

**ITEM NUMBER: C 27/08/24*****RECOMMENDATION FROM THE EXECUTIVE MAYOR: 13 AUGUST 2024***

**MC 83/08/24    AUTHORISATION TO COMMENCE WITH A PUBLIC PARTICIPATION PROCESS IN RESPECT OF THE PROPOSED SALE BY WAY OF PUBLIC COMPETITION FOR REMAINDER OF ERVEN 13130, 13140, 13143 AND 13146 & ERVEN 13131, 13132, 13133, 13134, 13135, 13138, 13139 AND 13144, CAPE TOWN FOR THE PURPOSES OF A MIXED INCOME DEVELOPMENT (LSU R0322)**

It is **RECOMMENDED** that, in terms of Regulation 5(3)(a) of the Municipal Asset Transfer Regulations (MATR), R.878 promulgated on 22 August 2008, Council authorises the City Manager to conduct a public participation process for the proposed sale, by way of public competition, of Remainder of Erven 13130, 13140, 13143 and 13146 & Erven 13131, 13132, 13133, 13134, 13135, 13138, 13139 and 13144, Cape Town bounded by Earl Street, Mountain Road and Nerina Street, Woodstock.



**CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD**

**REPORT TO MAYCO & COUNCIL**

**DATE: 13 AUGUST 2024**

**1. ITEM NUMBER : MC 83/08/24**

**2. SUBJECT**

**AUTHORISATION TO COMMENCE WITH A PUBLIC PARTICIPATION PROCESS IN RESPECT OF THE PROPOSED SALE BY WAY OF PUBLIC COMPETITION FOR REMAINDER OF ERVEN 13130, 13140, 13143 AND 13146 & ERVEN 13131, 13132, 13133, 13134, 13135, 13138, 13139 AND 13144, CAPE TOWN FOR THE PURPOSES OF A MIXED INCOME DEVELOPMENT.**

**ONDERWERP**

**MAGTIGING OM MET 'N OPENBAREDEELNAMEPROSES TE BEGIN TEN OPSIGTE VAN DIE VOORGESTELDE VERKOOP, PER OPENBARE MEDEDINGING, VAN RESTANT ERF 13130, 13140, 13143 EN 13146 EN ERF 13131, 13132, 13133, 13134, 13135, 13138, 13139 EN 13144 KAAPSTAD VIR DIE DOELEINDES VAN 'N GEMENGDEGEBRUIKONTWIKKELING**

**ISIHLOKO**

**IGUNYA LOKUQALISA INKQUBO YENTATHONXAXHEBA YOLUNTU NGOKUJOLISWE KWISIPHAKAMISO SOKUTHENGISA NGOKOKHUPHISWANO LOLUNTU INTSALELA YEZIZA 13130, 13131, 13132, 13140, 13143 NO13146 NEZIZA 13133, 13134, 13135, 13138, 13139 NO13144 EKAPA KULUNGISELELWA IMIBANDELA YOPHULISO OLWAHLUKENEYO LENGENISO**

**LSU: R0322**

**3. DELEGATED AUTHORITY**

- In terms of delegation, this report is for decision by Council

In term of Regulation 5. (3)(a) of the Municipal Asset Transfer Regulations (MATR)(R.878), Council authorises the City Manager to conduct the public participation process for transfer or disposal of non-exempted capital asset, where the capital asset has a value in excess of R50 million.

4. EXECUTIVE SUMMARY

|                                    |  |     |                   |     |             |     |
|------------------------------------|--|-----|-------------------|-----|-------------|-----|
| <b>PURPOSE OF REPORT</b>           | <p>To obtain authority from Council to commence with a public participation process in terms of the Municipal Asset Transfer Regulations (MATR) with respect to the intended sale by way of public competition in respect of Remainder of Erven 13130, 13140, 13143 and 13146 &amp; Erven 13131, 13132, 13133, 13134, 13135, 13138, 13139 and 13144, Cape Town for the purposes of a mixed income development with social housing, open market residential and associated open space and parking.</p> <p>The property would be offered for sale by public competition.</p> <p>The property is considered to be a high value asset (in excess of R50 million) and accordingly requires Council's authority to commence with public participation.</p> |     |                   |     |             |     |
| <b>PROPERTY DESCRIPTION</b>        | <p>Remainder of Erven 13130, 13140, 13143 and 13146 &amp; Erven 13131, 13132, 13133, 13134, 13135, 13138, 13139 and 13144, Cape Town are bounded by Earl Street, Mountain Road, Nerina Street and Victoria Walk in Woodstock, and are located within a residential precinct adjacent to a school, church and park; and are strategically located between BRT routes.</p>   |     |                   |     |             |     |
| <b>PROPERTY LOCATION</b>           | <p>The subject properties are bounded by Earl Street, Mountain Road, Nerina Street and Victoria Walk, on the attached LIS Plan TCP114 (<b>Annexure A</b>).</p>   |     |                   |     |             |     |
| <b>AREA</b>                        | <table border="1"> <tr> <td data-bbox="440 926 591 961">1</td> <td data-bbox="591 926 824 961"><b>Subcouncil</b></td> <td data-bbox="824 926 971 961">16</td> <td data-bbox="971 926 1284 961"><b>Ward</b></td> <td data-bbox="1284 926 1429 961">115</td> </tr> </table>  | 1   | <b>Subcouncil</b> | 16  | <b>Ward</b> | 115 |
| 1                                  | <b>Subcouncil</b>  | 16  | <b>Ward</b>       | 115 |             |     |
| <b>SITE EXTENT</b>                 | <p>1,8405 hectares</p>   |     |                   |     |             |     |
| <b>VIABLE</b>                      | <table border="1"> <tr> <td data-bbox="440 997 824 1033">YES</td> <td data-bbox="824 997 971 1033">X</td> <td data-bbox="971 997 1429 1033">NO</td> </tr> </table>   | YES | X                 | NO  |             |     |
| YES                                | X  | NO  |                   |     |             |     |
| <b>CURRENT ZONING</b>              | <ul style="list-style-type: none"> <li>Remainder of Erven 13130, 13140, 13143 and 13146 &amp; Erven 13133, 13134, 13135, 13138, 13139 and 13144: General Residential 4 (GR4)</li> <li>Erven 13131 and 13132: Transport Zone 2 (TR2)</li> </ul>   |     |                   |     |             |     |
| <b>CURRENT USAGE</b>               | <p>Decommissioned hospital currently unlawfully occupied by approximately 864 individuals.</p>   |     |                   |     |             |     |
| <b>PROPOSED USAGE</b>              | <p>Mixed income development with social housing, open market residential and associated open space and parking.</p>  |     |                   |     |             |     |
| <b>TOD ASSESSMENT OUTCOME</b>      | <p>The site is strategic within the context of the City's spatial transformation and TOD implementation goals.</p>   |     |                   |     |             |     |
| <b>INTERNAL BRANCH COMMENTS</b>    | <p>The proposed transfer of the property was circulated for internal comment and there were no objections received (see attached <b>Annexure B</b>).</p>   |     |                   |     |             |     |
| <b>FACTORS MOTIVATING DECISION</b> | <ul style="list-style-type: none"> <li>Catalysing under-utilised City-owned land and properties to meet the City's strategic goals of densifying housing developments within the periphery of the City's commercial nodes;</li> <li>Facilitating transit-oriented growth in line with the City's TOD strategy;</li> <li>Building of integrated communities through this development;</li> <li>Adopting a precinct level development approach for this area,</li> <li>Optimisation of a Council facility.</li> <li>The City will generate sales revenue if the property is sold.</li> </ul>   |     |                   |     |             |     |

