COMMITTEE RECOMMENDS:

17.1 That in terms of Section 110 (2) of the Local Government: Municipal Finance Management Act 56 of 2003, Council approves the lease of the properties described as Erf 12380 in extent 5,7856m^2 and Erf 11727 Durban in extent 4,6577m^2 for a period of (twenty) 20 years to the Durban ICC SOC LTD with company Registration details 1992/008887/30.

17.2 That the rental for the lease period be assessed at nil.

17.3 That subject to the adoption of .1 and .2 above, the Head Real Estate be authorized to sign all documents necessary to conclude the agreement.

Recommendations AMENDED in 17.2 thereof, by the deletion of the word "nil" and by the substitution therefor of the amount in rands and cents "R1-50", to read as follows:

"17.2 That the rental for the lease period be assessed at R1-50."

and, thereafter ADOPTED.

18. AMENDMENT OF COUNCIL DECISION ON MUNICIPAL TRANSFER: DISPOSAL OF LAND IN RESPECT OF SOCIAL HOUSING (21/8/3)

(Page L56)

The Committee was given an assurance that the sites will be utilized effectively to maximize economic benefits for the City. It was emphasized that the drive-in site will also be used for park and rides.

The Democratic Alliance abstained to enable their Caucus to consider the matter in the first instance.

With the majority of Executive Committee members being in support,

COMMITTEE RECOMMENDS:

18.1 That Council amends and include provisions relating to public participation, noting the market value of the respective assets, in terms of leases and applicable lease discounts in relation to the Council decisions taken on 2018-04-26 and 2018-07-31 attached to the report of the City Manager dated 2019-12-09 relating to the utilization of sites for social housing as indicated below.

18.2 That subject .1 above, where the fair market value of the respective assets to the leased exceeds R10 Million, the Accounting Officer be authorized to conduct a Public Participation Process as envisaged in terms of Regulation 34(3)(a) the Municipal Asset Transfer Regulations of the Municipal Finance Management Act, 2003, for the proposed granting of rights to use, control the properties/sites indicated in Annexure B to the report of the City Manager dated 2019-12-09.

18.3 That subject to .2 above, Council approves in-principle granting of rights in terms of Regulation 36 of the Municipal Asset Transfer Regulations for the long-term lease for a period of (fifty) 50 years to Social Housing Institutions approved by Human Settlements Unit (Social Housing Department), for the development of social housing.

18.4 That subject to the adoption of .1 - .3 above, Council approves in principle that the lease in respect of the properties/sites for exclusive social development will be discounted by 90% of the fair market value in accordance with Regulation 13(2) Municipal Asset Transfer Regulations of the Municipal Finance Management Act, 2003.

18.5 That subject to the adoption of .1 - .4 above, Council approves in principle that in the event of commercial opportunities being created within the proposed developments the commercial leases will be leased at full market value in accordance with Regulation 13(1) Municipal Asset Transfer Regulations of the Municipal Finance Management Act, 2003.

18.6 That subject to the adoption of .1 - .5 above, authority be granted to rezone the properties to the appropriate zoning to accommodate the proposed development in an effort to accomplish the eThekwini Municipality's housing objectives of spatial restructuring and economic generation which will contribute to economic empowerment, non-racialism and social integration.

18.7 That subject to the adoption of .1 - .6 above, authority be granted to the Head : Human Settlements and Head : Real Estate to sign binding and enforceable Memoranda of Agreement with Social Housing Institutions to ensure that the envisaged developed is completed.

18.8 That subject to the adoption of .1 - .7 above, authority be granted to the Head : Real Estate to sign the lease agreements with approved Social Housing Institutions in respect of the properties/sites land indicated in Annexure B to the report of the City Manager dated 2019-12-09.

18.9 That subject to the adoption of .1 - .8 above, in the event that agreements are not concluded within (twelve) 12 months from date of the Council decisions, the Head : Real Estate be authorized to reassess the market value of the respect of the properties/sites land indicated in Annexure B in the report of the City Manager dated 2019-12-09.

18.10 That subject to the adoption of .1 - .9 above, the process flowing from the Council decisions taken on 2018-04-26 and 2018-07-31 respectively be suspended until all the relevant processes indicated above have been successful completed.

18.11 That authority be granted for the removal of the Drive-in Site - South of Sandile Thusi Road West of Sylvester Ntuli Road from the list of approved long-term leases as per the Council resolution of 2018-07-31.

ADOPTED, by the majority vote.

HUMAN SETTLEMENTS & INFRASTRUCTURE
EThekwini Human Settlements Unit
19th floor Embassy Building, 199 Anton Lembede Street, Durban, 4001
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Tel: 031-312 9830
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ETHEKWINI MUNICIPALITY

TO	HUMAN SETTLEMENTS & INFRASTRUCTURE COMMITTEE
SUBJECT	MUNICIPAL ASSET TRANSFER – DISPOSAL OF LAND IN RESPECT OF SOCIAL HOUSING
AUTHOR	SMANGELE MOLOI
DATE	09 DECEMBER 2019

1. PURPOSE

1.1 The purpose of this report is to request the Council to amend its decisions taken on 26 April 2018 and 31 July 2018, respectively, to accommodate the provisions of Regulation 34 of the Municipal Asset Transfer Regulations (ATRs).

1.2 The disposal of land is governed by the Municipal Asset Transfer Regulations (ATRs) and it is quintessential that the decisions taken by Council comply with the requirements of the ATRs. In this instance, the disposal of land is carried out through the long-lease arrangements and Regulation 34(1a) of the Municipality Asset Transfer Regulations stipulates that assets above the R10m threshold require public consultative engagements and Regulation 34 (1b) of the Municipality Asset Transfer Regulations concerns itself with the granting of the long term right to use or manage municipal capital assets.

1.3 The long-lease agreements are structured in such a way that they are in two phases: Phase 1 relates to a 30-year lease and Phase 2 concerns itself with the review of the lease agreement for another 20 years. The market is not responsive to this arrangement and the Council is requested to amend this lease regime and consolidate the lease agreement period into 50 years.

2. STRATEGIC OBJECTIVES

2.1 The strategic objectives of the Municipality are to address the geography of apartheid spatial planning and remedy spatial dysfunctionalities in the City by providing adequate and affordable housing schemes for low to moderate income individuals.

