

Process followed by the City of Joburg Property Company SOC Ltd (JPC) with regard to Leasing/Selling of Council-Owned Properties

Application process Stage 1



Persons wishing to enquire about the possibility of leasing/buying land or any other property related enquiries eg. encroachments, sanitary lanes, servitudes etc. must do so by lodging an enquiry on the standard enquiry form at JPC's Client Servicing Unit (CSU).



All enquiries will be assessed within fourteen (14) working days of submission by JPC's Assessment Committee.
 If the enquiry is supported, the enquiry will move onto Stage 2.
 If the enquiry is not supported by JPC, eg. property required for future use, zoning, not for sale etc. the enquiry will be deemed to be closed.



A written response to all enquiries will be issued within fourteen (14) working days.
 The response will advise whether the sale/lease by private treaty can be supported as well as the estimated costs related thereto.
 All other property related enquiries eg. encroachments, sanitary lanes, servitudes etc. will follow the same process.

Stage 2



Once all comments by D&ME's and Ward Councillors' are received, a report will be submitted to the City of Johannesburg's (COJ) committee cycle to request approval (in terms of section 14(2) of the MFMA) from Council for all property related transactions eg. sales, leases, encroachments, sanitary lanes, servitudes etc. of the property in principle.



JPC will obtain the comments of D&ME's and Ward Councillors, to ensure that the property is not required by D&ME to provide basic municipal services in compliance with the Municipal Finance Management Act 56 of 2003 (MFMA).
 If any objections are received to the lease or sale of the property, the applicant will be informed in writing and the application will be deemed finalised.



Applications may be submitted after a positive response has been received from the JPC Assessment Committee arising from the enquiry.
 The application will then proceed with the approval process, upon payment of the application fee.



Once in-principle approval is obtained, a report will be submitted to the COJ's EAC to consider the terms of the proposed property transaction.



Once EAC approval is obtained, an agreement will be drafted and signed by the applicant and JPC.

Request for Proposals



JPC will issue four bulk public RFP/tenders per annum (one per quarter). This will include a number of properties which have been approved by Council, for both social and commercial purposes in all COJ regions.
 Bids must be submitted on the prescribed forms within the timeframes stipulated on the bid document.



Bids received will first be evaluated by the JPC Bid Evaluation Committee.
 Thereafter, the COJ's EAC, in terms of the criteria stated in the bid document, will award the tender to the successful bidder.



Once EAC approval is obtained, an agreement will be drafted by JPC and signed by the client.



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Frequently Asked Questions

Which Council-owned properties are available for selling/leasing?

In terms of the Municipal Finance Management Act 56 of 2003 (MFMA) only properties not required for the provision of basic municipal services may be sold/leased. For this reason, JPC is required to first obtain the comments of all Council Departments and Municipal Entities (ME's) before submitting a report to Council to obtain approval for the sale/lease of all properties.

When can properties be sold by direct negotiation (private treaty)?

The MFMA requires that, in principle, all properties are sold/leased by way of a competitive bidding process (public tender). In certain cases, however, the Council may approve a direct negotiation. The motivation for such deviation is stipulated in Clause 36 of the Municipal Supply Chain Regulations and Chapter 5 of the Supply Chain Management Policy for Land. Common reasons for approval of deviation include disposal/sale in the public interest or cases where it is impractical or impossible to issue a bid including the sale/lease of land to adjoining owners where the subject property can't be independently developed.

Is Council-owned land cheaper than other land?

In terms of the MFMA, the Council is required to sell/lease properties at full market related prices. Approval may be given for lower than market rental/sales in cases of public benefit and the plight of the poor only.

Who makes the decision regarding the sale/lease of properties?

The City of Joburg Property Company SOC Ltd acts as an agent for the City of Johannesburg for the lease/sale of Council-owned properties. The sale/lease of Council-owned properties is regulated in terms of the MFMA.

In terms of this Act, all decisions regarding the sale/lease of Council-owned properties are taken by the Council. A full sitting of Council must decide whether a property is not required for municipal services and can be leased/sold.

The Executive Adjudication Committee (EAC) of the City of Johannesburg (CoJ) must approve the terms of all leases or sales.

How long will my application take?

The full duration of the process from submitting of an application to the signing of an agreement should take approximately 10 – 12 months. Where objections are received to applications or delays are experienced from Council or D&ME's the process will take longer.

The following process will be followed:

Process	Time frame
• Enquiry	14 days
• Complete an application	Applicant
• Obtaining comments from D&MEs and Ward Councillors	3 – 4 months
• Council's Approval (Section 14(2))	4 months
• EAC approval	2 months
• Signature of agreement	1 – 2 months

Is there a list of available properties/buildings?

JPC will release available properties/buildings for lease/sale by public tender once per quarter. A list of the properties being prepared for tender will be available from JPC's CSU.

The process outlined in the value chain above is merely a guideline. It is not intended to be all inclusive or exhaustive of each and every step, which must be followed of necessity in the value chain. The City of Joburg Property Company SOC Ltd (JPC) reserves the right to dispense with or add any step in appropriate cases within its discretionary powers in accordance with its authority and all relevant and applicable policies and legislation. Identification of a property or site by any person does not give such person a prior right or entitlement to such property. Subject to all legislative and policy requirements being met, any award, disposal, leasing, selling and management of property, site and/or land managed by the JPC shall be approved by the City of Johannesburg Metropolitan Municipality as the Principal of the JPC. The JPC offers no undertaking that the following of all the steps outlined above will result in the successful sale or leasing, or management of property, land or site to and/or by any person.