|   |   |  |  |
|---|---|--|--|
|   | <ul style="list-style-type: none"> <li>• The mixed income model will facilitate cross-subsidisation to enable the City to deliver on its housing objectives within the urban inner core;</li> <li>• The City will be maximising the development potential of the site through the proposed densification on this site.</li> <li>• The City will be leveraging its assets to create affordable housing opportunities.</li> </ul> |  |  |
| <p><b>STRATEGIC INTENT</b></p>  | <p><b>INTEGRATED DEVELOPMENT PLAN (IDP)</b></p>   |  |  |
|   | <table border="1"> <tr> <td data-bbox="440 478 618 604"> <p><b>Objective 1, 7 &amp; 15</b></p> </td> <td data-bbox="618 478 1422 604"> <p><b>Objective 1-Programme 1.5:</b> Consolidated land pipeline and release programme<br/> <b>Objective 7:</b> Increased supply of affordable, well-located homes<br/> <b>Objective 15:</b> A more Spatially Integrated and Inclusive City</p> </td> </tr> </table>                      | <p><b>Objective 1, 7 &amp; 15</b></p>  | <p><b>Objective 1-Programme 1.5:</b> Consolidated land pipeline and release programme<br/> <b>Objective 7:</b> Increased supply of affordable, well-located homes<br/> <b>Objective 15:</b> A more Spatially Integrated and Inclusive City</p> |
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|   | <p><b>HUMAN SETTLEMENTS STRATEGY</b></p>  |  |  |
|   | <table border="1"> <tr> <td data-bbox="440 640 618 709"> <p><b>Objective 2</b></p> </td> <td data-bbox="618 640 1422 709"> <p>Human settlements that are more affordable, accessible, diverse, and responsive to the needs of residents</p> </td> </tr> </table>  | <p><b>Objective 2</b></p>  | <p>Human settlements that are more affordable, accessible, diverse, and responsive to the needs of residents</p>   |
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|   | <p><b>MAYORAL PRIORITY PORGRAMME</b></p>  |  |  |
|   | <table border="1"> <tr> <td data-bbox="440 745 618 814"> <p><b>Pledge 6</b></p> </td> <td data-bbox="618 745 1422 814"> <p>Release state-owned land so the private sector can deliver more affordable housing for Capetonians</p> </td> </tr> </table>  | <p><b>Pledge 6</b></p>   | <p>Release state-owned land so the private sector can deliver more affordable housing for Capetonians</p>  |
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| <p><b>MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK (MSDF)</b></p>  |   |  |  |
| <table border="1"> <tr> <td data-bbox="440 850 618 976"> <p><b>Spatial Strategy 1 &amp; 3</b></p> </td> <td data-bbox="618 850 1422 976"> <p><b>Spatial Strategy 1:</b> Plan for employment, and improve access to economic opportunities.<br/> <b>Spatial Strategy 3:</b> Build an inclusive, integrated vibrant and healthy city.</p> </td> </tr> </table>  | <p><b>Spatial Strategy 1 &amp; 3</b></p>  | <p><b>Spatial Strategy 1:</b> Plan for employment, and improve access to economic opportunities.<br/> <b>Spatial Strategy 3:</b> Build an inclusive, integrated vibrant and healthy city.</p>  |  |
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| <p><b>TRANSIT ORIENTATED DEVELOPMENT (TOD)</b></p>  |   |  |  |
| <table border="1"> <tr> <td data-bbox="440 1012 618 1249"> <p><b>TOD Principles 2, 4 &amp; 5</b></p> </td> <td data-bbox="618 1012 1422 1249"> <p><b>TOD Principles:</b><br/> <b>2) Accessibility</b> – facilitate equal access to social and economic activity through strategic urban development and the provision of safe public transport.<br/> <b>4) Intensification &amp; 5) Densification</b> – manage the desired form, composition and location of urban development conducive to affordable, accessible and efficient public transport.</p> </td> </tr> </table>       | <p><b>TOD Principles 2, 4 &amp; 5</b></p>   | <p><b>TOD Principles:</b><br/> <b>2) Accessibility</b> – facilitate equal access to social and economic activity through strategic urban development and the provision of safe public transport.<br/> <b>4) Intensification &amp; 5) Densification</b> – manage the desired form, composition and location of urban development conducive to affordable, accessible and efficient public transport.</p>                  |  |
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## 5. DISCUSSION/CONTENTS

### 5.1. BACKGROUND

Remainder of Erven 13130, 13140, 13143 and 13146 & Erven 13131, 13132, 13133, 13134, 13135, 13138, 13139 and 13144, Cape Town bounded by Earl Street, Mountain Road, Victoria Walk and Nerina Street, Woodstock entail the decommissioned former Woodstock Hospital which the City purchased from the Western Cape Provincial Government in September 2020. The properties are currently unlawfully occupied by approximately 864 individuals. It is proposed that the properties be developed incrementally to enable relocation of households.

