIETARY) LIMITED
NO 20/99/383/2007

has applied for the issue to itself of a Certificate of Registered Title under the provisions of Section 43 of the Deeds Registries Act 1937 in respect of the undermentioned land and being portion of the land registered in the Deeds Registries Board of Transfer No T53342/2006.

DATA: CAPTURE
28 NOV 2007

For endorsements see page.
Endorsement in terms of Section 25 of Act 47 of 1911

The land herein described has been subdivided in terms of

In accordance with GENERAL PLAN No. 4096/195

Respective Approvals / Finally Approved by the Surveyor General on 18/08/1995

Ink River, numbers: 3485 - 3584

Public places

and thoroughfares.

Signature:

Deeds Record
Cape Town

VIR ENDOSSEMENTE KYK BLADSBY
FOR ENDOSEMENTS SEE PAGE...
NOW THEREFORE in pursuance of the proviso of the said Act, I, the Registrar of Deeds of CAPE TOWN do hereby certify that the said

AVIEPROP DEVELOPMENTS (PROPRIETARY) LIMITED

their Successors in title or assigns is the registered owner of

ERF 1628 REDGFIELD
IN THE MUNICIPALITY AND DIVISION OF KNYSNA
PROVINCE OF WESTERN CAPE
IN EXTENT: 4,4577 (FOUR COMMA FOUR FIVE SEVEN SEVEN) HECTARES

AS SHOWN ON DIAGRAM NO. 11146/91
AND HELD BY DEED OF TRANSFER NO. T63342/2666


B. SUBJECT FURTHER to the provisions of Section 4 of St. John Collett's proclamation dated 6 August 1787 by virtue of which all rights to the mining of gold, silver and precious stones are reserved in favour of the State.

C. SUBJECT FURTHER to the conditions contained in Deed of Transfer No. T63342/19 August 1878, namely:

"That all drinking places for cattle and the use of fountains on the different portions of the farm shall remain as heretofore and that the right of all roads shall be respected."
Diagram number sy no 4699/2010 has been framed for within property.

Deeds Office
Cape Town

Registrar of Deeds

1. No structure or fencing (including anything which is attached to the land on which it stands or even though it does not form part of that land) shall be erected, laid or obtained on the site unless it has written approval of SANRAL with a distance of 20 metres measured from the boundary of the national road.

2. Access will be obtained via Epping Berg. Traffic signals shall be installed at the N8/Epping Street intersection when warranted.

3. SANRAL will not be held liable for any damage or diminishment in value of the property arising out of or in connection with the development hereby approved, and is not liable for any loss, injury or damage suffered by the developer. SANRAL hereby reserves its right to impose any conditions in this regard that it deems reasonable in the circumstances.

4. SANRAL will not be liable should it be found at any time that noise emanating from the road presents a problem for the development adjacent to the road, and the owner of the development will be liable for any measures as may be necessary to reduce the noise emanating from the road.

E. SUBJECT FURTHER to the following conditions imposed by the Municipality of Krugersdorp in terms of Section 42 of the Local Land Use Planning Ordinance 1988.

"The members of and its successors in title will be members of the AVIERMORE SECURITY VILLAGE HOME OWNERS ASSOCIATION established in terms of Section 22 of Ordinance 1988, and shall at all times be subject to the Constitution thereof and the property will not be transferred without the written consent of the AVIERMORE SECURITY VILLAGE HOME OWNERS ASSOCIATION."
AND that by virtue of these presents, the said

AVIEPROP DEVELOPMENTS (PROPRIETARY) LIMITED
NO 2006/003770/07

shall hereinafter in title or assigns:  

now is and henceforth shall be united thereto, conformably to local custom, the State, however, 
reserving its rights.

IN WITNESS whereof, the said Registrar have subscribed these present, and have caused 
the seal of office to be affixed thereto.

THUS DONE and executed at the Office of the Registrar of Deeds at Cape Town on
2007.

[Signature]

REGISTRAR OF DEEDS
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ANNEXURE C.

General Plan 4839/1995
ANNEXURE D.