2.2 The above noble cause is effectively realized through the partnerships between the Municipality and Social Housing Institutions. The primary targets for this initiative are projects in designated Restructuring Zones to give expression to the provision of affordable and market related housing schemes and support the creation of economic opportunities resulting in vibrant precincts with equal access to diverse economic opportunities for all. This is in line with the IDP 2019/2020 strategic objectives.

3. BACKGROUND AND DISCUSSION

3.1 On 26 April 2018 the Council authorized Human Settlements Unit to enter into long-term leases with Social Housing Institutions in respect of the properties outlined in Table A below and in line with the proviso of the Municipal Asset Transfer Regulations 34(1b).

Table A

NO.	LAND DESCRIPTION
1	Portion 2 of Erf 6154 Durban, 44 Lancers Road.
2	Erf 6089-6095 Portion 1 of Erf 6093, Erven 6214, 6215, 6218 Moran's Lane Durban.
3	Various Sites on Warwick.
4	Erven 592 – 639 All of KwaMashu Section P also known as KwaMashu Town Centre
5	Erven 2102 and 2103 of Pinetown.
6	33, 34,35, 46 & 47 of Erf 8 Bridge City
7	Portion 1 of Erf 2050 Cato Manor, 144, 45th Avenue Sherwood.

3.2 On 31 July 2018 the Council authorized Human Settlements Unit to enter into long-term leases with Social Housing Institutions in respect of the properties outlined in Table A below and in line with the proviso of the Municipal Asset Transfer Regulations 34(1b).

Table A

No.	Land Description
1	Corner of Play Fair Road & Milneux Road (Star Seaside Children's Home) **Note: The play fair site will be implemented as a mixed-use development and will be developed jointly with private developers in order to maximize the return on the subject property.**
2	Lot 3405 and Lot 3406 Durban, 2 Epsom Road Table Tennis building
3	Umgeni Road – South Isaiah Ntshangase Road, and East of Umngeni Road
4	Drive-In Site – South of Sandile Thusi Road, West of Sylvester Ntuli Road
5	Albert Park – North of Margaret Mncadi Avenue, and South of Diakonia Avenue
6	Victoria Park – North of Baumann Road, and South of Gresham Place

7	Warwick Bus Depot - Ismail C Meer Street, and East of Market Road
8	Block AK – West of Gladys Manzi Rd, South of Osborn Street; and North of Ascot Road

3.3 It should be noted that both approvals did not authorize the Accounting Officer to host public participation processes in instances where the value of the properties exceeds R10m as required by the Municipal Asset Transfer Regulations.

4. RECOMMENDATIONS

It is recommended that:

4.1 Council amends and include provisions relating to public participation, noting the market value of the respective assets, term of the leases and applicable lease discounts in relation to the decisions taken on 26 April 2018 and 31 July 2018 **(Annexure A)** respectively relating to the utilization of sites for social housing as indicated below

4.2 Subject to 4.1 above, where the fair market value of the respective assets to be leased exceeds R10 million, the Accounting Officer be authorised to conduct a Public Participation Process as envisaged in terms of regulation 34(3)(a) the Municipal Asset Transfer Regulations of the Municipal Finance Management Act, 2003, for the proposed granting of rights to use, control the properties/sites indicated on Annexure B.

4.3 Subject to 4.2 Council approves an in principle granting of rights in terms of Regulation 36 of the Municipal Asset Transfer Regulations for the long-term lease for a period of 50 years to Social Housing Institutions approved by the Human Settlements Unit (Social Housing Department), for the development of social housing.

4.4 Subject to adoption 4.1-4.3. Council approves in principle that the leases in respect of the properties/sites for exclusive social housing development which will be discounted by 90% of the fair market value in accordance with of regulation 13(2) the Municipal Asset Transfer Regulations of the Municipal Finance Management Act, 2003

4.5 Subject to adoption 4.1-4.4. Council approves in principle that in the event of commercial opportunities being created within the proposed developments the commercial leases will be leased at full market value in accordance with of regulation 13(1) the Municipal Asset Transfer Regulations of the Municipal Finance Management Act, 2003

4.6 Subject to adoption 4.1-4.5. authority be granted to rezone the properties to the appropriate zoning to accommodate the proposed development in an effort to accomplish the eThekwini Municipality's housing objectives of spatial restructuring and economic generation which will contribute to economic empowerment, non-racialism and social integration

4.7 Subject to adoption 4.1-4.6, authority be granted to the Head: Human Settlements and the Head: Real Estate to sign binding and enforceable Memoranda of Agreement with Social Housing Institutions to ensure that the envisaged development is completed.

4.8 Subject to the adoption of 4.1-4.7, the Head: Real Estate be authorized to sign the lease agreements with approved Social Housing Institutions in respect of the properties/sites land indicated on Annexure B.

4.9 Subject to the adoption of 4.1-4.8, in the event that agreements are not concluded within 12 months from date of the Council decisions, the Head: Real Estate be authorized to reassess the market values of the respect of the properties/sites land indicated on Annexure B.

4.10 Subject to adoption of 4.1 – 4.9, the process flowing from the Council decisions taken on 26 April 2018 and 31 July 2018 respectively be suspended until all the relevant processes indicated above have been successfully completed.

4.11 Council authorizes the removal of the Drive-In-Site – South of Sandile Thusi Road, West of Sylvester Ntuli Road from the list of approved long-term leases as per the Council Resolution of 31 July 2018.

List of Annexures

Annexures	Description
"A"	Council Decisions dated 26 April 2018 & 31July 2018 to be amended
"B"	Description and information of properties/sites
"C"	Valuation Certificates
"D"	Public Participation Information Statement
"E"	Copy of the Municipal Asset Transfer Regulations

Ms Smangele Moloi Deputy Head: Formal Housing Date: 09/12/2019		
Mr Lawrence Pato Head: Human Settlements Unit Date: 9/12/2019		Mr Thapelo Mmusinyane Head: Real Estate Unit Date: 9/12/19
Mr Malusi Mhlongo Head: Legal Services Unit Date: 10/12/2019	Report Complaint with the provision of Council's Delegations, Policies and Legislation relating to the matter under consideration. Non- Complaint.	✓
Ms Beryl Mphakathi Deputy City Manager: HSETA Date: 10-12-19		Dr Krish Kumar Deputy City Manager: Treasury Date: 10.12.2019
Mr Sipho Nzuza City Manager Date: 10/12/2019		

List of Annexures

Annexures	Description
"A"	Council Decisions dated 26 April 2018 & 31July 2018 to be amended
"B"	Description and information of properties/sites
"C"	Valuation Certificates
"D"	Public Participation Information Statement
"E"	Copy of the Municipal Asset Transfer Regulations

ANNEXURE A

THE PURPOSE OF THE REPORT IS TO SEEK AUTHORITY FROM COUNCIL FOR THE SITES TO BE UTILIZED FOR SOCIAL HOUSING.