Remainder of Erven 13130, 13140, 13143 and 13146 & Erven 13133, 13134, 13135, 13138, 13139 and 13144 are zoned General Residential 4 (GR4); and Erven 13131 and 13132 are zoned Transport Zone 2 (TR2); and in total measure approximately 1,8405 hectares in extent, as shown on Plan LIS TCP114, hereto attached as **Annexure A**. The highest and best use of the subject properties is deemed to be for medium density residential development, and the subject property will be rezoned to an appropriate zoning to accommodate the land use.

The financial feasibility for subject properties is premised on a proposed a potential development yield of 500 residential units comprised of social housing and open market housing. The proposed built-form is medium density, approximately 4-5 storey walk up structures. The proposed density is supported by the imperative to maximise densities in well located parts of the City on key transport routes as well as achieving greater economic integration in these areas.

The City expects to receive a discounted sales price following the finalization of a feasibility study and approved development proposal to meet the envisioned affordability parameters for the social housing component of the development.

The final discounted market value will be subject to determination upon conclusion of a competitive procurement process in accordance with the development proposal and price offer received from the successful bidder. The intention is to maximise the land discounts applicable in exchange for optimum social housing unit yields.

Section 5(c)(i) of the Social Housing Act 16 of 2008 prescribes that the City takes reasonable steps to provide access to land and buildings for Social Housing development in Designated Restructuring Zones. In exercising this mandate, the Human Settlements Directorate identified the properties, which are located within Restructuring Zones in close proximity to social and economic amenities. The properties are also close to key arterial routes such as Victoria Road.

Social Housing is deemed to be housing for the poor in accordance with the National Housing Code. As per Government Gazette No 46211 of 08 April 2022, Social Housing is targeted at households with gross monthly incomes ranging from R1 850.00 to R22 000.00. Circular 1 of 22.23 issued by the Social Housing Regulatory Authority (SHRA) on 19 May 2022, indicates average monthly rentals ranging between R 722.00 and R6 475.00 depending on household income. Social Housing Institutions (SHIs) accredited by the SHRA and Other Delivery Agents (ODAs) qualify to receive a consolidated capital grant from the SHRA to develop Social Housing and the subsidy quantum is **R426 308** per unit.

A competitive procurement process under the guidance of Supply Chain Management will be undertaken inviting proposals from Accredited SHIs, ODAs and private developers to purchase, develop and manage the property.

Alternative affordable housing proposals in lieu of the proposed Social Housing will be considered, provided the proposed product is primarily targeted at households earning between R3 500 a month and the upper threshold of the Financial Sector Code Affordable Housing Standards, currently R29 600 in 2024 as per Council adopted definition for Affordable Housing, by Resolution (C13/01/23).

The City will protect its interest in the property through the reversionary clause to be registered against the Title Deed. In the event the subject properties is not developed or partially developed or ceases to be used for the purpose originally intended, the reversionary rights will be triggered as provided for in the sale agreement. In addition to these reversionary rights or as an alternative to them, the City reserves the right to demand compensation equal to the difference of the actual purchase price and the prevailing market value of the property.

## 5.2. CONSULTATION WITH INTERNAL BRANCHES

The proposed intention in respect of the properties were circulated to internal departments and no objections were submitted by the respective service branches of the City, refer to **Annexure B** for Technical Control Sheet and summary of Branch Comments. Amongst others, summarized comments were received from the departments mentioned below:

### 5.2.1. Energy Directorate

No objections, subject to the following conditions:

- Any alterations or deviations to electricity services necessary as a consequence of the proposal, or requested by the applicant, will be carried out at the applicant's cost. Concurrently with the cable deviations, Woodstock Hospital substation is to be decommissioned and its MV switchgear removed at this department's expense. Specifically, electricity cables traversing erven 13131 and 13132 are to be deviated into the adjacent road reserve sidewalk at the applicant's expense prior to transfer of the properties.
- Electrical infrastructure exists on the property and in its vicinity. A wayleave shall be obtained from the Electricity Generation and Distribution Department before any excavation work may commence.
- The authorised capacity of the entire site is the Notified Maximum Demand (NMD) of the old Woodstock Hospital. If the entire site is sold to a single developer, the authorised capacity remains. Shared Network Charges/Cost (SNC) will only be applicable to any requested increase in capacity. If individual erven are sold to different developers the authorised capacity will be divided amongst the properties on a pro-rata basis based on the erf sizes.
- For each future development this department's standard conditions, requirements, fees and tariffs will be applicable, including provision of accommodation for substations.

## 5.2.2. Water & Sanitation

No objections, subject to the following conditions:

- Service capacity for development of land once leased

When the new potential development has been sized and SDP submitted, confirmation of service capacity will be fully given at that stage.

## 5.3. VALUATION

The City's Professional Valuers were requested to undertake a desktop valuation of the subject properties. The subject properties were valued as at 30 June 2024 (see **Annexure C**). In this regard, the following is of relevance:

The desktop value of the subject properties, which is defined by International Valuation Standards Committee (IVSC) as:

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

Implicit in the market value of a property is the notion of highest and best use, which the IVSC defines as:

*The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.*

The City's Professional Valuers applied the comparable sales method in valuing the property, which entail the following steps:

- i) Identifying recent sales transactions of similar properties in the same neighbourhood (or further afield if need be) for which information is available.
- ii) Comparing the comparable properties' value-forming characteristics with those of the subject properties, viz. location, stand size, etc.
- iii) Adjusting the sale's price of the comparable properties for effluxion of time between their sale's date and valuation date.
- iv) Deducing the value of the subject properties after taking due cognisance of all incomparable characteristics and their potential influence on the sale's price.

It should be noted that a desktop valuation, for indicative purposes and hence should not be used for purposes of transacting, in which case a more comprehensive analysis will be undertaken.

The valuation carried out by Property Transactions' Valuations branch, using the comparable sales method, estimate the desktop value of the subject properties being **R87 000 000 (exclusive of VAT and transfer costs)**.

