



## SOUTH AFRICA – August 2019

---

### UPROAR OVER 'OUTRAGEOUS' PROPERTY TAX INCREASE ..... 1

---

#### Uproar over 'outrageous' property tax increase

Residents in the Madibeng municipal area are up in arms over the very steep increases on their property valuations and subsequent property tax increases.

In some cases, residents saw increases of up to 300%, despite their formal objections to the valuations.

"It appears that Madibeng Municipality has just chosen to ignore the objection process," a resident said. "My property's value has increased overnight from R1 951 million to R2 757 million. While I would love to sell my home for Madibeng's increased value of R2 757 million this is never going to happen in today's property market. In fact, I doubt I would even get R1 951 million for my home," she said.

The resident said she investigated the new property valuations of about 20 homes and found huge discrepancies. "This led me to believe the increases in the valuation of residential homes did not go through any form of a process to arrive at their new increased market values and that it was rather a thumb suck. Some of the larger properties in our estate are valued at far less than my small property. Our monthly property tax has increased with more than R500 and for a retired person this is a huge increase."

Residents all want to know how the municipality determined the new market values.

In reply to Kormorant's enquiry, the Madibeng municipality said an excess of 1 500 objections were received and the valuers are currently busy resolving these objections.

"In the interim, we have arranged for a 'lock' to be placed on all accounts with unresolved objections to ensure that no debt collection action would ensue pending the outcome of these objections," said Tumelo Tshabalala, spokesperson for the municipality.

"We envisage completing all objections received by end of September 2019. Once resolved, the objection decision will be backdated to 1 July 2019. The objectors will be advised in writing of the objection decision, and will be informed of the appeal process that follows should they still disagree with the objection decision."

In the meantime, until the objection is resolved, the revenue division will use the new valuations as published on the valuation roll to calculate the rates payable.

"Should residents opt to pay municipal rates based on the previous valuation, the account will fall into arrears. Once the account is in arrears it is suggested that they approach our walk-in centres to make payment arrangements, pending the finalisation of the objection. This will avoid interest on the outstanding amount."

#### International Property Tax Institute

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or any opinions expressed in the articles.