KRR(2018-04-26)(SAM)[CHALL-148147]

2018-05-02

COUNCIL DECISION CIRCULAR : MEETING HELD ON 2018-04-26

TO ALL DEPUTY CITY MANAGERS AND HEADS:

Attached please find decisions adopted by the Council at its meeting held on 2018-04-26.

Deputy City Managers and Heads are kindly requested to facilitate implementation of the decisions impacting their Clusters and Units within the applicable timeframes.

Kindly note that the word **"ADOPTED"** marked in bold at the end of the recommendation confirms that the item has been approved by Council and is ready for implementation. Other relevant status will be reflected at the end of the recommendation to indicate the position taken by Council on a particular item.

Should further information be required on any item on the Council agenda, kindly contact **Vishnu Ramsunder on Telephone No.(031) 311-2371 or through email.**

3. REPORT OF HUMAN SETTLEMENTS AND INFRASTRUCTURE COMMITTEE: Meeting held on 2018-04-23

3.4 Request for Authority: Utilisation of Sites for Social Housing.
(Page 151) Human Settlements and Infrastructure Committee – Agenda 2018-04-23)

COMMITTEE RECOMMENDS:

3.4.1 That in terms of Section 34(1) (b) of the Asset Transfer Regulations, authority be granted to enter into long-term leases in respect of the properties as depicted in Table A below to Social Housing Institutions as approved by the Human Settlements Unit (Social Housing Department), for an initial period of thirty (30) years with an option to renew for a further period of twenty (20) years, for the development of social housing and gap housing.

3.4.2 That subject to the adoption of .1 above, authority be granted to rezone the properties to the appropriate zoning to accommodate the proposed development in an effort to accomplish the eThekwini Municipality's housing objectives of spatial restructuring and economic generation which will contribute to economic empowerment, non-racialism and social integration.

3.4.3 That subject to the adoption of .1 and .2 above, the Head: Human Settlements and the Head: Real Estate be authorized to sign binding and enforceable Memoranda of Agreement with Social Housing Institutions to ensure that the envisaged development is completed.

3.4.4 That subject to the adoption of .1, .2 and .3 above, the Head: Real Estate be authorized to sign the lease agreements with approved Social Housing Institutions in respect of the land depicted in Table A below.

3.4.5 That subject to the adoption of .1, .2, .3 and .4 above, in the event of the commercial opportunities being created in the development, the Head: Real Estate be authorized to enter into commercial lease agreements in terms of the relevant Supply Chain Management Policies.

Table A

NO.	LAND DESCRIPTION
1	Portion 2 of Erf 6154 Durban, 44 Lancers Road.
2	Erf 6089-6095 Portion 1 of Erf 6093, Erven 6214, 6215, 6218 Moran's Lane Durban.
3	Various Sites on Warwick.
4	Erven 592 – 639 All of KwaMashu Section P also known as KwaMashu Town Centre
5	Erven 2102 and 2103 of Pinetown.
6	33, 34,35, 46 & 47 of Erf 8 Bridge City
7	Portion 1 of Erf 2050 Cato Manor, 144, 45th Avenue Sherwood.

ADOPTED.

City Administration: Secretariat
26 April 2018

received
DCM: MEET 27/02/2018

HUMAN SETTLEMENTS & INFRASTRUCTURE
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TO: REPORT TO HUMAN SETTLEMENTS AND INFRASTRUCTURE COMMITTEE

SUBJECT: THE PURPOSE OF THE REPORT IS TO SEEK AUTHORITY FROM COUNCIL FOR THE SITES TO BE UTILIZED FOR SOCIAL HOUSING.

DATE: 26 FEBRUARY 2017

1. Purpose

The purpose of the report is to seek authority from Council to release the following sites as listed below in **Table A**, for the development of social housing and gap housing.

Table A

No.	Land Description
1	Portion 2 of Erf 6154 Durban, 44 Lancers Road.
2	Erf 6089-6095 Portion 1 of Erf 6093, Erven 6214, 6215, 6218 Moran's Lane Durban.
3	Various Sites on Warwick.
4	Erven 592 - 639 all of Kwa Mashu Section P (also known as KwaMashu Town Centre)
5	Erven 2102 and 2103 of Pinetown
6	33, 34, 35, 46 & 47 of Erf 8 Bridge City.
7	Portion 1 of Erf 2050 Cato Manor, 144,45th Avenue Sherwood.

2. Strategic Objective

As stated in the IDP is to provide rental or cooperative housing option for low to moderate income persons at a scale and built-form that requires institutional management. This is provided by Social Housing Institutions in partnership with the Municipality. Priority is given to projects in designated restructuring zones and strategically located mixed-use areas. Medium density and Social Housing which are undertaken by private Social Housing Institutions (SHIs) and developers are effective in accomplishing the Municipality's housing objectives of spatial restructuring and economic generation which will contribute to economic empowerment, non-racialism and social integration.

3. Executive Summary

In terms of the Social Housing Act 16 of 2008, the Municipality must, where there is demand for social housing within its area, as part of the processes of the Integrated Development

Planning, take all reasonable and necessary steps, within the National and Provincial legislative, regulatory and policy framework-

(a) facilitate social housing delivery in its area of jurisdiction

(b) to encourage the development of new social housing stock and the upgrading of existing stock or the conversion of non-residential stock;

(c) to provide access:-

i. To land and buildings for social housing development in designated Restructuring Zones;
ii. For social housing institutions to acquire municipal rental stock;
iii. To municipal infrastructure and service for approved projects in designated restructuring zones; and
iv. Initiate and motivate the identification of Restructuring Zones; and
v. enter into partnership agreements with Social Housing Institutions.

Accordingly in terms of Clause (c) subsection (i), the Municipality has identified the above-mentioned land parcels through technical assessments and have been confirmed to be suitable and feasible for the development of gap housing and social housing.

4. Background and Discussion

The objective is to do a medium-to-high density developments within the restructuring zones in order to maximise available land. The use of municipality-owned land in this way, is to mitigate the negative effects of gentrification and to reduce the cost of development in the urban core. This in return will help in addressing spatial inequality with providing a mix of affordable and market-related housing and creating economic opportunities in our municipality so as to create a place with a vibrant and diverse economy that is accessible to all.