Notwithstanding the above, the market value is to be reassessed if authority to advertise and / or in-principle approval has not been obtained by the relevant decision making authority of Council within 36 months from date of valuation (i.e. by 2027-06-30).

This valuation assumes that the maximal permissible bulk in terms of the proposed zoning (and its associated Floor Factor) will be developable and that should the site contain environmental and heritage values this will not hinder the attainability of utilising the full bulk factor.

This valuation ignores the fact that the subject property are currently illegally occupied.

**5.4. CONSTITUTIONAL AND POLICY IMPLICATIONS**

- (i) Chapter B of Council's policy relating to the Management of Certain of the City of Cape Town's Immovable Property, as approved by Council on 26 August 2010 (C 54/08/10), permits the transfer of immovable property.
- (ii) In terms of the Social Housing Act, 16 of 2008, the Municipality must consult with interested individuals, communities and financial institutions in all phases of a Social Housing Development.
- (iii) In terms of regulation 5(3) of the Municipal Asset Transfer Regulations (MATR) (R. 878), Council may authorise the public participation process relating to the intended sale of a capital asset.

**5.5. FINANCIAL IMPLICATIONS**

The costs associated with the transfer of the property will be borne by the Purchaser.

**5.6. SUSTAINABILITY IMPLICATIONS**

|   |  |                              |
|---|--|------------------------------|
| Does the activity in this report have any sustainability implications for the City? | No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> |
|---|--|------------------------------|

**5.7. POPIA COMPLIANCE**

It is confirmed that this report has been checked and considered for POPIA compliance. No  Yes

POPIA allows the processing of personal information where it is necessary to comply with an obligation that is imposed by law [sec 15(3)(c)(ii)]. The inclusion of personal information in this report or its annexures, is an essential part of the process in obtaining Council approval

**5.8. LEGAL IMPLICATIONS**

The transfer of municipal capital assets is governed by Chapter 2 of the MATR;

- In terms of Regulation 5(3)(a) of the Municipal Asset Transfer Regulations (MATR)(R.878), Council must authorise the public participation process where the capital asset has a value in excess of R50 million;
- In terms of Regulation 5(3)(b) of the Municipal Asset Transfer Regulations (MATR)(R.878) the request to Council for the authorisation of a public participation process must be accompanied by an information statement stating:

**(i) The valuation of the capital asset to be transferred or disposed of and the method of valuation used to determine that valuation**

A desktop valuation, carried out by Property Transactions' Market Valuations Branch using the comparable sales method, estimated the desktop market value of the subject properties to be **R87 000 000 (excluding VAT)**.



**(ii) The reasons for the proposed alienation and transfer of the asset**

- The subject properties are currently unlawfully occupied and the sale of the properties would allow the city to meet its strategic goals,
- The City will also receive many benefits as listed below in paragraph (iii).

**(iii) Any expected benefits to the Municipality that may result from the transfer or disposal**

- The sale of the subject properties will stimulate economic growth and rates will be levied on the property subsequent to transfer.
- The City will be catalysing its assets to meet its strategic objectives of densifying housing developments within the periphery of the City's commercial nodes; facilitating transit-oriented growth; building of integrated communities and; adopting a precinct level development approach.
- The proposed medium density development on the properties will ensure that the development potential of the site is maximised.
- The City will be leveraging its asset to create affordable housing opportunities and respond to the negative effects of gentrification in the Cape Town Inner City and surrounding areas, which have priced out of the market low-income households.

**(iv) Any expected proceeds to be received by the Municipality resulting from the transfer or disposal**

Council will receive a financial benefit in the form of a discounted sales price as well as future rates revenue in respect of the property.

A desktop market valuation carried out for subject properties by the Property Transactions' Market Valuations Branch on 30 June 2024 estimated the market value of the property to be in the region of **R87 000 000.00 exclusive of VAT** and transfer costs.

The market value is to be reassessed if the transaction is not approved by the relevant decision-making authority of Council within 36 months from date of valuation (i.e. by 30/06/2027).

A comprehensive valuation analysis will be undertaken prior to the conclusion of any property transaction.

**(v) Any expected gain or loss that will be realised or incurred by the Municipality arising from the transfer or disposal**

- The normal costs related to advertising will be incurred by the City and the Purchaser will be responsible for the transfer costs.
- The capital subsidies for the development of the Social Housing will be disbursed and administered by the SHRA.
- The City will grant financial incentives such as reductions in development charges, reduced plan scrutiny fees, and special rates categorisation on the Social Housing components.

- The properties will revert to the City if they are not developed for the intended use or not retained as such over the life of the development.
- In addition to these reversionary rights or as an alternative to them, the City reserves the right to demand compensation equal to the difference of the actual purchase price and the prevailing market value of the property.

**5.9. STAFF IMPLICATIONS**

Does your report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No   
Yes

**6. RECOMMENDATIONS**

**For decision by Council**

It is recommended that:

In terms of regulation 5(3)(a) of the Municipal Asset Transfer Regulations (MATR) (2008), Council authorises the City Manager to conduct a public participation process for the proposed sale by way of public competition of Remainder of Erven 13130, 13140, 13143 and 13146 & Erven 13131, 13132, 13133, 13134, 13135, 13138, 13139 and 13144, Cape Town bounded by Earl Street, Mountain Road and Nerina Street, Woodstock.

**AANBEVELINGS**

**Vir besluitneming deur die Raad**

Daar word aanbeveel dat:

Die Raad die stadsbestuurder ingevolge regulasie 5(3)(a) van die regulasies oor die oordrag van munisipale bates (MATR) (2008) magtig om 'n openbaredeelnameproses te volg oor die voorgestelde verkoop, per openbare mededinging, van restant erf 13130, 13140, 13143 en 13146 en erf 13131, 13132, 13133, 13134, 13135, 13138, 13139 en 13144 Kaapstad, begrens deur Earlstraat, Mountainweg en Nerinastraat, Woodstock.