1995 Municipal Approval Erf 1669
Geachte Meester

**ONDERVERDELING GDEELTE 135/205 SEDGEFIELD**

Met verwysing na bogenoemde deel ek u mee dat my Raad goedkeuring verleen het ingevolge Artikel 25(1) van Ordonnansie 15 van 1985 vir die onderverdeling van begemelde eiendom soos aangetoon op die aangehegte plan waarop die grondbehuike vir die doeleindes van Artikels 22(2) en 22(3) van Ordonnansie 15 van 1985 aangetoon word. Hierdie onderverdeling sal onderworpe wees aan die volgende voorwaardes opgelê kragtens Artikel 42(1) van Ordonnansie 15 van 1985:

1. Dat die aanvraag of kapital die hydrae ingevolge raadsbeleid betaal by aanvraag om uitklaring of goedkeuring van bouplanne.

2. Dat die eienaars verantwoordelijkheid aanvaar vir die konstruksie en finalisering van alle interne dienste soos paal, sawdajies, vloeivloedretensiedam, pid- en verkeerstekens, straatbome, elektrisiteit, water, stormwater dreining en dat die groepenhuisings eenhede as afsonderlike eenhede by die netwerk sal aansluit en dat die ontwikkeling ook verantwoordelijk sal wees vir die koste van die opgradering van alle toevoerdiens met betrekking tot water, elektrisiteit en riool.
Hierdie dienste moet ooreenkomsstig die Raad se standaarde en tot die Raad se bevrediging geïnstalleer word soos gesertifiseer deur ’n bevoegde persoon wat vir die Raad aanvaarbaar is.

3. Dat die boulyverslappings ten opsigte van sygrense van die voorgestelde skakelhuisie oorweeg word by die indiening van bouplanse.

4. Dat ’n huisienareservering in terme van die Maatskappy Wet geregistreer word met regsbevoegdheid en lidmaatschap waarvan verpligend sal wees vir alle eienaars van groepsweg in die groepserseel of persone waarvoor dit gestig is en wat verantwoordelikheid moet aanvaar vir dienste, belastinggeld en instandhouding van die privaatpad soos aangetoon op die plan.

5. Dat ’n riolisterseel tot bevrediging van die Departement van Gesondheid voorsien word.

6. Dat die eienaars aanspreeklikheid sal aanvaar vir die instandhouding van alle munisipale dienste vir ’n tydperk van twaalf maande vanaf die datum van ondertekening van die finale voltouingscertificaat, waarna die Raad aanspreeklik sal wees vir sodanige onderhoud. Die voltouingscertificaat moet ook deur ’n bevoegde persoon uitgereik word met uitsondering van die groepswukingsserve.

7. Dat die voorwaardes soos neergelê deur die Departement van Vervoer straam nagekoms word soos vervat in hulle skrywe gedateer 4 Junie 1993.

Dienste aan die onderverdeling sal voorsien word ooreenkomsstig Regulasie 39 van die Regulasies uitgevaardig kragtens Artikel 47(1) van Ordonnansie 15 van 1985.

U aandag word ook gevestig op die volgende:

Regulasies 36, 37 en 35 van die Regulasies uitgevaardig kragtens Artikel 47(1) van Ordonnansie 15 van 1985 en Artikel 26, 27 en 28 van dienselfde Ordonnansie.
'n Afskrif van hierdie skrywe gaan aan die Landmeter-Generaal.

Die uwe

S. BRINK
UITVOERENDE HOOF/STADSKLERK

a.a. Die Landmeter-Generaal
Privaatsak X9028
KAAPSTAD
8000

Tesourier
Ingenieur
ANNEXURE E.

2005 Municipal Approval Erf 1669
17 January 2005

Messrs JMLAMI Development
C/o Dr J van der Merwe
P. O. Box 66142
Woodhill
PRETORIA
0076

Sir

ERF 1669 SEDGEFIELD AND REMAINDER OF PORTION 135 OF THE FARM
RUYGTE VALLEY NO. 205, DISTRICT OF KNYSNA

My previous letter of 6 January 2005 refers

Approval is hereby granted in terms of Section 25 of the Land Use Planning
Ordinance, 1985 (Ord. No. 15 of 1985) for the subdivision of ERF 1669 Sedgefield
and Remainder of Portion 135 of the Farm Ruygte Valley No. 205, District of
Knysna, into one (1) Service Station erf, two (2) Business erven, eighty five (85)
Group Housing Residential erven, two (2) portions Private Road, one (1) portion
Private Open Space and a Remainder Public Street, as indicated on subdivision

This approval is subject to the conditions contained in the attached Annexures A, B
and C. Copies of the subdivision plans, endorsed as required, are attached for your
further attention.