The general principles applicable to Social Housing are to;-

- Promote medium to higher density in respect of social housing development to ensure the economical utilisation of land and services.
- Promote the social, physical and economic integration of housing development into existing urban and inner-city areas through the creation of quality living environments.
- Promote, the expression of cultural identity and diversity in social housing developments.
- Promote, the suitability of social housing stock in respect of employment opportunities.
- Promote, the establishment, development and maintenance of socially and economically viable communities to ensure the elimination and prevention of slums and slum conditions.

What is Social Housing and how is it funded;

Social Housing is a rental or co-operation housing option which requires institutionalised management which is provided by accredited Social Housing Institution (SHI's) or accredited

Sites to be utilized for Social Housing

social housing projects in designated Restructuring Zones (RZ's). Social Housing provides good quality rental accommodation for low to medium income qualifying households earning between R1500 – R15000 per month. With the primary objective of urban restructuring, creating sustainable human settlements. The key role players in the delivery of social housing are National Department of Human Settlements (NDOHS), Social Housing Regulatory Authority (SHRA), National Housing Finance Corporation (NHFC) Provincial Department of Human Settlements (PDOHS), Municipality and the accredited Social Housing Institutions (SHI's).

The SHIs are private Non-Profit-Organisations that are formed to own/lease the property, undertake the development of social housing projects, facilitate and manage the properties, collect rentals and repay any loans secured to develop the units. Once the Municipality has identified and approved a project in a demarcated Restructuring Zone, the SHI then submits an application for Restructuring Capital Grant (RCG) to the SHRA and to the PDOHS for Institutional Subsidy. Together with the Institutional Subsidies awarded by the PDOHS, SHIs are enabled to undertake refurbishments of existing buildings or green field's constructions, thereby availing decent affordable accommodation to the target market.

The role of the NHFC is to provide top-up loan funding to SHRA-accredited SHIs, which loan equates to the SHI's debt equity contribution to the social housing development.

Accordingly the Municipality has thus appointed, seven (7) accredited Social Housing Institution (SHI) to partner with in up scaling the delivery of social housing within our area of jurisdiction. The SHI's that are in the municipality database are expected to compete via a Supply Chain Management process in order to be awarded the land parcel and or an old dilapidated buildings.

Once an SHI has been awarded the vacant land parcel and or building, they will then commence with stage 2 of detailed planning and also apply for development funding as above.

Table B: The following sites have thus been identified as feasible

No.	Land Description	Zoning	Estimated units
1	Portion 2 of Erf 6154 Durban, 44 Lancers Road.	General Business Central	± 300 units
2	Erf 6089-6095 Portion 1 of Erf 6093, Erven 6214, 6215, 6218 Morans Lane Durban.	General Business 2	± 150 units
3	Various Sites on Warwick.	General Business 3	± 431 units
4	Erven 592 - 639 all of KwaMashu Section P (also known as KwaMashu Town Centre)	Mixed Used Residential	± 700 units
5	Erven 2102 and 2103 of Pinetown	Worship and General Residential 1	± 1100 units
6	33, 34, 35, 46 & 47 of Erf 8 Bridge City.	Special Zone 44	± 800 units
7	Portion 1 of Erf 2050 Cato Manor, 144,45th Avenue Sherwood.	Duplex 900 & Public Open Space	± 130 units

Sites to be utilized for Social Housing

5. Financial Implications

There will be no financial implication to Council as all cost will be borne by the Social Housing Institution (SHI"s). Moreover, there is an economic benefit where the Municipality will derived potential income from the commercial activities that will be conducted from these properties. Furthermore there is general upliftment of society that comes from the provision of housing for the targeted communities and government alike.

6. It is Recommended:

1. That in terms of the Section 34(1) (b) of the Asset Transfer Regulations, authority be granted to enter into long-term leases in respect of the properties as depicted in **Table A** to approved Social Housing Institutions as approved by Human Settlements Unit (Social Housing Department), for an initial period of thirty (30) years with an option to renew for a further period of twenty (20) years, for the development of social housing and gap housing.
2. That subject to the adoption of 1 above, authority be granted to rezone the properties to the appropriate zoning to accommodate the proposed development.
3. That subject to the adoption of 1 and 2 above, the Head: Human Settlements and the Head: Real Estate be authorised to sign binding and enforceable Memoranda of Agreement with Social Housing Institutions to ensure that the envisaged development is completed.
4. That subject to the adoption of 1, 2 and 3 above, the Head: Real Estate be authorised to sign the lease agreements with approved Social Housing Institutions in respect of the land as depicted in Table A.
5. That subject to the adoption of 1, 2, 3, and 4 above, in the event of the commercial opportunities being created in the development, the Head: Real Estate be authorised to enter into commercial lease agreements in term of the relevant Supply Chain Management policies.

S. Moloi
Acting Deputy Head: Formal Housing

Date: 27/02/2018

B Mphahlathi
Head: Human Settlements

Date: 27/02/2018

Sites to be utilized for Social Housing

B. Madikizela
Acting Head: Real Estate

Date: 2018.02.28

S. Tulsiram
Head: Econ, Dev and Inv Prom

Date: 2018-03-01

S Nzuza
City Manager: eThekwini Municipality

Date:

KRR (2018-07-31)(SAM)[CHALL-149853]

2018-08-01

COUNCIL DECISION CIRCULAR : MEETING HELD ON 2018-07-31

TO ALL DEPUTY CITY MANAGERS AND HEADS:

Attached please find decisions adopted by the Council at its meeting held on 2018-07-31.

Deputy City Managers and Heads are kindly requested to facilitate implementation of the decisions impacting their Clusters and Units within the applicable timeframes.

Kindly note that the word **"ADOPTED"** marked in bold at the end of the recommendation confirms that the item has been approved by Council and is ready for implementation. Other relevant status will be reflected at the end of the recommendation to indicate the position taken by Council on a particular item.

Should further information be required on any item on the Council agenda, kindly contact **Vishnu Ramsunder on Telephone No.(031) 311-2371 or through email.**

1.4 Request for Authority to Release Sites to be utilised for Social Housing (21/8/3): (Page 119: Human Settlements and Infrastructure Committee - Agenda 2018-07-17)

At the Human Settlements and Infrastructure Committee it was advised that due to ongoing concerns raised by Community members that most open spaces around eThekwini area were being invaded, it was apparent that it would be in the best interest for Council to secure the land in question for housing development. In addition, it was advised that the Albert Park was currently under-utilized and as a result attracting criminal acts hence the proposal for mixed use was undertaken. On that basis the Committee was in agreement for an in-loco inspection of the land in question to be undertaken.