**IZINDULULO**

**Isiqalibo seseBhunga**

Kundululwe ukuba:

Ngokomgaqo 5(3)(a) weMigaqo engokuTshintshelwa kweMpahla kaMasipala (MATR) (2008), iBhunga maligunyazise uMphathi weSixeko ukuba aqhube inkqubo yentathoxaxheba yoluntu ngokujoliswe kwisiphakamiso sokuthengisa ngokokhuphiswano loluntu intsalela yeziza 13130, 13140, 13143 AND 13146 & ERVEN , 13131, 13132, 13133, 13134, 13135, 13138, 13139 no13144, eKapa ezidityaniswa yiEarl Street, Mountain Road neNerina Street, Woodstock.



**ANNEXURES:**

- Annexure A** : Disposal Plan\_TCP114
- Annexure B** : Technical Investigation Control Sheet
- Annexure C** : Desktop Valuation

FOR FURTHER DETAILS CONTACT:

|                |  |  |              |
|----------------|--|--|--------------|
| NAME           | MARTIN WITBOOI   | CONTACT NUMBER   | 021 400 6145 |
| E-MAIL ADDRESS | MARTIN.WITBOOI@CAPETOWN.GOV.ZA                           |  Digitally signed by<br>Nomzamo Mlungu<br>Date: 2024.07.30<br>17:58:10 +02'00' |              |
| SIGNATURE      | NOMZAMO MLUNGU-HEAD: LAND RESTITUTION AND SOCIAL HOUSING |  |              |
| DIRECTORATE    | HUMAN SETTLEMENTS  | FILE REF NO  |              |

MANAGER: PROPERTY ACQUISITIONS AND DISPOSALS, PROPERTY TRANSACTIONS

|           |  |         |
|-----------|--|---------|
| NAME      | TANIA LEWIS  | COMMENT |
| DATE      |  |         |
| SIGNATURE |  Digitally signed by<br>Tania Lewis<br>Date: 2024.08.06 17:04:59<br>+02'00' |         |

DIRECTOR: HUMAN SETTLEMENTS PLANNING

|           |  |         |
|-----------|--|---------|
| NAME      | LAWRENCE VALETA  | COMMENT |
| DATE      |  |         |
| SIGNATURE |  Digitally signed by<br>Lawrence Valeta<br>Date: 2024.07.31<br>08:06:05 +02'00' |         |

DIRECTOR: PROPERTY TRANSACTIONS

|           |  |         |
|-----------|--|---------|
| NAME      | DAWID JOUBERT  | COMMENT |
| DATE      |  |         |
| SIGNATURE |  Digitally signed by<br>Dawid Joubert<br>Date: 2024.08.07<br>10:42:31 +02'00' |         |

EXECUTIVE DIRECTOR: HUMAN SETTLEMENTS

|           |  |         |
|-----------|--|---------|
| NAME      | NOLWANDLE GQIBA  | COMMENT |
| DATE      |  |         |
| SIGNATURE |  Digitally signed by<br>Nolwandle Gqiba<br>Date: 2024.08.07 16:57:52<br>+02'00' |         |




ACTING

MAYCO MEMBER FOR HUMAN SETTLEMENTS:

NAME ~~CARL POPHAM~~ SISELO MBEAWE COMMENT

DATE 08/08/2024

SIGNATURE 

LEGAL COMPLIANCE

- REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.
- NON-COMPLIANT

NAME

DATE

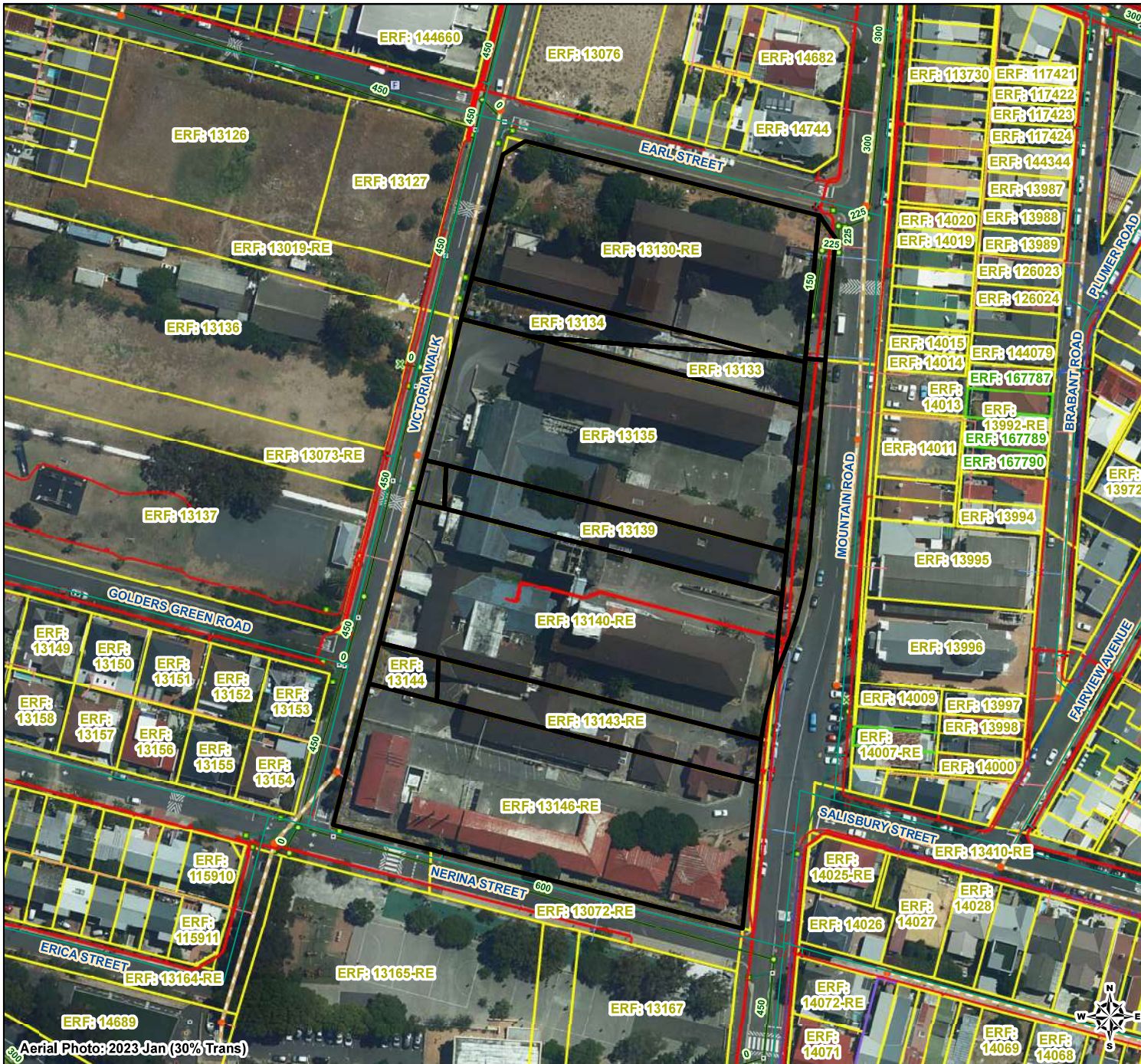
SIGNATURE



Digitally signed by Jason Sam Liebenberg Date: 2024.08.12 10:14:19 +02'00'

COMMENT:

Certified as legally compliant based on the contents of the report.



**Project**  
**PROPERTY DISPOSALS**  
**WOODTSOCK HOSPITAL**  
**12 ERVEN**

Rev No: 0

**Overview**  
 City of Cape Town Metropolitan  
 WOODTSOCK

**Legend**

- DISPOSAL AREA
- Water - Mains
- LU\_PRS\_MAIN
- Reticulation Mains
- Elec - Overhead Lines
- Elec - Underground Cables
- Water - Hydrants Reticulation
- Water - Valves Reticulation
- Sewer - Connection Line
- Sewer - Manholes
- Sewer - Rising Mains
- STW - Manhole
- Catchpit
- Junction Box
- Stormwater Inlet Outlet
- STW - Pipe
- STW Connection
- Confirmed
- SG Approved
- Registered

**Notes:** The figure Disposal Area represents Registered 12 ERVEN as per table below in extent of 18 405 m<sup>2</sup>.

| ERF      | ISIS KEY | ZONING      | OWNER | TITLE DEED  | AREA (m <sup>2</sup> ) |
|----------|----------|-------------|-------|-------------|------------------------|
| 13130 RE | 10801    | Gen Res 4   | CoCT  | T24484/2020 | 3250                   |
| 13131    | 10802    | Transport 2 | CoCT  | T78935/2005 | 170                    |
| 13132    | 10803    | Transport 2 | CoCT  | T24484/2020 | 407                    |
| 13133    | 10804    | Gen Res 4   | CoCT  | T24484/2020 | 430                    |
| 13134    | 10805    | Gen Res 4   | CoCT  | T24484/2020 | 562                    |
| 13135    | 10806    | Gen Res 4   | CoCT  | T24484/2020 | 3542                   |
| 13138    | 10808    | Gen Res 4   | CoCT  | T24484/2020 | 73                     |
| 13139    | 10809    | Gen Res 4   | CoCT  | T24484/2020 | 1000                   |
| 13140 RE | 10810    | Gen Res 4   | CoCT  | T46/3/1884  | 3805                   |
| 13143 RE | 10811    | Gen Res 4   | CoCT  | T24484/2020 | 947                    |
| 13144    | 10812    | Gen Res 4   | CoCT  | T24484/2020 | 187                    |
| 13146 RE | 10813    | Gen Res 4   | CoCT  | T24484/2020 | 4032                   |

Cape Town Region Ward Number: 72, Subcouncil: 18

Scale 1:14,693.06

0 5 10 20 30 40 50 60 70 80 90 Meters

Drawn By: TAMSIN CHARNAY PETERS Telephone: +27 (0) 21 400 5380  
 Email: TamsinCharnay,Peters@capetown.gov.za Date: 30 May 2024

CITY OF CAPE TOWN  
 ISIXEKO SASEKAPA  
 STAD KAAPSTAD

City Of Cape Town Metropolitan Municipality  
 Human Settlements Planning  
 Civic Center  
 Cape Town  
 8001

Private Bag X298  
 Cape Town  
 8300

Tel: +27 (21) 400 5380  
 Email: Lwazi.Nobaza@capetown.gov.za

Project Manager: **Jadette Baderoen**

Plan Nr: **TCP114**

File Reference: **HO14/000/000/000/0000/A000**

Disclaimer:  
 City of Cape Town accepts no responsibility for the accuracy or completeness of the data presented on this map and will not be held liable for damages, including loss of profits or consequential damages, arising out of the use of this information.

Aerial Photo: 2023 Jan (30% Trans)

Please note this is an A3 map. To view the map in scale it must be printed on an A3 page.



| TECHNICAL INVESTIGATION CONTROL SHEET |   |
|---------------------------------------|---|
| PROPERTY                              | ERVEN RE -13130, 13131, 13132, 13133, 13134, 13135, 13138, 13139, RE-13140, RE-13143, 13144 and RE-13146 CAPE TOWN, WOODSTOCK |
| EXTENT (M <sup>2</sup> )              | 17 998m <sup>2</sup> in extent  |
| ZONING                                | General Residential 4 (GR4)   |
| TITLE DEED NO.                        | T24484/2020   |
| DISPOSAL PLAN NO.                     | LIS 44220 and 208979  |
| DATE COMMENTS REQUESTED               | 4 June 2024   |

| DEPARTMENT                                    | OFFICIAL              | RESPONSE RECEIVED DATE | COMMENTS   |
|---|-----------------------|------------------------|--|
| Public Safety                                 | Marianna Manuel       | 06 June 2024           | No objections  |
| Safety & Security<br>Fire and Rescue Services | John Jacobus Williams | 06 June 2024           | No objections  |
| ENERGY DIRECTORATE<br>Land Matters            | Leona Liebenberg      | 06 June 2024           | No objections<br><br>1. Any alterations or deviations to electricity services necessary as a consequence of the proposal, or requested by the applicant, will be carried out at the applicant's cost. Specifically, electricity cables traversing erven 13131 and 13132 are to be deviated into the adjacent road reserve sidewalk at the applicant's expense prior to transfer of the properties. Concurrently with the cable deviations, Woodstock Hospital substation is to be decommissioned and its MV switchgear removed at this department's expense. |