Your attention is drawn to the provisions of Section 27 of Ordinance No. 15 of 1985,
regarding the lapsing of unutilised land use approvals (5 years in respect of
subdivision).
Yours faithfully,

R MARTIN
MANAGER: OPERATIONS

cc: Manager: Corporate Services
    Manager: Finance
    TE

TEE
BCO
Chief: Health & Housing

Propnet (Mr M J Stander)
Intersite (Ms L Brazendale)
ANNEXURE ‘A’

The following conditions of title must be registered against each of the subdivided portions and the remainder, except where similar conditions have, in the opinion of the Conveyancer, already been registered against the original property or properties:

a) The owner of this erf shall without compensation, be obliged to allow gas mains, electricity, telephone and television cables and/or wires and main and/or other waterpipes and the sewage and drainage including stormwater of any other erf or erven to be conveyed across this erf, and surface installations such as mini-substations, meter kiosks and service pillars to be installed thereon if considered necessary by the local authority in such manner and position as may from time to time be reasonable required. This shall include the right of access to the erf at any reasonable time for the purpose of constructing, altering, removing or inspecting any works connected with the above;

b) The owner of this erf shall be obliged, without compensation, to receive such material or permit such excavation on the erf, as may be required to allow use of the full width of the street and provide a safe and proper slope to its bank owing to difference between the levels of the street as finally constructed and the erf, unless he elects to build retaining walls to the satisfaction of and within a period to be determined by the local authority.
ANNEXURE 'B'

Satisfactory arrangements for the essential removal of telephone or telegraph routes which cross the land being subdivided must be made with the Post Office in terms of Section 83(1) of the Post Office Act.
ANNEXURE ‘C’

a) That the relevant conditions as stipulated in the approval set out in the Sedgefield Council’s letter to the applicant, reference 15/2/3/2/16 dated 7 March 2000 shall apply, namely:

i) Dat alle voorwaardea gestel tydens die goedkeuring van die ondervorderings gedurende 1995 nagekomen word, maar dat voorwaarde 1 van die Raad su goedkeuring gedateer 30 Maart 1995 met die volgende vervang word: “Dat die aanseker die kapitaal bydrae per erf ingevoeg Raadbeleid en soos van tyd tot tyd gewysig, betaal by aanseker om uitklaring of goedkeuring van bouplanne”;

ii) Dat geen bouplanne oorweeg sal word alvorens interne dienste nie voltooi is en die voorgestelde ondervordering geregistreer is nie;

iii) Dat ’n dienste-oorlokoms met die Raad onderhandel word alvorens enige ontwikkeling op die grond mag plaasvind;

b) That, owing to the critical water supply situation in Sedgefield and the number of existing development approvals being exercised, no development may take place in terms of this approval unless and until an assured water supply is provided for the total development, or clearly identified phases thereof, to the satisfaction of the Municipality, and the Town Engineer has granted written confirmation thereof.

-000-

1699SED 17 Jan 05
ANNEXURE F.

Status Report Erf 1669
**THIS STATUS REPORT SUPERSEDES MY ONE DATED 2013-03-14**

(R. S. A)

Tel: (021) 467 4800
Fax: (021) 465 3008

OFFICE OF THE SURVEYOR-GENERAL
PRIVATE BAG X9028
CAPE TOWN
8000

2015-03-31

MY REF: KNYS.205 v5 p 67

Your ref -
Dated : 2015-03-20

Note: THIS STATUS REPORT IS VALID FOR 3 YEARS.

MADAM/SIR

STATUS REPORT: CLOSING OF PORTIONS OF BUSHBUCK STREET ADJOINING ERVEN 3486 TO 3505 AND 3508 SEDGEFIELD.

1. The proposed closure of land as shown on your attached sketch PLAN 4 LETTERED EFGHJMPQ AND JKLM represents: PORTIONS OF ERF 1669 SEDGEFIELD AS SHOWN ON GENERAL PLAN NO. 4839/1995
   It is shown as EFGHJMPQ AND JKLM - PUBLIC STREET in my records.