At the Executive Committee meeting, notwithstanding the inspection of the sites by the Human Settlements and Infrastructure Committee, the Democratic Alliance expressed concern that the proposal in respect of some of the sites identified could adversely impact on tourism in the City as they were not unsuitable for social housing. In that regard it was suggested that the Executive Committee also undertake an inspection in-loco of the sites to ascertain their suitability prior to a decision being taken.

In response it was pointed out that the inspection had been undertaken by Councillors in the previous term, with due cognizance being taken that the approval of the Local Area Plan by Council would direct the City in terms of Inner City Regeneration. A further point was made that any City would need to be all inclusive with mixed and integrated communities with occupiers of social housing having to contribute in terms of rates.

Accordingly, with the Democratic Alliance abstaining

COMMITTEE RECOMMENDS:

1.4.1 That in terms of Section 34(1)(b) of the Asset Transfer Regulations, authority be granted to enter into long-term leases in respect of properties as depicted in Table A of the report by the Head: Human Settlements dated 29 May 2018 to approved Social Housing Institutions as approved by Human Settlements Unit (Social Housing Department), for an initial period of thirty (30) years with an option to renew for a further period of twenty (20) years, for the development of social housing and gap housing.

Table A:

No.	Land Description
1	Corner of Play Fair Road & Milneux Road (Star Seaside Children's Home)
2	Lot 3405 and Lot 3406 Durban, 2 Epsom Road Table Tennis building
3	Umngeni Road – South Isaiah Ntshangase Road, and East of Umngeni Road
4	Drive-In Site – South of Sandile Thusi Road, West of Sylvester Ntuli Road
5	Albert Park – North of Margaret Mncadi Avenue, and South of Diakonia Avenue
6	Victoria Park – North of Baumann Road, and South of Gresham Place
7	Warwick Bus Depot – Ismail C Meer Street, and East of Market Road
8	Block AK – West of Gladys Manzi Road, South of Osborn Street; and North of Ascot Road

1.4.2 That subject to the adoption of .1 above, authority be granted to rezone the properties to the appropriate zoning to accommodate the proposed development.

1.4.3 That subject to the adoption of .1 and .2 above, authority be granted to the Head: Human Settlements and the Acting Head: Real Estate to sign binding and enforceable Memoranda of Agreement with Social Housing Institutions to ensure that the envisaged development is completed.

1.4.4 That subject to the adoption of .1, .2 and .3 above, the Acting Head: Real Estate be authorised to sign the lease agreements with approved Social Housing Institutions in respect of the land as depicted in Table A of the report.

1.4.5 That subject to the adoption of .1, .2, .3 and .4 above, in the event of the commercial opportunities being created in the development, the Acting Head: Real Estate be authorised to enter into commercial lease agreements in terms of relevant Supply Chain Management Policies.

ADOPTED, by the majority vote.

By mail to ward to BMC

City Administration: Secretariat
31 July 2018

HUMAN SETTLEMENTS & INFRASTRUCTURE
EThekwini Human Settlements Unit
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P.O. Box 3858, DURBAN, 4001
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received
04/06/18 Dom:HSET

TO: REPORT TO HUMAN SETTLEMENTS AND INFRASTRUCTURE COMMITTEE

SUBJECT: THE PURPOSE OF THE REPORT IS TO SEEK AUTHORITY FROM COUNCIL FOR THE SITES TO BE UTILIZED FOR SOCIAL HOUSING.

DATE: 29 MAY 2018

1. Purpose

The purpose of the report is to seek authority from Council to release the following sites as listed below in **Table A**, for the development of social housing and gap housing.

Table A

No.	Land Description
1	Corner of Play Fair Road & Milneux Road (Star Seaside Children's Home)
2	Lot 3405 and Lot 3406 Durban, 2 Epsom Road Table Tennis building
3	Umgeni Road – South Isaiah Ntshangase Road, and East of Umngeni Road
4	Drive-In Site – South of Sandile Thusi Road, West of Sylvester Ntuli Road
5	Albert Park – North of Margaret Mncadi Avenue, and South of Diakonia Avenue
6	Victoria Park – North of Baumann Road, and South of Gresham Place
7	Warwick Bus Depot - Ismail C Meer Street, and East of Market Road
8	Block AK – West of Gladys Manzi Rd, South of Osborn Street; and North of Ascot Road

2. Strategic Objective

As stated in the IDP is to provide rental or cooperative housing option for low to moderate income persons at a scale and built-form that requires institutional management. This is provided by Social Housing Institutions in partnership with the Municipality. Priority is given to projects in designated restructuring zones and strategically located mixed-use areas. Medium density and Social Housing which are undertaken by private Social Housing Institutions (SHIs) and developers are effective in accomplishing the Municipality's housing objectives of spatial restructuring and economic generation which will contribute to economic empowerment, non-racialism and social integration.

3. Executive Summary

In terms of the Social Housing Act 16 of 2008, the Municipality must, where there is demand for social housing within its area, as part of the processes of the Integrated Development Planning, take all reasonable and necessary steps, within the National and Provincial legislative, regulatory and policy framework-

(a) facilitate social housing delivery in its area of jurisdiction
(b) to encourage the development of new social housing stock and the upgrading of existing stock or the conversion of non-residential stock;
(c) to provide access:-

i. To land and buildings for social housing development in designated Restructuring Zones;
ii. For social housing institutions to acquire municipal rental stock;
iii. To municipal infrastructure and service for approved projects in designated restructuring zones; and
iv. Initiate and motivate the identification of Restructuring Zones; and
v. enter into partnership agreements with Social Housing Institutions.

Accordingly in terms of Clause (c) subsection (i), the Municipality has identified the above-mentioned land parcels through technical assessments and have been confirmed to be suitable and feasible for the development of gap housing and social housing.

4. Background and Discussion

The objective is to do a medium-to-high density developments within the restructuring zones in order to maximise available land. The use of municipality-owned land in this way, is to mitigate the negative effects of gentrification and to reduce the cost of development in the urban core. This in return will help in addressing spatial inequality with providing a mix of affordable and market-related housing and creating economic opportunities in our municipality so as to create a place with a vibrant and diverse economy that is accessible to all.

