

FREQUENTLY ASKED QUESTIONS - GENERAL PROPERTY VALUATION

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Ward 2 Forum
SERVING THE COMMUNITY TOGETHER

Ward 2 Forum Team

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FREQUENTLY ASKED QUESTIONS - GENERAL PROPERTY VALUATION

1. THE MUNICIPAL PROPERTY RATES ACT

Q. What is the Municipal Property Rates Act?

The [Municipal Property Rates Act](#) is national legislation, which empowers municipalities to raise rates. Its purpose is to provide nationwide uniformity, simplicity and certainty as well as to take into account the historical imbalances and rates burden on the poor.

Q. What is the basis of property valuation under the Municipal Property Rates Act?

Property is valued at market value, which is the amount the property would have realized if sold on the date of valuation in the open market by a willing seller to a willing buyer.

Q. What is meant by the date of valuation?

This is a date set by the municipality to which all values relate. The values must reflect the market value of the properties in accordance with the market conditions which applied at that date.

The date of valuation of the General Valuation 2017 (upon which rates will continue to be raised until 30 June 2018) and rates will be raised on the new Roll from 1 July 2018

Q. What happens when the market changes?

The Act provides that the municipality must set a new date and re-value all properties at least once in every four years.

2. VALUATIONS

Q. My property hasn't sold in 20 years, how will it be valued?

By reference to similar properties in the neighbourhood that have recently sold.

Q. What criteria are used to assess property values?

Market valuations are based on transactions between willing buyers and willing sellers and the factors that influence these transactions.

Q. Are different finishes such as tiles and fitted kitchens taken into account in the valuation?

There are many factors which influence the value of a property and these can broadly be broken down into location, size of property, extent and type of buildings, quality and condition.

Any exercise involving data-collection should always take cognizance of the ability to maintain the integrity of this information. There would be little point in collecting information on those aspects of a property that may be legally changed by the owner without the necessity of having to submit building plans and thus alert the municipality to these changes.

Q. Are all properties going to be inspected for the re-valuation?

Physical inspection of all the properties throughout the Theewaterskloof Municipal area is neither feasible, affordable nor required in terms of the law, but is undertaken where considered necessary by the valuer in order to check information already to hand.

The municipality has access to a vast database of property information including building plans, Deeds Office data, geographic information systems, aerial photography and information obtained from previous inspections. This information is maintained continuously and inspections are routinely carried out where alterations, authorized and unauthorized, are made to properties.

Comment: *Based on the experience of the last valuation, the inspection was a drive-by, with no personal contact or verification of data. Therefore, a valid and well-motivated objection of a valuation done in this manner could be viewed favorably. An actual example of this: significant structural problems with inadequate foundations (Old Structure), resulting in severely cracked walls and floor screeds, and consequential problems with fit-up of doors and windows. The only remedy would be extensive underpinning, at huge cost. This objection was accepted and the valuation amended accordingly*

3. RATES

Q. Why are rates charged?

Municipalities need a reliable source of revenue to provide basic services and perform their functions. Revenue from property rates is used to fund services that benefit the community as a whole. These include the construction and maintenance of streets, sidewalks, street lighting and storm drainage facilities; the building and operation of clinics, parks, recreational facilities, cemeteries and libraries as well as the administration of the municipality.

TWKM Rates Policy is summed up:

Cost efficiency (Section 3.4.4)

Rates will be based on the value of all rateable properties and the amount required by the Municipality to balance the operating budget after taking into account profits generated on trading services (water, electricity) and economic services (refuse removal, sewerage removal) and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the Municipality from time to time.

This does not mention the other minor services mentioned in previous paragraph.

Budget rates increase is now R 11 million, main 4 services losses R 6 million, mostly from waste (R 15 million).

Q. Who pays rates?

Rates are paid by all owners of property, even the Government.

Q. How are rates calculated?

Property rates are calculated on the market value of the property by multiplying it by a cent amount in the Rand which is determined from the Annual Budget. But – subject to the clause above.

For example: In the case where the market value of a property is R800 000 and the cent amount in the Rand is R0.009 (0.9 of a cent), then the amount due for property rates will be R800 000 – R15 000 x R0.009 = R7 0650 per year. This means that every month the property owner will pay R588.75..