2. **FOR OFFICE USE** The following properties will be endorsed: GENERAL PLAN NO. 4839/1995 AND ERF 3508 SEDGEFIELD

3. Endorsement fees amount to: R 460.00

4. I require a copy of a diagram suitable for registration purposes, surveyed by a land surveyor, of the following: THE PORTIONS TO BE CLOSED.

5. A written consent (accompanying by a sketch) is required in terms of Section 30(1) of Ordinance 15/1965 for the amendment of GENERAL PLAN: No. 4839/1995
   **SEE REVERSE SIDE, EXAMPLE A**

**FOR OFFICE USE**

Yours faithfully

P R PHILLIPS
For SURVEYOR-GENERAL : CAPE TOWN
TYPICAL EXAMPLES OF WRITTEN CONSENTS REQUIRED BY LOCAL AUTHORITIES.

The following could be used as guidelines.

A WHERE A PORTION OF ROAD IS CLOSED.

Consent is hereby given in terms of Section 30(1) of Ordinance 15/1985 to the amendment of General Plan No 4830/1995 by the addition of the portions of road to be closed, lettered EFGHJMNPQ AND JKLM on the attached sketch PLAN 4, as two additional erven [with/without] conditions.

[] Specify
PLAN 1. Locality Plan
PLAN 2.

Land Use
PLAN 3.

Zoning Plan
PLAN 4.

Subdivision Plan
VALUATION REPORT

PROPERTY:  Erf 1669 Sedgefield

REFERENCE No: DDPMUN0916

REPORT No: 01

DATE: 23 February 2016

Report prepared by: Comé Theron

Company: DDP Valuers (Pty) Ltd Reg No 2003/007630/07 VAT No 466270264
Directors: J.D. Xulu (Chairman) T. Georgy (CEO) T. Nel (MD) J. Voges, N. Banda, M. De Beer
Offices: Pretoria, Johannesburg, Port Elizabeth, George, East London, Cape Town, Richards Bay, Plettenberg Bay, Durban, Bloemfontein, Kimberley, Welkom, Kimberley

DDP Valuers is a Level 3 B-BBEE Contributor (Procurement Recognition of 110%)
MARKET VALUATION REPORT

1. GENERAL INFORMATION

1.1 INSTRUCTION:

DDP Valuers was instructed by Knysna Local Municipality as represented by Mr Renwill Hardwick to determine the market value of the subject property as described in this report.

1.2 PURPOSE OF VALUATION:

The purpose of this valuation report is to determine the current market value of the subject property as at date of valuation.

1.3 METHODS OF RENTAL DETERMINATION:

Comparable Sales Method

The value indicated is established by comparing the subject property with similar properties, called comparable sales. Comparable sales are recent property transactions of property that were sold in accordance with the definition of market value.

These comparable sales are judged as being the most comparable to the subject property to indicate a range of value in which the subject property’s value could be determined. The subject property is then measured against the comparable sales, in various elements of comparison that might influence and ultimately determine the value of the subject property.

1.4 DEFINITIONS:

Market Value: The estimated amount for which a property (asset) should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-lengths transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

1.5 DATE OF VALUATION:

23 February 2016

1.6 INFORMATION SOURCES:

Deeds Office Cape Town
Chief Surveyor General
Local Authority – Knysna Local Municipality
Lightstone Property Transfers
2. SUBJECT PROPERTY

The subject property is known as Erf 1669 Sedgefield as per information received from the client.

2.1 LEGAL DESCRIPTION

The subject property is a portion of Bush Buck Street. As per diagrams received from the client, the property is approximately 7,499m² in extent.

The portions to be alienated is Portion A being 2,514m² for a private road and Portion B being 2,736m² for private open space. The total extent of the proposed portion to be alienated is 5,250m².

No title deed could be obtained for this property.

2.2 PHYSICAL DESCRIPTION

The subject property offers an irregular shape.

The subject property is undeveloped land with a fairly level elevation profile currently predominantly utilised as a public road (Bush Buck Street).

Measurements were obtained from the below diagram:
The subject property is located in Sedgefield. The largest part of the subject property is a ±15 meters wide strip of land running along the northern side of the N2 National highway for approximately 470 meters.

A smaller portion of the subject property is running along the eastern side of Egret Street and is ±6.5 meters wide and 100 meter long.

