



South Africa – April 2020

Contents

TLU SA LAUNCHES CAMPAIGN ON UNREASONABLE PROPERTY VALUATIONS	1
LANDLORDS CALL ON CITY OF CAPE TOWN TO FREEZE PROPERTY RATES, PROVIDE TAX RELIEF	1

TLU SA launches campaign on unreasonable property valuations

IT IS CRITICAL FOR LANDOWNERS TO TAKE NOTE OF THESE CHANGES DURING THE LOCKDOWN OF 21 DAYS, AS IT IS NOT CLEAR IF THERE WILL BE AN EXTENSION TO THE TIMEFRAME FOR APPEALS

Agricultural union TLU SA launched a campaign today to object to unreasonable property valuations.

South African municipalities are in the process of inspecting properties for general or supplementary valuation rolls. The value of a property determines the tariff imposed for services and taxes for said property.

“We have ascertained that the value of properties in certain areas, mostly in the agricultural sector, are inflated unreasonably and excessively,” said Louis Meintjes, the president of TLU SA. “With this campaign we want to urge landowners to object to inflated property valuations.”

TLU SA can assist landowners in evaluating property rolls and in appealing where it was adjusted unreasonably.

“It is critical for landowners to take note of these changes during the lockdown of 21 days, as it is not clear if there will be an extension to the timeframe for appeals,” said Meintjes.

A further aim of the campaign is to gather information about excessive adjustments to pinpoint trends. TLU SA will then encourage the various MECs for Local Government, in terms of Article 81 of the Municipal Property Tax law, to take action in such cases.

Accurate property valuations are critical as excessive property values also mean higher property tax rates, adding another burden on property owners. Property owners in rural areas barely receive any services from dysfunctional municipalities or councils.

Landlords call on City of Cape Town to freeze property rates, provide tax relief

Property landlords have joined a call on the City of Cape Town to freeze rates and provide tax relief. They said this would help their tenants survive the 21-day lockdown and its aftermath.

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.

In an open letter commercial property owners who are struggling through the recession, said they would not be able to pay dividends or buy real estate this year, but their main concern was managing debt and paying staff. The owners, who collectively own R20 billion worth of real estate in Cape Town, sent letters to the City pleading for a rates freeze.

The letter was sent by Western Cape property group Spear Reit and its chief executive, Quintin Rossi.

“We cannot ignore this, if we cannot provide relief to our residents, especially in the face of a health crisis that will damage our economy,” Rossi said.

“Essentially if we cannot get meaningful relief we cannot pass any meaningful relief on to our tenants, who predominantly operate small to medium-sized businesses. The bottom line is that if we landlords give in to every request or not receive any rental in, and are still expected to pay rates, our own businesses are faced with the reality that we might not survive.”

Mayco member for Finance, Ian Neilson, said: “The City is looking at all options for assistance that are legal, tailor-made and will not lead to the municipality running out of money and hence stopping essential service delivery such as refuse collection, water and sanitation, health services, electricity services. It cannot afford a blanket relief programme and each case will have to be investigated.

“Rates and Service charges comprise an amount equal to 72% of the City’s income per month. Take this away, for a short while and even some months, and the City ceases to exist.”

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.