However a further R85,000 is exempt if earnings under R4 801 per month, or if over the owner is 60 or older with an earning of under R6 401 per month.

Q. Will my rates go up when there is a re-valuation?

The total amount of rates collected each year is a budget balancing figure that currently comprises a significant percentage of the total municipal budget.

The amount that each property owner pays is determined by the value of his property in relation to the other properties in the municipal area.

If all properties showed the same change from the old values to the new then all would reflect a similar rates change.

The reality however is that the various types of property in the various parts of the Municipality show different changes in value and thus will have different rates changes.

The specific effect on an individual property will obviously only be known once the budget process is complete and the new rates are applied to the new valuation roll.

Q. How and when do I pay rates?

Rates are paid monthly. You can make payment at any one of the cash halls/municipal offices or at EASYPAY pay points, via direct debit or on the internet.

You can assist TWKM's finances by paying annually by agreement with the municipal manager.

If you do not receive an account then you, as a property owner, must request one.

4. NOTIFICATION OF VALUATION

Q. When will the new Roll be released?

The Public Release of the Roll will be announced once the Valuations have been done. – should be by start of the next year 1 July

Q. How will I know what my new value is?

A notice will be posted to each registered property owner informing him of the value which has been assessed in respect of his property.

Q. Where can I find out what other properties have been valued at?

The valuation roll will be open for public inspection at the various municipal offices in the Theewaterskloof Municipality area. Also on the website.

5. OBJECTIONS AND APPEALS

Q. What should I do if I am unhappy with the valuation?

Should you feel that your property has been over or under valued, or incorrectly categorised, you may lodge an objection.

Q. How do I lodge an objection?

You can do this by completing and handing in the prescribed form together with any information you have in support of your objection – such as prices of similar properties, specific property problems, lack of services, societal problems etc

Not sure about this but an increase in civic rioting and destruction of infrastructure or worse may be considered substantive reason for all properties in Greyton to be revalued downwards – but of course TWKM will compensate by raising the cent/Rand rate.

The form for lodging of an objection will be obtainable at the following address:-

- At any of the municipal offices
- On the official TWK Municipal website www.twk.org.za
- On the Ward 2 Forum website:
 - [Objection Form – Business \(English\)](#)
 - [Objection Form – Business \(Afrikaans\)](#)
 - [Objection Form – Residential \(English\)](#)
 - [Objection Form – Residential \(Afrikaans\)](#)

Q. What happens after I have lodged an objection?

The matter is referred back to the municipal valuer, who will review the valuation in the light of any additional information provided by you. You will be informed in writing of the outcome of this review.

Q. What happens if I am still unhappy with my valuation?

You may lodge an appeal against the valuation and this appeal will be heard by the Valuation Appeal Board, which is a tribunal appointed by the Provincial Government.

Q. How do I lodge an Appeal?

Details of this will be provided to you together with the outcome of your objection.

6. SUPPLEMENTARY VALUATION ROLLS

Q. Why is there a supplementary roll?

The municipality must regularly, but at least once a year, update its valuation roll.

Where changes do not affect value, such as a change in ownership, the roll may simply be amended.

Where changes comprise a change in value or the addition of a property to the roll, a supplementary roll must be prepared and published.

Q. What sort of event will cause a property to appear in a supplementary roll?

In circumstances where a property:-

- was incorrectly omitted from the roll
- was included in the municipality after the last general valuation
- has been subdivided or consolidated
- has increased or decreased in value owing to additions, alterations and/or demolitions

- was incorrectly valued during the last general valuation
- was incorrectly categorised during the last general valuation

Q. What is the purpose of the supplementary roll?

To give people the opportunity to object to the values assessed in respect of the changed or added properties.

Q. How will I know if my property appears in a supplementary roll?

A notice will be posted to each registered property owner whose property appears in a supplementary roll, informing the owner of the value which has been assessed in respect of the property.

Q. The values in the supplementary roll are carried out at a later date to those in the main roll, is this not unfair if the property market has risen or dropped?

The date of valuation for any supplementary roll to the General Valuation 1 July, 2018. This is the same date as the main roll and all valuations are indexed to this date.

Ward 2 Forum

On behalf of Ward 2 Forum