3. VALUATION CONSIDERATIONS AND MARKET RESEARCH

The most accurate method to determine an appropriate rate is through evidence produced by actual market transactions. This information is not always readily available, as there is an encumbrance of confidentiality of transactions, corporate transfers and lack of access which hamper the comparison process.

After extensive analysis which included the filtering out of developed and/or less comparable properties, the comparable sales located in close proximity to the subject property was therefore noted in this valuation report, as they are indicative of achievable selling prices for undeveloped land within the vicinity of the subject properties. The comparison was made on the basis of proximity to individual property characteristics, amenities, facilities, accessibility, land use and other relevant factors.

The following transactions for undeveloped vacant land were found for the period 01 January 2015 to date.
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These transactions indicate a rate of between R243.43/m² and R887.56/m² for undeveloped land with an average of R472.40/m².

When considering the market rate to apply, various value forming attributes and other factors must be considered including the following:

- The subject property offers an impractical form and lay-out and will have no demand in the open property market;
- The size, elevation profile and shape of the property;
- The property can only be utilized as part of the neighbouring properties; and
- That smaller land extents will have a higher selling rate per m² whilst larger land extents will sell at a lower rental rate per m².
Given the above, the average rate as indicated by comparable sales, being R472.40/m² will be adjusted to determine a rate to apply for the valuation of the subject property. Given the limited use, limited demand and impractical form of the subject property, a negative adjustment is required.

<table>
<thead>
<tr>
<th>Size Range (m²)</th>
<th>Rate (R/m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>001 – 500m²</td>
<td>R150.00/m²</td>
</tr>
<tr>
<td>501 – 1500m²</td>
<td>R125.00/m²</td>
</tr>
<tr>
<td>1501 – 2000m²</td>
<td>R 75.00/m²</td>
</tr>
<tr>
<td>2001 – 3000m²</td>
<td>R 50.00/m²</td>
</tr>
<tr>
<td>3001 – 5000m²</td>
<td>R 40.00/m²</td>
</tr>
<tr>
<td>5001 – 6500m²</td>
<td>R 30.00/m²</td>
</tr>
<tr>
<td>6501 – 8000m²</td>
<td>R 20.00/m²</td>
</tr>
<tr>
<td>8001 – 10000m²</td>
<td>R 10.00/m²</td>
</tr>
</tbody>
</table>

Rate to be applied = R20.00/m²

4 VALUATION

Calculation:

\[
\text{Land extent } \times \text{R/m}^2 = \text{Property value (land only) excluding VAT}
\]

\[
5,250 \text{m}^2 \times \text{R30.00/m}^2 = \text{R157,500.00 (Excluding VAT)}
\]

Rounded value = R160,000.00 (Excluding VAT)

CONCLUSION

Therefore, after due consideration of the comparable sales listed, the condition, size and location of the subject property, as well as the current market conditions, a valuation of R160,000.00 (One Hundred and Sixty Thousand Rand only) excluding VAT is considered to be market related for the subject property.

5. CONDITIONS AND RECOMMENDATIONS

The valuer did not consider any possible improvements that may be located on the subject property, including boundary walls, paved areas or any other permanent structures. The value as reflected is for the land component only.

Should there be any immovable improvements affected by possible property movement (e.g. subdivision, transfer etc), the value of such improvements should be calculated and the valuation adjusted accordingly.
DECLARATION

After taking due consideration of all the relevant factors, I, Cormé Theron in my capacity as a Professional Valuer, consider the above valuation to be a true reflection and a fair assessment of the subject property's market rental, as at the date of valuation.

E. C. Theron
PROFESSIONAL VALUER
(REGISTRATION NUMBER: 6831)

DATE: 23 February 2016
CAVEATS

1. FULL DISCLOSURE

This valuation has been prepared on the basis that full disclosure of all information and factors which may affect the valuation have been made to ourselves and we cannot accept any liability or responsibility whatsoever for the valuation, unless such full disclosure has been made.

2. THIRD PARTY INVOLVEMENT

In undertaking the valuation, we have relied on information supplied by third parties and have assumed such information substantially correct.

3. VALUATION STANDARD

This valuation has been prepared in accordance with the International Valuation Standards Committee requirements and as adopted by the South African Council for the Property Valuers Profession and the South African Institute of Valuers.