|   |                 |              |   |
|---|-----------------|--------------|---|
|   |                 |              | <p>2. Electrical infrastructure exists on the property and in its vicinity. A wayleave shall be obtained from the Electricity Generation and Distribution Department before any excavation work may commence. In this regard, please contact the Drawing and Record Centre Office North (telephone 021 444 2155) or <a href="mailto:Daniel.DeVilliers@capetown.gov.za">Daniel.DeVilliers@capetown.gov.za</a></p> <p>3. The authorised capacity of the entire site is the NMD of the old Woodstock Hospital. If the entire site is sold to a single developer, the authorised capacity remains. SNC will only be applicable to any requested increase in capacity. If individual erven are sold to different developers the authorised capacity will be divided amongst the properties on a pro-rata basis based on the erf sizes.</p> <p>4. For each future development this department's standard conditions, requirements, fees and tariffs will be applicable, including provision of accommodation for substations.</p> |
| <b>Integrated Facilities Management</b><br>Facilities Management and Maintenance    | Wayne Hoffeldt  | 10 June 2024 | No objections   |
| <b>Roads Infrastructure Management and Urban Mobility</b><br>Operations Integration | Henry S Jansen  | 10 June 2024 | <p>No objections</p> <p>1. The erven falling outside of the City's Rail sidings area and as a result, will have no impact on current and future activities on rail sidings.</p>   |
| <b>WATER &amp; SANITATION</b><br>TECHNICAL SERVICES                                 | Babalwa Sithela | 10 June 2024 | <p>No objections</p> <p><u>Water Reticulation and Bulk Water</u><br/>There is no water network affected by the proposal.</p> <p><u>Sewer Reticulation and Wastewater</u><br/>There is no sewer network affected by the proposal.</p> <p><u>Service capacity for development of land once leased</u><br/>When the new potential development has been sized and SDP submitted, confirmation of service capacity will be fully given at that stage.</p>  |
| <b>Economic Growth</b>  | Nabilah Jaffa   | 10 June 2024 | No objections   |



|  |                     |              |  |
|--|---------------------|--------------|--|
| Special Projects, Property Transactions  |                     |              |  |
| <b>Safety and Security</b><br>Traffic Services                                 | Kevin Jacobs        | 11 June 2024 | No objections  |
| <b>Open Serve</b>  | Portia Ngqakayi     | 11 June 2024 | No objections  |
| <b>Community Services and Health</b><br>Environmental Health Practitioner      | Nobulali Mbukushe   | 12 June 2024 | No objection   |
| <b>Economic Growth</b><br><b>TRES, Property Transactions</b>                   | TRES                | 12 June 2024 | No objection   |
| Property Disposals, Property Transactions                                      | Keanon van der Walt | 18 June 2024 | No objection   |
| <b>WATER &amp; SANITATION</b><br>TECHNICAL SERVICES                            | Babalwa Sithela     | 19 June 2024 | No objection   |
| <b>Economic Growth</b><br>Immovable Property Portfolios, Property Transactions | Deidre Khan         | 26 June 2024 | <p>No objection</p> <p>The subject property is captured in IPARA as Former Woodstock Hospital Complex. The department accountable for the subject property is maintained in IPARA as Housing Development. It must be appropriately recorded that accountability for the subject asset remains entrenched with this department until the asset is transferred.</p> <p>The disposal area has not been subject to an immovable property performance assessment.</p> <p>The electricity servitude, on the east boundary of the subject property is noted.</p> <p>The asset is located within the MSDF's Urban Inner Core.</p> <p>IPP has no objection the transfer, provided the proposal is in alignment with the City's strategic objectives and tools, inter alia, MSDF, etc.</p> <p>Should the disposal of the subject property be approved by the delegated authority, the final approval documentation must be</p> |

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made available to IPP in order to ensure that the City's Immovable Property Asset Register (IPAR) is updated in accordance with the Immovable Property Asset Management Policy (C06/12/15)

Directorate: Spatial Planning and Environment  
Department: Development Management

Keitumetse Lishivha

16 July 2024

**TR2 Zoning**

The proposed uses of the portions of the properties for social housing purposes within the definitions of "transport use" as defined in the Development Management Scheme (see extract below).

**'transport use'** means the use of land, a building or structure for the operation of a public service for the transportation of goods (including liquids and gases) or passengers by means of rail, road, City of Cape Town Municipal Planning By-Law, 2015 (not official version – only for departmental use) 91.

sea or pipeline, including the use of such land, building or structure for the purpose of a harbour, railway station, bus depot or taxi interchange, a transport undertaking based on the provision of a transport service; and includes a public private undertaking such as a railway station, bus depot, taxi rank, public transport interchange, harbour and ancillary purposes, but does not include an airport or helicopter landing pad;

Public parking for the social housing is a permitted primary use in the TR2 zoning and is therefore permitted in respect of the properties that are zoned TR2 and is supported."

"However, the proposed use of social housing itself is not a permitted primary or consent use in the TR2 zoning.

**GR4 Zoning**

"The said land use of social housing is a permitted primary use (flats) in the GR4 zoning and is therefore permitted in respect of the properties that are zoned GR4 and is supported."