The general principles applicable to Social Housing are to;-

- Promote medium to higher density in respect of social housing development to ensure the economical utilisation of land and services.
- Promote the social, physical and economic integration of housing development into existing urban and inner-city areas through the creation of quality living environments.
- Promote, the expression of cultural identity and diversity in social housing developments.
- Promote, the suitability of social housing stock in respect of employment opportunities.
- Promote, the establishment, development and maintenance of socially and economically viable communities to ensure the elimination and prevention of slums and slum conditions.

ites to be utilized for Social Housing

What is Social Housing and how is it funded;

Social Housing is a rental or co-operation housing option which requires institutionalised management which is provided by accredited Social Housing Institution (SHI's) or accredited social housing projects in designated Restructuring Zones (RZ's). Social Housing provides good quality rental accommodation for low to medium income qualifying households earning between R1500 – R15000 per month. With the primary objective of urban restructuring, creating sustainable human settlements. The key role players in the delivery of social housing are National Department of Human Settlements (NDOHS), Social Housing Regulatory Authority (SHRA), National Housing Finance Corporation (NHFC) Provincial Department of Human Settlements (PDOHS), Municipality and the accredited Social Housing Institutions (SHI's).

The SHIs are private Non-Profit-Organisations that are formed to own/lease the property, undertake the development of social housing projects, facilitate and manage the properties, collect rentals and repay any loans secured to develop the units. Once the Municipality has identified and approved a project in a demarcated Restructuring Zone, the SHI then submits an application for Restructuring Capital Grant (RCG) to the SHRA and to the PDOHS for Institutional Subsidy. Together with the Institutional Subsidies awarded by the PDOHS, SHIs are enabled to undertake refurbishments of existing buildings or green field's constructions, thereby availing decent affordable accommodation to the target market.

The role of the NHFC is to provide top-up loan funding to SHRA-accredited SHIs, which loan equates to the SHI's debt equity contribution to the social housing development.

Accordingly the Municipality has thus appointed, seven (7) accredited Social Housing Institution (SHI) to partner with in up scaling the delivery of social housing within our area of jurisdiction. The SHI's that are in the municipality database are expected to compete via a Supply Chain Management process in order to be awarded the land parcel and or an old dilapidated buildings.

Once an SHI has been awarded the vacant land parcel and or building, they will then commence with stage 2 of detailed planning and also apply for development funding as above.

Table B: The following sites have thus been identified as feasible

No.	Land Description	Zoning	Estimated units
1	Corner of Play Fair Road & Milneux Road (StarSeaside Building)	Institutional 3	± 177 units
2	Lot 3405 and Lot 3406 Durban, 2 Epsom Road Table Tennis building	General Business Central	± 150 units
3	Umgeni Road – South Isaiah Ntshangase Road, and East of Umngeni Road	Public Open Space	± 1488 units
4	Drive-In Site – South of Sandile Thusi Road, West of Sylvester Ntuli Road	General Residential 5	± 922 units
5	Albert Park – North of Margaret Mncadi Avenue, and South of Diakonia Avenue	Indeterminate	± 1317 units
6	Victoria Park – North of Baumann Road, and South of Gresham Place	Public Open Space, General Business & Special Zone	± 905 units
7	Warwick Bus Depot - Ismail C Meer Street, and East of Market Road	General Business	± 692 units
8	Block AK – West of Gladys Manzi Rd, South of Osborn Street; and North of Ascot Road	General Residential 2	± 2499 units

ites to be utilized for Social Housing

5. Financial Implications

There will be no financial implication to Council as all cost will be borne by the Social Housing Institution (SHI"s). Moreover, there is an economic benefit where the Municipality will derived potential income from the commercial activities that will be conducted from these properties. Furthermore there is general upliftment of society that comes from the provision of housing for the targeted communities and government alike.

6. It is Recommended:

1. That in terms of the Section 34(1) (b) of the Asset Transfer Regulations, authority be granted to enter into long-term leases in respect of the properties as depicted in **Table A** to approved Social Housing Institutions as approved by Human Settlements Unit (Social Housing Department), for an initial period of thirty (30) years with an option to renew for a further period of twenty (20) years, for the development of social housing and gap housing.
2. That subject to the adoption of 1 above, authority be granted to rezone the properties to the appropriate zoning to accommodate the proposed development.
3. That subject to the adoption of 1 and 2 above, the Head: Human Settlements and the Head: Real Estate be authorised to sign binding and enforceable Memoranda of Agreement with Social Housing Institutions to ensure that the envisaged development is completed.
4. That subject to the adoption of 1, 2 and 3 above, the Head: Real Estate be authorised to sign the lease agreements with approved Social Housing Institutions in respect of the land as depicted in Table A.
5. That subject to the adoption of 1, 2, 3, and 4 above, in the event of the commercial opportunities being created in the development, the Head: Real Estate be authorised to enter into commercial lease agreements in term of the relevant Supply Chain Management policies.

S. Moloi
Deputy Head: Formal Housing

Date:

N. Mwelase
Acting Head: Human Settlements

Date:

ites to be utilized for Social Housing

B. Madikizela
Acting Head: Real Estate

Date: 2018. 05. 31

S. Tulsiram
Head: Econ, Dev and Inv Prom

Date: 2018-06-01

B. Mphakathi
Deputy City Manager: Human Settlements, Engineering & Transportation

Date: 08/06/2018

P. Sithole
Deputy City Manager: Economic Development

Date:

S. Nzuza
City Manager: EThekwini Municipality

Date:

ANNEXURE B

THE PURPOSE OF THE REPORT IS TO SEEK AUTHORITY FROM COUNCIL FOR THE SITES TO BE UTILIZED FOR SOCIAL HOUSING.