4. FREEHOLD PROPERTY

In the case of freehold properties we have inspected, when available, the relevant Title Deed documents. If perusal of the Title Deed has caused concern, specific reference has been made to this in the Valuation Report. Where the Title Deeds were not available we have assumed that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings.

5. MORTGAGE BONDS, LOANS OR OTHER CHARGES

The property has been valued as if wholly owned with no account being taken of any outstanding monies due in respect of mortgage bonds, loans or other charges. No deductions have been made in our valuation for the cost of acquisition, such as legal or transfer fees, or disposal of the assets.

6. CALCULATION OF AREAS

All areas quoted within the Valuation Report have been provided by the client, a representative thereof, or alternatively measured onsite by the valuer and we assume have been calculated in accordance with the SAPOA standard method of measurement.

7. PLANS

All plans included within the Valuation Report are supplied for the purpose of identification only and are not necessarily to scale.
8. PROPERTY BOUNDARIES

The farm or property boundaries, as indicated to DDP Valuers (Pty) Ltd by the instructing client or his appointed agent, or the boundaries as indicated by plans supplied by the client, are assumed the legal extent of the property. Any variation of these boundaries by extension or omission, and the resultant inclusion or omission of any improvements because of this or these variations, cannot therefore be regarded as the responsibility of DDP Valuers (Pty) Ltd.

9. OUTGOINGS

It is assumed, except where otherwise stated, that the property is subject to the normal property owner’s outgoings and that there are no onerous restrictions or unusual covenants of which we have no knowledge. In preparing our valuation, we have formed our opinion of outgoings, having had reference to the various schedules of outgoings supplied by the client or a representative thereof.

10. STRUCTURAL CONDITION

The property has been valued in its existing state. In the event of its ownership or use changing in such a manner that the local authority will require the upgrading of the premises to comply with fire protection and other regulations, it may be necessary to reduce the valuation by the amount covering the cost of such compliance. We have had regard to the apparent state and condition of the property but have not carried out a structural survey, nor inspected those areas, which were covered, unexposed or inaccessible, neither have we arranged for the testing of electrical, heating or other services. The valuation assumes that the services and structures are in a satisfactory state of repair and condition, unless otherwise stated in our report. The valuation further assumes that the improvements have been erected in accordance with the relevant Building and Town Planning Regulations as well as the Local Authority by-laws. We have not inspected woodwork or other parts of the structure, and we are therefore unable to report that such parts of the property are free from rot, beetle or other defects. We have assumed that no deleterious or hazardous materials or techniques were used in the construction of the property nor have since been incorporated.

11. CONTAMINATION

Our valuation assumes that a formal environmental assessment is not provided and further that the property is not environmentally impaired nor contaminated, unless otherwise stated in our report.

12. VACANT LAND

No soil or substratum tests on the property have been undertaken and it is assumed that the property is suitable for the intended purpose, without having to provide excessive reinforcement to any structure built thereon.
13. STATUTORY NOTICE AND UNLAWFUL USE

We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, nor its use, nor its intended use, is or will be unlawful.

14. INDIVIDUAL PROPERTIES

The values reported are for the individual properties. No allowance is made for any premium, which may be applicable for an assembled portfolio of properties, nor is a discount allowed for any flooding of the market, which might exist if at all, or a majority of the properties were offered for sale simultaneously.

15. CONFIDENTIALITY

This valuation is produced exclusively for the client and for the specific purposes to which it refers. It may be disclosed to other professional advisers assisting you in respect of that purpose. We accept no responsibility whatsoever to any parties other than yourselves who make use of this valuation.

16. NON-PUBLICATION

Neither the whole nor any part of this valuation report or certificate, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way without the written approval of DDP Valuers (Pty) Ltd, as to the form or context in which it may appear and acknowledgement that DDP Valuers (Pty) Ltd were the professional valuers.

17. INDEPENDENT VALUERS CLAUSE

Neither the Valuer, nor DDP Valuers (Pty) Ltd or any employee, have any present or contemplated interest in this or any other properties or any other interests, which would affect the statements or values, contained in this valuation report. The valuation enclosed herewith was therefore undertaken on a completely independent basis by a valuer employed by DDP Valuers (Pty) Ltd, a company which specializes in the valuation of real estate and which does not trade in these assets.

18. VALUE ADDED TAX

All figures quoted are exclusive of Value Added Tax.