



CITY OF JOHANNESBURG

Metropolitan Centre, 158 Loveday Street. Braamfontein

P O Box 1049, Johannesburg, 2000

Tel: +27 11 407 7558 Fax: +27 11 339 5704

City of Johannesburg Press Statement by  
The Executive Mayor, Cllr Herman Mashaba

## **Mashaba responds to property valuations concerns**

01 March 2018

Release: immediate

I have taken note of the public response to the issuing of the City's Section 49 notices, which inform ratepayers of their new municipal property valuation. Unfortunately, this has raised a great deal of alarm, which I deem necessary to address.

The current narrative seems to suggest that the City, through the 2018 General Valuation Roll (GV), is forcing residents out of their hard earned money and to address a revenue crunch. Nothing could be further from the truth. This process is run independently from the City, and cannot be influenced by the City.

The implementation of the GV is a legislated process, taking place every 4 years, with prescribed steps which need to be followed. In the case of the City of Johannesburg, a 1 year extension was granted to implement the GV on 1 July 2018.

Johannesburg is a city of choice for many. It is a major economic hub on the continent and offer the many who flock here with the potential for a better life. The knock-on effect is the high demand for property and, in a space of high demand and limited supply, prices are likely to increase over a 5 year period.

In establishing the value of a property, the municipal valuer analyses the recent sales trends for property within a specific area as at the date of valuation, coupled with the relevant market information activity available for that area.

This therefore takes into consideration areas where values have declined, increased or remained stagnant due to the current state of the property market and the economy at large. This information provides the basis for the valuation.

In the case of the current valuations process, market values were determined as at 1 July 2017. According to the City's GV, the average increase for residential properties across the 879000 properties is 30% over the 5 year period. The movements in residential values can be allocated as follows:

- 4.61% of properties decreased;
- 10.44% of properties increased between 0 and 20%;
- 40.71% of properties increased between 21 and 40%;
- 30.65% of properties increased between 41 and 60%;
- 7.99% of properties increased between 61 and 80%;
- 2.23% of properties increase between 81 and 100%; and
- 3.38% of properties increased by more than 100%.

It must be noted that the values in the existing valuation roll (GV2013) were determined with the property market as at 2 July 2012, a 5 year gap between the two valuations.

Despite all this, measures have been taken to ensure that the current General valuation roll process is improved from that of 2013. The improvements include:

- the appointment of additional valuers to ensure that the City quality assures the GV2018;
- a service provider is in the process of being appointed to quality assure the overall GV2018;
- residents have been provided with 45 days to lodge objections to their valuations, 15 days more than the legal requirement of 30 days;
- a supplementary valuation panel has been appointed to assist with objections.
- A supplementary valuation roll is compiled to update the "Main" Valuation Roll. The aim of it is to correct errors, omissions, subdivisions, consolidations, rezoning, township development, building alterations, the construction of new buildings and any other exceptional reason that may change or affect the value of a property. Supplementary valuations are performed during each financial year.
- The Provincial Government has also appointed an independent appeal board to process objections not agreed to by the City so as to improve transparency and oversight; and

- An online platform has been created for the first time to ensure that the objection process is seamless, and residents do not have to deal with the inconveniences of walk-in centres.

It is important to note that a number of other factors could lead to increases in property value:

- Market changes - therefore there is a 5 year difference between the two dates in which the market has changed significantly;
- The property has been substantially improved since the last valuation; or
- The property could have been undervalued in the previous valuation roll.

This last point is critical, given the 2013 GV which has proved to be flawed. At the time, many objections were received, but thousands of cases of under-valuations were not addressed. The correction of these valuations in the 2018 GV is a necessity and had led to some reports of massive increases.

Where errors have been made in the process, I will see to it that the City works to be responsive and caring in our approach to correct the problem.

As our city grows, so does the need to maintain and improve municipal services.

It is our commitment to provide the best possible public services, facilities such as clinics and libraries, grow the economy through improved infrastructure, improve access to housing, and take care of the most vulnerable members of our society.

To do this, the City raises funds by levying rates against property values as registered in the GV. Every effort has been made, since taking office, to derive additional revenue from efficiencies, rather than increasing its rates and service charges.

We remain committed to this principle, especially given the disconcerting developments arising from the National Budget statement.

I encourage residents who would like to object to their valuations do so within the legislated objection period and in so doing, follow the specified processes and channels to ensure that their objection can be properly and fully administered.

Objections lodged via the City's website, [www.joburg.org.za](http://www.joburg.org.za), under the e-services tab and follow the prompts leading to the valuations webpage.

Alternatively, hardcopy forms are available at one of the following venues:

- City Power. The Blue Square Boardroom. 40 Heronmere Street, Booyens;
- Ennerdale Customer Service Centre: Cnr. Katz and Smith Walk Road, Ennerdale Ext.9;
- Lenasia Civic Centre, Cnr. Rose and Elland Road, Lenasia;
- Eldorado Park Customer Service Centre: 4046 Link Crescent Avenue, Eldorado Park Ext.5;
- Orlando East Customer Services Centre; 1425A Sofasonke Street, Orlando East; Soweto;
- Protea North Customer Service Centre: 229/49 Kunene Street, Protea North;
- Roodepoort Customer Service Centre: 1st Floor – 100 Christiaan De Wet Road, Florida;
- Randburg Civic Customer Service Centre. Cnr. Bram Fischer Street and Jan Smuts, Randburg;
- Sandton Customer Service Centre, 137 Daisy Str, Sandton;
- Midrand Customer Service Centre, 300 15th Road, Midrand;
- Thuso House Customer Service Centre, 61 Jorissen Street, Thuso House; and
- Jabulani Customer Service Centre, 1 Koma Road, Jabulani.

**Cllr Herman Mashaba**  
**Executive Mayor**  
**City of Joburg**

**Media Enquiries:**

**Luyanda Mfeka**

Director: Mayoral Communications

Office of the Executive Mayor

Cell: 076 171 5978

Email: [luyandam@joburg.org.za](mailto:luyandam@joburg.org.za)