COUNCIL RESOLUTION	LAND DESCRIPTION	HAND PLAN	VALUATION
2018/04/26	Portion 2 of Erf 6154 Durban, 44 Lancers Road.	SG629/1936	R 15 300 000,00
2018/04/26	Erf 6089-6095 Portion 1 of Erf 6093, Erven 6214, 6215, 6218 Moran's Lane Durban.	SJ4632/5	R 4 613 000,00
2018/04/26	Various Sites on Warwick.	Various	R 6 170 000,00
2018/04/26	Erven 592 – 639 All of KwaMashu Section P also known as KwaMashu Town Centre	SH9820B	R 8 400 000,00
2018/04/26	Erven 2102 and 2103 of Pinetown.	SJ4557/9	R 1 440 000,00
2018/04/26	33, 34,35, 46 & 47 of Erf 8 Bridge City		R 59 538 600,00
2018/07/31	Portion 1 of Erf 2050 Cato Manor, 144, 45th Avenue Sherwood.	SJ4733/10	R 1 580 000,00
2018/07/31	Corner of Play Fair Road & Milneux Road (Star Seaside Children's Home)		R 8 460 000,00
2018/07/31	Lot 3405 and Lot 3406 Durban, 2 Epsom Road Table Tennis building	SJ4724/4	R 4 350 000,00
2018/07/31	Umgeni Road-South Isaiah Ntshangase Road and Esat of Umgeni Road	SJ4724/1	R 35 340 000,00
2018/07/31	Drive-In-Site	SJ4723/10	R 91 000 000,00
2018/07/31	Albert Park – North of Margaret Mncadi Avenue, and South of Diakonia Avenue	SJ4724/3	R 15 790 000,00
2018/07/31	Victoria Park – North of Baumann Road, and South of Gresham Place	SJ4724/2	R 44 755 000,00
2018/07/31	Warwick Bus Depot – Ismail C Meer Street, and East of Market Road	SJ4724/10	R 51 000 000,00
2018/07/31	Block AK – West of Gladys Manzi Road, South of Osborn Street; and North of Ascot Road	SJ4723/9	R 25 800 000,00

ANNEXURE C

THE PURPOSE OF THE REPORT IS TO SEEK AUTHORITY FROM COUNCIL FOR THE SITES TO BE UTILIZED FOR SOCIAL HOUSING.

VALUATION CERTIFICATE

I hereby certify that the properties depicted on the table below registered in the name of the **ETHEKWINI MUNICIPALITY** appears in the Valuation Roll for the financial year commencing 01 July 2019 of the Ethekwini Municipality as follows:-

LAND DESCRIPTION	CADASTRAL DESCRIPTION	MUNICIPAL VALUATION	TOTAL MUNICIPAL VALUATION
Portion 2 of Erf 6154 Durban, 44 Lancers Road.	Portion 2 of Erf 6154 Durban	R 15 300 000.00	R 15 300 000.00
Erf 6089-6095 Portion 1 of Erf 6093, Erven 6214, 6215, 6218 Moran's Lane Durban.	Erf 6089 of Durban	R 110 000.00	R 4 613 000.00
	Erf 6090 of Durban	R 200 000.00	
	ERF 6214 of DURBAN	R 1 230 000.00	
	ERF 6215 of DURBAN	R 1 230 000.00	
	ERF 6218 of DURBAN	R 1 230 000.00	
	Rem of Erf 6091 of Durban	R 150 000.00	
	REM of ERF 6092 of DURBAN	R 150 000.00	
	REM of ERF 6094 of DURBAN	R 83 000.00	
	REM of ERF 6095 of DURBAN	R 83 000.00	
	REM of ERF 6093 of DURBAN	R 60 000.00	
	REM of Ptn 1 ERF 6093 of DURBAN	R 87 000.00	
Various Sites on Warwick.	ERF 6133 of DURBAN	R 460 000.00	R 6 170 000.00
	ERF 6133 of DURBAN	R 460 000.00	
	Portion 1 of ERF 6132 of DURBAN		
	Portion 33 of ERF 6134 of DURBAN	R 470 000.00	
	Portion 6 of ERF 6134 of DURBAN	R 590 000.00	
	Portion 6 of ERF 6150 of DURBAN	R 190 000.00	
	Portion 8 of ERF 6150 of DURBAN	R 530 000.00	
	Portion 9 of ERF 6132 of DURBAN	R 430 000.00	
	REM of ERF 6144 of DURBAN	R 620 000.00	
	REM of Portion 3 of ERF 6144 of DURBAN	R 520 000.00	
	REM of Portion 6 of ERF 6144 of DURBAN	R 610 000.00	
	REM of Portion 7 of ERF 6144 of DURBAN		
	REM of Portion 8 of ERF 6144 of DURBAN	R 700 000.00	
	REM of Portion 9 of ERF 6134 of DURBAN	R 590 000.00	
Erven 2102 and 2103 of Pinetown.	ERF 2102 of PINETOWN	R 1 070 000.00	R 1 440 000.00
	ERF 2103 of PINETOWN	R 370 000.00	
Portion 1 of Erf 2050 Cato Manor, 144, 45th Avenue Sherwood.	Portion 1 of ERF 2050 of CATO MANOR	R 1 580 000.00	R 1 580 000.00
Corner of Play Fair Road & Milneux Road (Star Seaside Children's Home)	REM of ERF 11422 of DURBAN	R 8 460 000.00	R 8 460 000.00
Lot 3405 and Lot 3406 Durban, 2 Epsom Road Table Tennis building	ERF 3405 of DURBAN	R 3 780 000.00	R 4 350 000.00
	ERF 3406 of DURBAN	R 570 000.00	
Umgeni Road-South Isaiah Ntshangase Road and Esat of Umgeni Road	ERF 2024 of DURBAN	R 13 500 000.00	R 35 340 000.00
	ERF 2021 of DURBAN	R 9 000 000.00	
Drive-In-Site	ERF 2021 of DURBAN	R 12 840 000.00	
	ERF 12485 of DURBAN	R 91 000 000.00	R 91 000 000.00
Albert Park – North of Margaret Mncadi Avenue, and South of Diakonia Avenue	ERF 10787 of DURBAN	R 5 460 000.00	R 15 790 000.00
	ERF 10787 of DURBAN	R 6 190 000.00	
	REM of ERF 10787 of DURBAN	R 3 780 000.00	
	ERF 10787 of DURBAN		
	ERF 10787 of DURBAN	R 360 000.00	
	ERF 10787 of DURBAN		
Block AK – West of Gladys Manzi Road, South of Osborn Street; and North of Ascot Road	REM of ERF 1589 of DURBAN	R 310 000.00	R 25 800 000.00
	REM of ERF 1589 of DURBAN	R 6 440 000.00	
	REM of ERF 1634 of DURBAN	R 13 000 000.00	
	REM of ERF 1685 of DURBAN	R 6 050 000.00	
	Portion 6 of ERF 1685 of DURBAN		
	Portion 6 of ERF 1634 of DURBAN		

Municipal Valuer

Date: 17/10/2019

VALUATION CERTIFICATE

I Lungisani Ndlovu hereby certify that the market value of the subject properties described as Erf 583 to 639 all of Kwamashu P in extent approximately 33 567m², as vacant is **R8 400 000 (Eight Million Four Hundred Thousand Rand)** as at 17th of October 2019.