**'flats'** means a building containing three or more dwelling units, together with such outbuildings as are ordinarily associated therewith but excludes a dwelling house, second dwelling and third dwelling;

[Definition substituted by s. 25 (k) of City of Cape Town: Municipal Planning Amendment By-Law, 2019]

*Please note that if the housing type will be a dwelling house then only a first and second dwelling are permitted as primary rights, per property. A third dwelling will require a rezoning to SR1 zoning and a fourth dwelling and upwards will require the units to be consolidated in a building as per the definition of flats.*

**1030**

**GENERAL  
RESIDENTIAL  
SUBZONINGS  
(GR2-GR6)**

**PRIMARY USES**  
Dwelling house,  
second dwelling,  
group housing,  
boarding house,  
guest house, flats,  
private road and  
open space

**CONSENT USES**

Utility service,  
place of  
instruction, place  
of worship,  
institution,  
hospital, place of  
assembly, home  
occupation, shop,  
hotel, conference  
facility, minor  
rooftop  
telecommunication  
station, rooftop  
base  
telecommunication  
station and  
veterinary practice



|           |   |
|-----------|---|
| DATE      | 2024-06-10                              |
| To        | Head: Land Restitution & Social Housing |
| ATTENTION | Nomzamo Mlungu                          |

## VALUATION REPORT

### DESKTOP MARKET VALUATION OF ERVEN 13131, 13132, 13133, 13134, 13135, 13138, 13139, 13144, 13130-RE, 13140-RE, 13143-RE, AND 13146-RE, EARL STREET, MOUNTAIN ROAD, VICTORIA WALK AND NERINA STREET, WOODSTOCK

#### 1. Brief and Background

We were requested by Nomzamo Mlungu, Head: Land Restitution & Social Housing, to determine the market value of Erven 13131, 13132, 13133, 13134, 13135, 13138, 13139, 13144, 13130-RE, 13140-RE, 13143-RE, and 13146 –RE Cape Town (hereafter 'the subject property'), a stand measuring 18 405m<sup>2</sup> (refer **Annexure A**), and situated between Earl Street, Mountain Road, Victoria Walk And Nerina Street, Woodstock.

The above mentioned erven will be consolidated and released to the market as one development opportunity. A previous valuation was requested from Human Settlements Department to acquire the subject property from Western Cape Provincial Government for the purpose of a social housing development. The latter valuation which excluded the Transport zoned properties was valued as at 2017-09-30 for R51 000 000 (i.e. R2 700/m<sup>2</sup> bulk less a demolition provision of R7 100 000). The hospital was ultimately acquired by the City on 2019-12-03 at a discounted price of R5 100 000 i.e. 10% of market value.

According to our brief, the subject property is illegally occupied by a total of 864 individuals, including children.

#### 2. Date of Valuation

2024-06-30

#### 3. Date of Inspection

A physical inspection was not deemed necessary at this stage of the disposal process, although we did make use of aerial photos and other imagery and are well familiar with the area.

#### 4. Caveats

The reader should note the following:

CIVIC CENTRE IZIKO LOLUNTU BURGERSENTRUM  
12 HERTZOG BOULEVARD CAPE TOWN 8001 P O BOX 298 CAPE TOWN 8000  
www.capetown.gov.za

- (i) The valuation is for internal requirements only and must not be made available to the public without prior written consent from the Head: Market Valuations.
- (ii) All values in this report exclude VAT, which is assumed payable.
- (iii) This report has been prepared in conformity with recognized standard procedure regarding the disposal of City property.
- (iv) This is a desktop valuation and therefore for indicative purposes only. A more comprehensive valuation will need to be requested *before* sale / disposal.
- (v) This valuation assumes that the maximal permissible bulk in terms of the proposed zoning (and its associated Floor Factor) will be developable and that should the site contain heritage protected buildings this will not hinder the **attainability of utilising the full bulk factor**.
- (vi) This valuation ignores the fact that the subject property is currently illegally occupied.

**5. Salient information**

The most relevant property information is listed below:

|                        |  |
|------------------------|--|
| <b>Description</b>     | Erven 13131,13132, 13133, 13134, 13135, 13138, 13139, 13144, 13130-RE, 13140-RE, 13143-RE and 13146-RE Cape Town   |
| <b>Address</b>         | Between Earl Street, Mountain Road, Victoria Walk And Nerina Street, Woodstock   |
| <b>Site extent</b>     | 18 405m <sup>2</sup> (refer Disposal Plan in <b>Annexure A</b> )<br><u>Note:</u> The brief puts the extent at 17 998m <sup>2</sup> , but we confirmed with Human Settlements that the 18 405m <sup>2</sup> figure is to be used. |
| <b>Owner</b>           | City of Cape Town  |
| <b>Status</b>          | Occupied   |
| <b>Current Zoning</b>  | General Residential 4 and Transport 2<br>Once consolidated the Transport 2 zoned properties will take on a deemed zoning i.e. General Residential 4  |
| <b>Branch Comments</b> | None provided.   |



## 6. Highest and best use

The highest and best use of the subject property is deemed for medium density residential housing in line with the proposed General Residential 4 zoning and this formed the basis of our valuation.

## 7. Approach to valuation

We were tasked with determining the market value of the subject property, which is defined by International Valuation Standards Committee (IVSC) as:

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

Implicit in the market value of a property is the notion of highest and best use, which the IVSC defines as:

*The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.*

## 8. Method of Valuation

The comparable sales method was applied, which entails the following steps:

- Identifying recent sales transactions of similar properties in the same neighbourhood (or further afield if need be) for which information is available.
- Comparing the comparable properties' value-forming characteristics with those of the subject property, viz. location, stand size, etc.
- Adjusting the sales price of the comparable properties for effluxion of time between their sales dates and valuation date.
- Deducing the value of the subject property after taking due cognisance of all incomparable characteristics and their potential influence on the sales price.

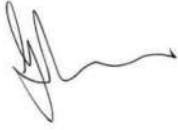
## 9. Conclusions

We considered sales in the immediate vicinity and also further afield in similar submarkets and based on such evidence, as well as recent valuations conducted in similar areas, are of the opinion that the market value is in the order of **R87 000 000 (excluding VAT)**.

### Important:

- (i) This is a desktop valuation and thus for indicative purposes and hence should not be used for purposes of transacting, in which case a more comprehensive analysis will be undertaken.
- (ii) Notwithstanding (i), the market value estimate in this report is to be reassessed if authority to advertise and/or principle approval has not been approved by the relevant decision making authority of Council within 36 months from date of valuation (i.e. by 2027-06-30).

- (iii) This valuation assumes that the maximal permissible bulk in terms of the proposed zoning (and its associated Floor Factor) will be developable and that should the site contain heritage protected buildings this will not hinder the attainability of utilising the full bulk factor.
- (iv) This valuation ignores the fact that the subject property is currently illegally occupied.



**Garth Johnson**  
Principal Professional Valuer



**Paul Pendlebury**  
Head: Market Valuations

**2024-06-13**

Annexure A

