GAMAGARA

LOCAL **MUNICIPALITY**

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TO WHOM IT MAY CONCERN

This letter serves as Council Resolution number (**20251021/4.2**) **PROGRESS REPORT ON REVIEW OF VALUATIONS – VACANT MUNICIPAL STANDS**

PURPOSE OF THE REPORT

To provide Council with progress feedback regarding the review of property values for vacant municipal land earmarked for disposal, as undertaken by the appointed Municipal Valuer in terms of Section 78 of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004).

BACKGROUND

Following Council's resolution to dispose of certain municipal land parcels that are not required for the provision of minimum basic services, the Finance Department submitted a list of vacant stands for review to the appointed Municipal Valuer, Fair Valuations (Pty) Ltd.

The request for review was intended to ensure that the market values of the properties reflect current conditions and remain consistent with disposal principles as approved by Council under the Municipal Asset Transfer Regulations and Section 14 of the MFMA.

On 12 October 2025, the Municipal Valuer provided feedback confirming that:

- ✓ The Section 78 review process was concluded for the affected properties.
- ✓ All affected land parcels will form part of Supplementary Valuation Roll 1 of the 2025 General Valuation, which is scheduled for publication at the end of November 2025.
- ✓ Individual outcome notifications have been issued per property, confirming the adjusted market values that will apply for disposal purposes.
- ✓ This process follows Council's previous directive authorizing the internal valuation review prior to advertisement and disposal of municipal land.

DISCUSSION

The review outcomes have important implications for both financial planning and implementation of the disposal process:

The valuation adjustments ensure that disposal prices are based on fair and current

market values, as required by Section 14(2)(b) of the MFMA. Updated valuations will be reflected in the Supplementary Valuation Roll to be adopted by Council after the prescribed public inspection and objection period.
The revised values will form the basis for pricing, discount calculations (for previously disadvantaged individuals), and payment terms as outlined in the approved Land Disposal Policy. The municipality has received and verified the spreadsheet and property notifications from the valuer, which are attached for Council's noting (Annexure A)

In terms of the way forward, Council has already resolved in principle by declaring that the land not needed for basic services (MFMA s14(2)(a)). Council has approved the intention to dispose and should authorize the Municipal Manager to initiate public participation. During public participation, the municipality will issue a public notice (Section 21A MSA) calling for comments or objections and allow 30 calendar days for responses. There after considering all submissions and prepare a report on objections (if any). After the 30 days, Council reviews feedback and approves the disposal formally. It is only then can the municipality advertise for bids, applications, or proposals for sale or lease.

LEGAL AND POLICY FRAMEWORK

This report is submitted in compliance with:

a. Section 14 of the Municipal Finance Management Act (MFMA), 2003 confirming that the affected properties are not required for basic municipal services.
b. Section 78 of the Municipal Property Rates Act (MPRA), 2004 providing for supplementary valuations arising from changes in property circumstances or reviews.
c. Municipal Asset Transfer Regulations, 2008 guiding disposal of municipal capital assets at fair market value or for public benefit.
d. Gamagara Land Disposal Policy setting local procedures and criteria for land sales, including discounts and functionality scoring.

FINANCIAL IMPLICATIONS

Updated market values will inform minimum reserve prices for disposal. Adjusted valuations may affect projected revenue from land sales. Disposal of the listed erven will generate capital receipts to strengthen the municipal revenue base for reinvestment into infrastructure and service delivery.

COUNCIL RESOLUTION

It is resolved that Council:

a) Note the report from the appointed Municipal Valuer confirming completion of the Section 78 review for vacant municipal stands earmarked for disposal.
b) Acknowledged that the reviewed valuations will be incorporated into Supplementary Valuation Roll 1 of the 2025 General Valuation, scheduled for publication in November 2025.

c) Confirmed that the revised market values will form the basis for pricing and discount calculations under the approved Land Disposal Policy.
d) Directs the Administration to proceed with the next phase of the land disposal process, including public participation and advertisement as per Section 21A of the Municipal Systems Act.
e) Requested that the CFO submit a follow-up report to Council after publication of the Supplementary Valuation Roll, incorporating the final valuation outcomes and financial projections.

ANNEXURE

Annexure A: Spreadsheet of reviewed vacant stands (as per Fair Valuations feedback)

Annexure B: Copy of correspondence from Municipal Valuer (Fair Valuations, dated 12 October 2025)

Annexure C: Extract from Land Disposal Council Item approved disposal criteria and framework

Kind regards

MR. LEBOGANG SEETILE
MUNICIPAL MANAGER