Block	Extent	Value @ 250/m²
Block A (Erf 592 – 603 KwaMashu P)	8478m²	2 119 500
Block B(Erf 604 – 620 KwaMashu P)	8109m²	2 027 250
Block C (Erf 621- 632 KwaMashu P)	6288m²	1 572 000
Block D (Erf 633 – 639 KwaMashu P)	6199m²	1 549 750
Block E (Erf 583 – 591 KwaMashu P)	4493m²	1 123 250
Grand Total	33 567m²	8 391 750
Rounded		8 400 000

L. Ndlovu
Professional Valuer
SACPVP Reg. No. 6425/3

Date: 17/10/2019

VALUATION CERTIFICATE

I certify that I have inspected the subject properties and analysed market conditions. Based on the available data, together with my analysis and experience, it is my opinion that the market values of the properties listed below as at 01 October 2019 is:

Portion 33 of Erf 8 Bridge City= R19 569 000 (Excl. VAT)

Portion 34 of Erf 8 Bridge City= R13 047 300 (Excl. VAT)

Portion 35 of Erf 8 Bridge City= R12 616 800 (Excl. VAT)

Portion 46 of Erf 8 Bridge City= R 7 545 450 (Excl. VAT)

Portion 47 of Erf 8 Bridge City= R 6 760 050 (Excl. VAT)

This certificate forms part of and must be read in conjunction with the complete valuation report.

Deeran Govender
Professional Valuer
SACPVP Reg No. 6394/0

14-10-2019

Date

VALUATION CERTIFICATE

I certify that I have inspected the subject properties and analysed market conditions. Based on the available data, together with my analysis and experience, it is my opinion that the estimate market values of the properties listed below as at 01 October 2019 is:

LAND DESCRIPTION	PLAN	ESTIMATED MARKET VALUE
Victoria Park – North of Baumann Road, and South of Gresham Place	SJ4724/2	R 44 755 000.00
Warwick Bus Depot – Ismail C Meer Street, and East of Market Road	SJ4724/10	R 51 000 000.00

Kindly note that the estimated values was determined on desktop exercise for initial reporting purposes.

Deeran Govender
Professional Valuer
SACPVP Reg No. 6394/0

14-10-2019

Date

ANNEXURE D

THE PURPOSE OF THE REPORT IS TO SEEK AUTHORITY FROM COUNCIL FOR THE SITES TO BE UTILIZED FOR SOCIAL HOUSING.

INFORMATION STATEMENT IN TERMS OF REGULATION 34(3)(b) OF THE MUNICIPAL ASSETS TRANSFER REGULATIONS (2008): THE INTENTION OF ETHEKWINI METROPOLITAN MUNICIPALITY TO ENTER INTO A LONG-TERM LEASEs AGREEMENT IN RESPECT OF THE VARIOUS PROPERTIES

1. PURPOSE OF THE INFORMATION STATEMENT

The purpose of the information statement is to outline for the public the necessary information required to make their inputs into the public participation process into the decision to either:

(a) enter into a long-term lease for 50 years in respect of Social Housing Developments

The information provided is in alignment with the requirements of:

(b) Regulations 34(1)(a) together with 34(3)(b) of the Municipal Asset Transfer Regulations, 2008.

2. OVERVIEW

As stated in the IDP, the IDP is to provide rental or cooperative housing options for low to moderate income persons at a scale and built-form that requires institutional management. This is provided by Social Housing Institutions (SHI's) in partnership with the Municipality. Priority is given to projects in designated Restructuring Zones (RZ) and strategically located mixed-use areas. Our vision is therefore to enable denser development, addressing spatial inequality with a mix of affordable and market-related housing and creating economic opportunities within our city so as to create a place with a vibrant and diverse economy that is accessible to all.

3. The reasons for the proposal to grant long term right to use, control or manage the relevant capital asset;

Social Housing is a rental or co-operation housing option which requires institutionalised management which is provided by accredited Social Housing Institution (SHI's) or accredited social housing projects in designated Restructuring Zones (RZ's). Social Housing provides good quality rental accommodation for low to medium income qualifying households earning between R1500 – R15000 per month. With the primary objective of urban restructuring, creating sustainable human settlements. The key role players in the delivery of social housing are National Department of Human Settlements (NDOHS), Social Housing Regulatory Authority (SHRA), National Housing Finance Corporation (NHFC) Provincial Department of Human Settlements (PDOHS), Municipality and the accredited Social Housing Institutions (SHI's).

The SHIs are private Non-Profit-Organisations that are formed to own/lease the property, undertake the development of social housing projects, facilitate and manage the properties,

collect rentals and repay any loans secured to develop the units. Once the Municipality has identified and approved a project in a demarcated Restructuring Zone, the SHI then submits an application for Restructuring Capital Grant (RCG) to the SHRA and to the PDOHS for Institutional Subsidy. Together with the Institutional Subsidies awarded by the PDOHS, SHIs are enabled to undertake refurbishments of existing buildings or green field's constructions, thereby availing decent affordable accommodation to the target market.

The role of the NHFC is to provide top-up loan funding to SHRA-accredited SHIs, which loan equates to the SHI's debt equity contribution to the social housing development.

4. **Any expected benefits to the municipality that may result from the granting of the rights;**

- Promote medium to higher density in respect of social housing development to ensure the economical utilisation of land and services.
- Promote the social, physical and economic integration of housing development into existing urban and inner-city areas through the creation of quality living environments.
- Promote, the expression of cultural identity and diversity in social housing developments.
- Promote, the suitability of social housing stock in respect of employment opportunities.
- Promote, the establishment, development and maintenance of socially and economically viable communities to ensure the elimination and prevention of slums and slum conditions.

5. **Any expected proceeds to be received by the municipality from granting of the rights; and**

The Municipality will receive a rental discounted at 90% of the fair market value in exchange for the granting of rights, furthermore the ,municipality will be attracting huge a capital investment of which will results in creation of jobs and boast the local economy of the immediate area.

6. **Any expected gain or loss that will be realised or incurred by the municipality arising from the granting of the rights.**

The property will remain in the ownership of the Municipality and there are no losses to be incurred from the granting of the right, the Municipality will realise the gains in the form of a substantial capital investment to be invested in the properties as all the cost for development will be borne by the successful developer. The Municipality will incur a saving in respect of the maintenance of the various property which will be the responsibility of the successful developer.