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Property Tax and Assessment News from Around the World

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Have you objected to your new Joburg property value? Well don't expect a resolution any time soon

If you've objected to your new property valuation in Johannesburg, don't expect a resolution any time soon – in fact, don't expect to hear anything this year.

The City of Jo'burg said this week that, due to the number of objections to the new property valuation roll and the complexities of each case, it has set itself a target of early 2019 to finalise property valuation objections, said Stan Maphologela, a city spokesperson.

The 2018 General Valuation Roll was met with contestation from property owners, who complained that their fixed assets had been over-valued.

The city unveiled the roll over a period of 45 days, starting on February 20. During this period, all property owners and interested property role players were invited to view, inspect and object to property details as contained in the valuation roll.

In total, 50,595 objections were lodged.

"A total of 27,027 objections were received at various stations and 23,568 objections were received via the online system. All manual objections received were scanned and uploaded, together will all the other objections, onto the valuation system," said Maphologela.

These objections are currently being considered by the Municipal Valuer.

"We have started reviewing objections per area, starting with townships and sectional title schemes, where the highest number of objections were received. All the notices will be sent to the owners and objectors, even if the objector is not the owner," said Maphologela.

Johannesburg property owners who objected to their property valuations will continue to pay their old rates until the objection process is finalised.

The City has apologised for the inconvenience caused by the amount of time needed to review each objection.

Meanwhile, a top investments company has complained that growing delays at municipalities around SA to approve building plan and to obtain rate clearance certificates were leaving property buyers and sellers in limbo.

"These delays are slowing down the sales and transfers of properties and impacting loan settlement times. The knock-on effect is that the whole deal cycle is moving slower than it should, which is bad for the economy in general and the property development market in particular. It’s time for decisive action to be taken,” said Gary Palmer, CEO of Paragon Lending Solutions.

Palmer said it was time the property and financial cluster take a joint stand to lobby for intervention.

“Whatever the reasons for these delays, whether it is a lack of appropriate resources or internal system inefficiencies, municipal non-delivery is stalling deals. In a time when our economy desperately needs money to be flowing, delayed property transactions for both private and commercial property is negatively impacting a number of sectors.

"Hunting for foreign direct investors is an important focus for government, but freeing up the wheels of the domestic economy could have more impact in the longer-term,” Palmer said.

Cape property owners should not be ‘bled dry’ by new rates

The Cape Chamber of Commerce and Industry says that the city should rather cut inflated salaries than unfairly increase property valuations

The City of Cape Town has been urged to "slim down its bloated bureaucracy" rather than "bleed property owners dry" when it comes to a new round of property valuations.

The Cape Chamber of Commerce and Industry said on Monday that it was easy to understand concerns that a new round of property valuations could be used as a tool to increase income for the city.

Capetonians are likely to receive notices early in 2019 of a new round of general valuations. Johannesburg residents were, in some cases, hit by property valuation increases of between 60% to 500% earlier this year.

"Government grants to local authorities have been reduced and income from the sale of water and electricity is down because people have found ways to use less power and water, so we do have a city hungry for more revenue from property rates," said a statement from Janine Myburgh, president of the Cape Chamber.

"The real problem, however, is the high cost of running the city. That includes a dozen years of above-inflation salary increases. The fix is to reduce administrative costs and not to bleed property owners dry."

Myburgh said that salaries in the public sector were often higher than in the private sector. "It should be clear to any thinking person that this pattern is not sustainable.

"People are sensitive to property-rates increases because it is an unfair system. The family which buys an old, dilapidated house and fixes it up does a huge favour to the neighbourhood and the community, but the council comes along, revalues the house and punishes the good citizen with a higher rates bill."

Citing concerns about the computerised system of valuations used by the city of Cape Town, the chamber said it worked well in some areas where the land was flat, plots were the same size and homes had a similar view. This, however, was not the case in Cape Town.

Some mountainside properties, for instance, had good views but virtually no sun in winter. Only a physical site inspection would pick up these anomalies.

"Other factors are the condition of the roads and quality of the services. In many areas property values had been enhanced. People actually paid extra for better services and then they were punished by higher valuations and rates accounts," said the chamber.

"We can have a situation where municipal services are inadequate and when property owners do something about it and improve the area, the council is rewarded with more revenue from rates. Frankly, this is undeserved revenue.

"If the council wants co-operation from ratepayers it should set an example by tackling its own costs and slim down its bloated bureaucracy."